



Transparency Report

PricewaterhouseCoopers Channel Islands

Year end 30 June 2023



100 years of building trust
in the Channel Islands

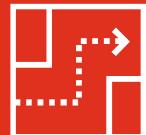


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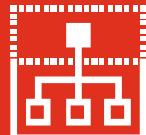
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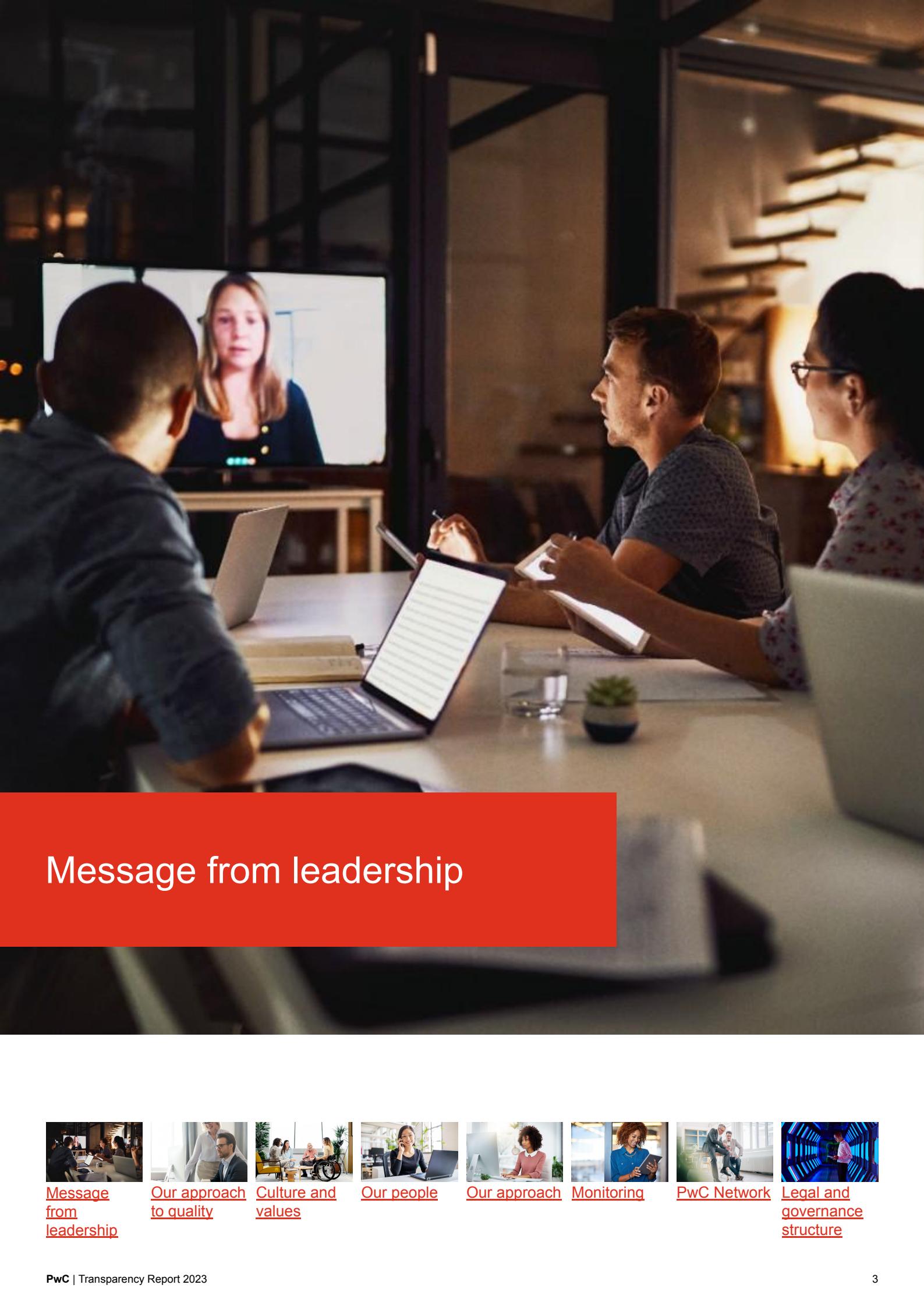
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Message from leadership



Nick Vermeulen

Welcome to our 2023 Transparency Report

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with more than 364,000 people who are committed to delivering quality in assurance, advisory and tax services. We're committed to driving a strong culture of quality and excellence that is core to our purpose.

PwC's global strategy, The New Equation, responds to fundamental changes in the world, including technological disruption, climate change and fractured geopolitics. The New Equation focuses on two interconnected needs that clients face: to build trust, which has never been more important, nor more difficult, and to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater.

As part of The New Equation strategy, the PwC Network is making an incremental US \$3bn investment in quality. This includes a \$1bn investment in a five-year programme to deliver a next generation audit ecosystem - human-led, tech-powered and data-driven. It will enable us to make continuous improvements to audit quality by further standardising, simplifying, centralising and automating our audit work, transforming the experience for our stakeholders and our people.

Percentage of Assurance professionals surveyed who report



The people I work for trust me to use flexibility options without compromising the quality of my work



* We conduct detailed analysis over survey results each year in consultation with line of service representatives. Whilst these results have shown a slight decline this year, they are still strong results that we are proud of. We understand the nature of the changes and continue to take action on survey results where relevant.

Message from leadership

I'm delighted to introduce our 2023 Transparency Report. The annual publication is designed to help our key stakeholders and wider society within the Channel Islands understand our objectives, what we expect from our people and how we're governed. While PwC is a multidisciplinary firm, this report is primarily focused on our audit practice and related services.

A chance to reflect

2023 marks the centenary for PwC Channel Islands. More than just a celebration, this has been a chance to reflect on our purpose as a business and what drives us personally. Our mission is to build trust in the Channel Islands and help solve the important problems facing our communities, businesses and governments.

In the short-term, these problems include the economic uncertainty, geopolitical instability, high inflation and high interest rates that are driving up the cost of living and weighing down on business prospects here and worldwide.

Looking to the longer-term, we face a series of megatrends including climate change, technological disruption, an ageing population and the retreat from globalisation in a politically fractured world. These are developments that affect the entire world. But the environments and economies of island states like ours are especially vulnerable, underlining the need for farsighted, multigenerational solutions.

Audit underpins confidence and investment

Far from being just a regulatory necessity, effective audit is crucial in helping to address these short and long-term issues.

In times of economic uncertainty, audit can help give investors the confidence they need to sustain investment and protect jobs. Similarly, investment in the green infrastructure and innovation needed to drive the transition to net zero depends on transparent, informative and accurate financial information. Through careful examination, verification and challenge, high quality audit helps to make sure that the information being presented is true and fair.

But the challenges our audit teams face are ratcheting up all the time as disruption mounts, business operations become increasingly complex and regulatory and investor demands grow ever more exacting. This is also a time when stakeholder trust is more fragile and difficult to earn than ever.

Human-led, tech-powered solutions

In our view, delivering quality audits requires three foundations – talent, technology and trust. Rather than being distinct priorities, PwC's human-led, tech-powered [The New Equation](#) strategy recognises the interdependence of talent, technology and trust in building credibility and creating a community of problem-solvers.

We believe that the successful organisations of the future will be the ones that create a virtuous circle between building trust and delivering sustained outcomes.

The talent to deliver

Looking specifically at talent, we need to attract, nurture and inspire high quality auditors at a time when people with the necessary qualifications and potential are in short supply. This is a problem everywhere, but especially so here in the Channel Islands where there aren't enough people coming into the workforce to offset ageing populations.

We can't just rely on short-term fixes to secure the talent we need. We have to develop multigenerational solutions, not just within PwC, but the Channel Islands as a whole.

The confidence to succeed

The natural starting point for talent development is schools. Our [Hive Hackers](#) programme helps primary and secondary school students to gain the skills and confidence they need to thrive in an increasingly digitised world. Since Hive Hackers was launched in 2020, we've delivered face-to-face and remote courses to more than 4,000 primary school students and 600 secondary students across Guernsey, Jersey, Alderney and Sark.

Rather than being an after-school club for students already interested in computing, we want Hive Hackers to appeal to all children and young people, however tech-savvy they are to start with. The courses are fully aligned with the national curriculum and designed to be taught as part of regular lessons. At the same time, we try to make the courses as enjoyable and accessible as possible.

Through initiatives like Hive Hackers, we're able to bring our purpose and commitment to our communities to life. The skills base within the Channel Islands is stronger as a result. And, yes, we hope that by offering young people this kind of inspiration and fun, they might consider working for us when they leave education.

Extending opportunity and choice

As part of this long-term focus, we've also been developing new pathways into the audit profession including our higher apprenticeship programme for school-leavers. Alongside our graduate programme, this gives us access to a great pool of talent and helps create a more diverse workforce. In turn, trainees can open up a career as chartered accountants without being burdened with significant student debt.

Our 'Flying Start' programme will further increase our access to talent, strengthen the diversity of backgrounds within our workforce and support social mobility across the islands as a whole. The programme opens up opportunities to work towards a degree in accountancy from a leading university, while earning a salary and acquiring on-the-job training and is open to applicants with a range of qualifications.

Message from leadership

Getting the balance right

Once part of the team, we seek to empower our people and support their [wellbeing and work-life balance](#) through flexibility in how, when and where they work. On top of being the right thing to do, we benefit from a more motivated workforce and the ability to attract and retain great auditors and support staff.

Interestingly, while our workplace flexibility includes the option to work from home, we have one of the highest office attendance rates within the UK offices of PwC, so much so that we've expanded our office space in Guernsey and are looking to do so in Jersey in the coming year. Whilst shorter local commutes might be a factor in higher rates of office working, our staff are also motivated by a desire to collaborate and learn from others. I think it reflects the sense of belonging and togetherness that are so important to our success.

As ways of working evolve, the challenge is how to get the balance right. The office plays a critical role in fostering innovation, enhancing personal development and increasing access to face-to-face coaching and encouraging innovation. But offering our people the flexibility to get the mix that works for them and their teams is the key.

Broadening experience and insight

We believe that strengthening the diversity within our workforce is crucial. Key priorities include broadening the gender and ethnic balance within our senior management team.

The islands of [Guernsey and Jersey](#) have high numbers of 'non-employed' women, as well as both men and women who are not economically active over the age of 50. This is a significant pool of potential talent that we at PwC are determined to tap into.

The starting point for boosting diversity is gathering data to understand our workforce demographics. This provides us with an informed and trackable basis to tackle equality gaps and appeal to a wider demographic.

We also recognise the importance of creating and sustaining a culture that is genuinely inclusive and offers everyone the chance to succeed. The direction, behaviour and accountability of our senior team play a key role in this – for example, if people see that a member of the leadership team works flexibly, they are more likely to take up such opportunities without fear it could hamper their chances of promotion.

How far have we come? We're making some progress. If we look at our gender pay gap across all staff, a key indicator of the proportion of women within high paid roles, our 2023 gap was 2.3% in favour of men, improved from 3.8% in 2022. This compares to a 16% pay gap in the economy of Guernsey and 11% in Jersey. But when we include partners in our PwC Channel Islands gender pay gap calculation, the gap is higher and underlines the importance of our continued focus on creating more gender balance at the partnership level.

More broadly, the audit and support teams in our offices in Alderney, Guernsey and Jersey bring together a rich array of experience, expertise and life journeys. Some like me have been born and bred on the islands, then worked abroad, before returning to continue their careers here, others have made their homes and careers here. In all, our workforce brings together people from more than 30 nationalities. I believe that this diversity gives us fresh perspectives and helps foster innovative ideas, while guarding against the dangers of groupthink.

Exploring fresh horizons

In seeking to retain and motivate great audit teams, we recognise the importance of keeping work fresh, offering new challenges and reducing the risk of burnout. This might be working in a new team, going on a secondment abroad or taking some time off to study or go travelling.

In the final reckoning, PwC will always be a net exporter of talent. Many auditors choose to take up other opportunities once they've qualified with us. But we see this as a positive, a chance to strengthen the talent pool and wider economic potential within our islands.

Empowered by technology

From a technology perspective, our capabilities are being progressively enhanced by PwC's [next generation audit ecosystem](#). In line with our human-led, tech-powered approach, next generation audit combines expertise and innovation to streamline our audit process. The results should be a smoother experience that addresses common challenges and minimises error. We're also looking to reduce the overall audit burden by streamlining and standardising processes and focusing our work on areas of higher risk.

Living up to our promises

We know that our ability to build and sustain public trust depends on what we do as a business, rather than just what we say.

An important part of this is our strategy and progress on sustainability, social inclusion and other Environmental, Social and Governance (ESG) priorities.

By the end of this decade, we're committed to [cut our greenhouse gas emissions by 50%](#) from our 2019 baseline. Contributing measures range from reducing carbon-intensive travel to switching to 100% renewable energy. In line with The New Equation strategy, our ESG commitment also includes transparency, and helping to develop robust ESG reporting frameworks and standards. In this respect, the main priority in 2022-23 has been developing the right metrics to measure the journey towards our goals. We're now finalising these ready for future disclosure.

Developing credible and comprehensive emissions measurement is challenging. But important strides are being made. Our work can strengthen our own reporting, while providing insights and guidance for clients in their increasing ESG reporting, some of which could eventually be subject to independent audit.

Message from leadership

Ready for the future, learning from the past

We need to be ready for the future by strengthening our agility, capability and ability to sustain public trust. In laying the foundations for our own growth and support for clients and investors, key developments ahead include the planned modernisation of our operating model and support functions. The overhaul will help us to boost capacity, future-proof capabilities and speed up decision making.

Feel free to get in touch

So, if I opened my introduction by stressing both the importance of audit in addressing the epochal challenges our islands and the world as a whole face today, then I hope this report helps highlight how we're seeking to live up to these expectations.

If there are any issues that you would like to discuss, please feel free to get in touch.

Nick Vermeulen

Territory Senior Partner
PwC Channel Islands



A message from our Assurance Leader

Quality remains our top priority. We're focused on delivering consistently high-quality audits that meet the needs of investors, the organisations we audit and wider stakeholders. We've invested significantly in our audit practice over the last few years in order to strengthen audit quality and credibility in practice.

Systematic foundations

Our robust methodology begins with a systematic assessment of the organisation we're auditing. This ensures that we have a clear understanding of its business model, its key systems and processes, data flows and overall control environment. This assessment helps to inform both our planning and risk evaluation ahead of the audit. We can then design the audit plan and begin extracting and testing the data.

We harness the power of technology throughout our audits, from risk assessment analytics in planning to the use of automation, data auditing and visualisation techniques in our testing. The benefits include a significant increase in how much data we can scrutinise and test – a whole area identified in the risk assessment, rather than just samples, for example. Technology also enhances the data analytics and insights we build into our audits, while freeing up our professional teams to spend more time on judgement and challenge.

Strengthening planning and review

To strengthen our methodology, 2022-23 saw the roll-out of a more structured approach to Engagement, Performance and Quality (EPQ). To improve planning and oversight, tasks to be completed are broken down into a series of bite-size chunks. This is backed up by greater information sharing and closer coordination between team members, so each knows who needs what by when.

To further strengthen quality, we're investing in an enhanced and expanded Real Time Review (RTR) programme. The RTR will be carried out by a dedicated review team and cover audits performed by all engagement leaders.

Human-led, tech-powered

Talent is of course central to audit quality. Key developments in 2022-23 include an increase in the proportion of training carried out face-to-face. The enhanced engagement leads to training that is more personalised and effective.

Underpinning this is a culture that sets high expectations for audit quality and reinforces this with a commitment to continuous improvement, pride in our work and readiness to challenge. These behaviours are embedded into everything we do, from audit training to delivery and the evaluation of our people's performance.

Nonetheless, we're deeply conscious of the need to strengthen and sustain public faith in the ethics and practice of auditing. Key foundations include clear lines between the auditor and the business being audited. Whilst the out-of-territory personal independence monitoring we conduct over our people has resulted in positive results, we continue to focus on this area in our training sessions, as it's so vital to maintaining trust in the audit profession. Following the UK Financial Reporting Council's calls for greater vigilance over cheating in professional qualification exams across the audit sector, we've also been running dedicated training to underline our expectations in this area and ethics and integrity more broadly, including encouraging a speak-up culture.

Clear governance and leadership

In recent years, we've split the roles within our leadership team to allow for more focused direction and evaluation.

Splitting the role of External Audit Leader and Territory Senior Partner allows me to continue to dedicate all of my time and expertise to developing our audit service and driving audit quality. We also split the quality leader and risk management roles. Risk focuses on setting the right approach and ensuring the appropriate people are assigned to particular roles and engagements. Quality focuses on day-to-day management and compliance with regulations and internal procedures. We also have a director responsible for audit methodology, who has built a team of audit specialists to support the wider engagement leader team within the more complex, judgemental aspects of auditing and accounting matters we come across.

Investment in advanced tech capabilities

Technology helps us to deliver sharper oversight and data-driven insight. Across our global network, ongoing improvements include a five-year \$1 billion investment in our [next generation audit ecosystem](#). Next generation audit aims to transform the efficiency, experience and value potential by further standardising, simplifying and automating our audit work.

Within PwC Channel Islands, we've stepped up direct investment in some of the cutting-edge innovations being pioneered within our network. This means that our clients will be first in line to benefit from the developments as they are rolled out worldwide.

We also recognise that it takes a skilled and inspired team to harness new technology and make the most of its potential. To support our upskilling programme, our people can volunteer to train and work as 'digital accelerators', championing new developments and working with their teams to implement new systems and maximise their potential. Digital accelerators also take the lead in challenging what we do, and how it could be done better to make it more efficient and useful to investors and clients.

A message from our Assurance Leader

Access to talent offshore

Reflecting the need to sustain value for money for clients and expand access to audit talent, we augment the resources available to us through support from qualified auditors in other parts of our network. A key part of this is an arrangement we've established in South Africa in partnership with the local PwC firm, providing us with access to skilled members of their audit practice which increases our capacity to serve our local clients. Overall, almost a quarter of our total audit hours are now delivered through a combination of remote secondees, delivery centres and the arrangement described above with PwC South Africa. As part of our offshore support, we provide additional training to experienced auditors who join us from other firms or jurisdictions, to ensure consistent quality and compatibility of approach.

We need to keep listening, keep improving

These developments have helped us maintain an enviable record in recent years on the annual audit file reviews led by experienced Partners from other member firms within the PwC Network. But we can't afford to be complacent. Stakeholder expectations are rising all the time. To meet them, we need to have the right people, with the right skills at the right time. As well as people working directly on client engagements, this also includes having a strong internal quality function to support these teams. Over the past year, we've made significant investments in the capacity and capabilities within the quality function to best support teams. This includes an enhanced Root Cause Analysis function, performing reviews throughout the year, whenever any matters are identified. The Root Cause Analysis function considers multiple causal aspects, such as culture and mindset, guidance and methodology, and processes and controls.

Resulting priorities for the year ahead include extending the benefits of new audit technology across our client base. We're also training more digital accelerators to encourage greater understanding and deployment of the latest digital innovations. More broadly, we're looking at how to create more varied and challenging career pathways for our audit professionals, helping them to develop valuable new experience and strengthen motivation and retention within our team.

Karl Hairon

Territory External Audit Leader
PwC Channel Islands

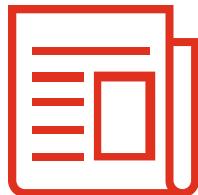


Karl Hairon



Year in review

Financial statement restatements



FY23: 0
FY22: 1

Number of financial statement restatements involving Market Traded Companies due to material errors

Partner and staff survey

83% **94%**

of our staff and partners participated in our Global Pulse Survey

of the respondents believe they are encouraged to deliver high quality services

Mandatory training attendance

100%

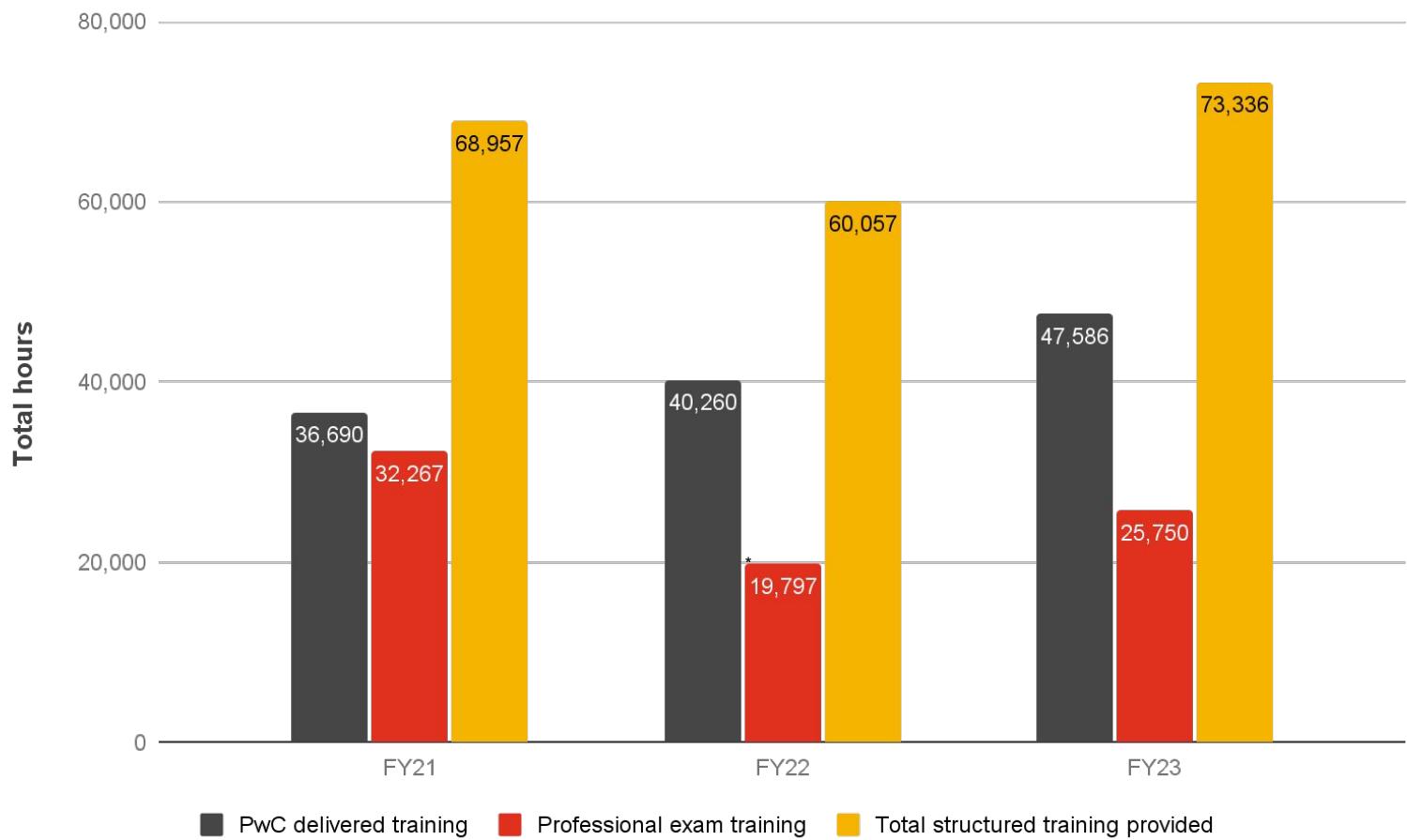
of partners and staff have completed all mandatory training attendance for the PwC training year, running from 1 Jan to 31 Dec

Technical support

1 to 3.3

Ratio of partners serving in technical support roles to the total number of audit partners

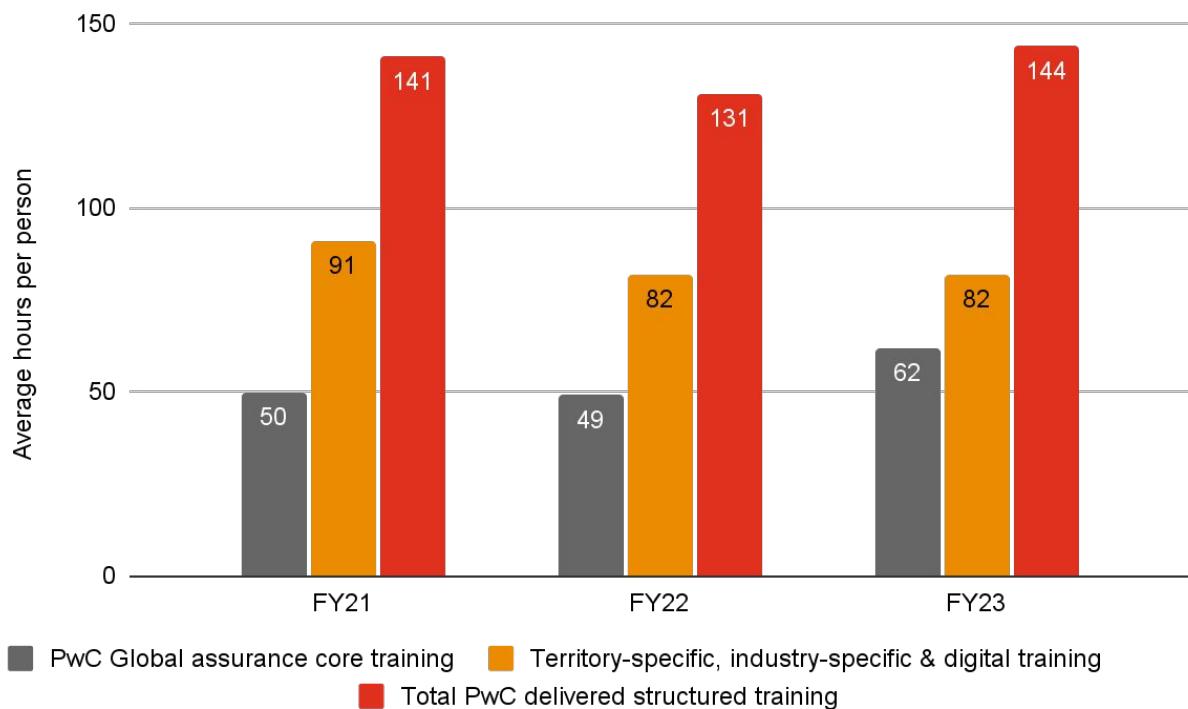
Assurance and Professional exam training (hours)



* Professional exam training hours were higher in FY21 due to training being rescheduled from FY20 into FY21 as a result of covid restrictions. Additionally, there was a reduction in the average number of associates under training contracts during FY22.

Year in review (continued)

Assurance training (hours)

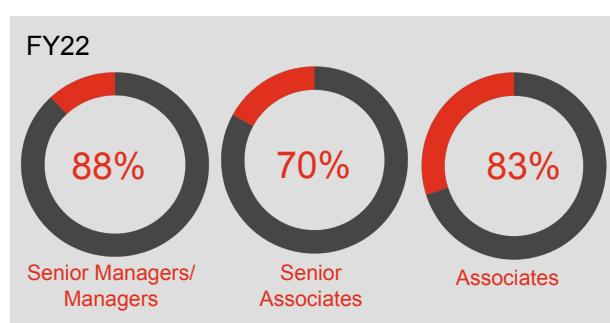
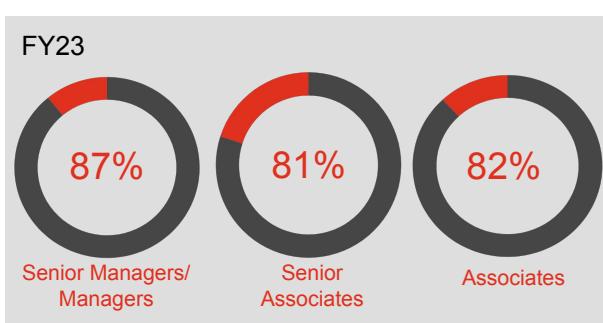


Ratio of audit-related hours for audit team members including data specialists and out of territory team members

			FY23			FY22		
Partners/ Directors	to	Senior Manager/ Manager	1	to	4.0	1	to	3.5
Senior Manager/ Manager	to	Staff below Senior Manager/ Manager grade	1	to	4.3	1	to	4.5*
Partners/ Directors	to	Staff below Senior Manager/ Manager grade	1	to	17.3	1	to	16.0*

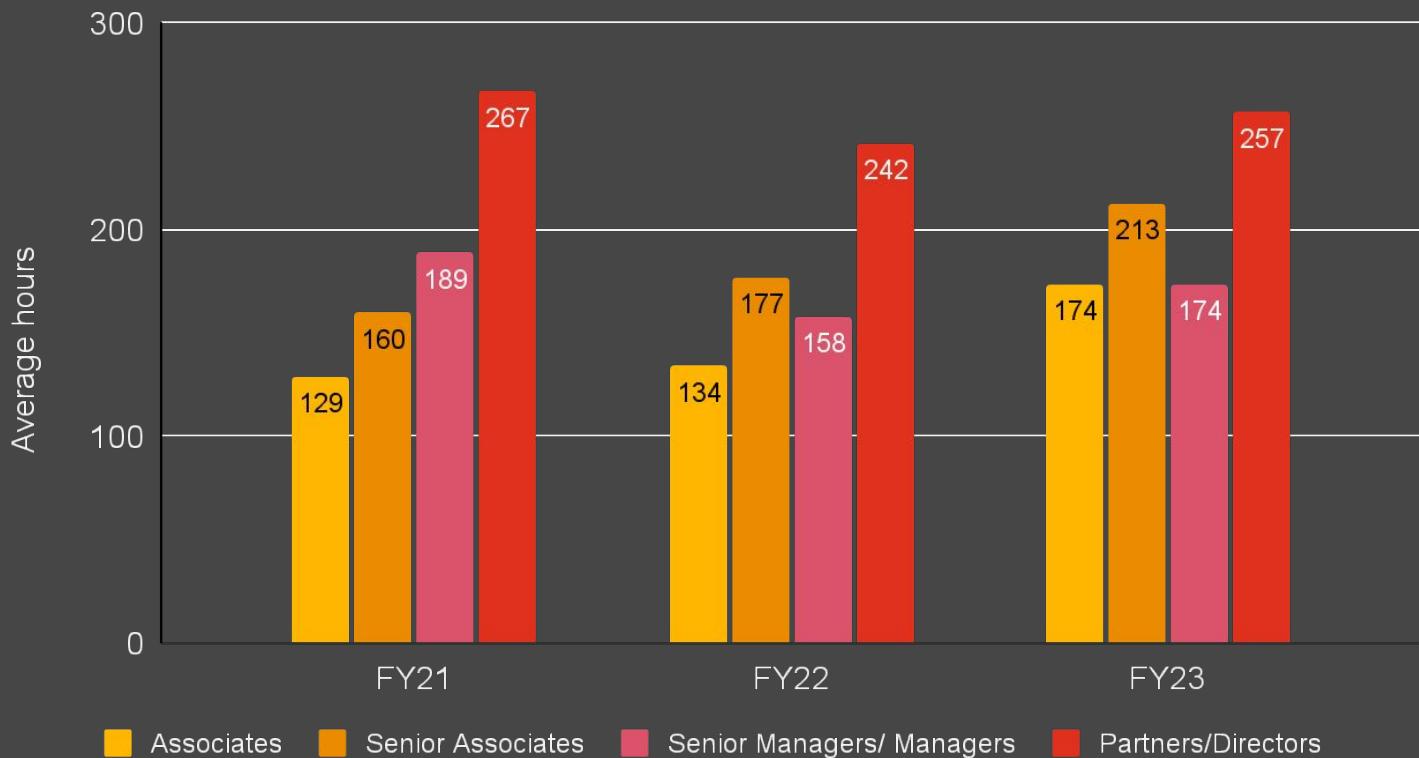
*FY22 has been restated to exclude all hours, including out of territory team member hours, that were deployed in servicing non-CI assurance clients. For example, where out of territory and CI resources were used to support other network firms' assurance clients

Average retention rate by staff level



Year in review (continued)

FY23 Assurance overtime hours by level for Channel Islands-based staff



Our system of quality management

Hours spent on internal and external PwC network-driven reviews of the firm's internal system of quality management

3,920 hours



13

Quality management deficiencies self-identified or from PwC network-driven reviews

Real time reviews

Number of FY23 year end audit engagements included in the Real Time Review program

25 audit engagements

With over **1,266** hours spent by reviewers on real time reviews during FY23

Percentage of non-specialist audit hours performed out of territory

FY23: 23.3%

FY22: 23.2%*

*FY22 has been restated to exclude all hours, including DDM hours, that were deployed in servicing non-Cl assurance clients. For example, where DDM and Cl resources were used to support other network firms' assurance clients

Average experience of our audit partners



20 years at PwC

8 years as partner

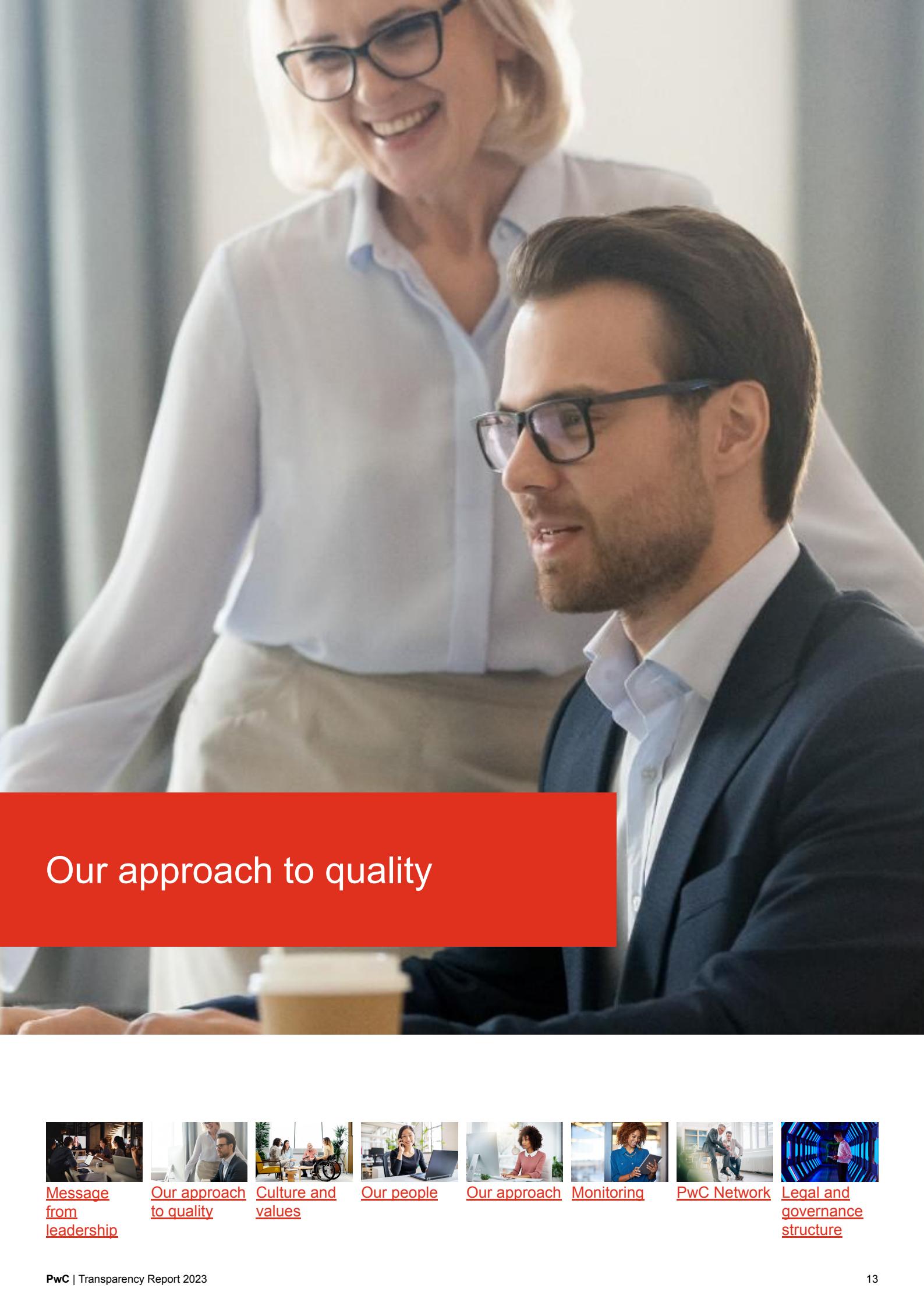
Average experience of our audit directors



10 years at PwC

4 years as director*

*Directors are engagement leaders with audit signing rights, who are not partners



Our approach to quality



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Our approach to quality

A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it's what our stakeholders rightly expect of us.

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC Network has established the Quality Management for Service Excellence (QMSE) framework which integrates quality management into how each firm runs its business and manages risk.

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and each firm's system of quality management (SoQM) should be designed and operated so that the overall quality objective, which includes meeting the objectives of ISQM 1, is achieved with reasonable assurance.

The International Standard on Quality Management 1 (ISQM 1)

ISQM 1 became effective 15 December 2022 and required all firms performing audits or review of financial statements, or other assurance or related service engagements to have designed and implemented a SoQM to meet the requirements of the standard.

The PwC Network's Assurance QMSE framework was designed to enable our firms to meet the requirements of ISQM 1. This includes design and implementation of the SoQM to comply with ISQM 1 to meet the effective date and evaluation of the SoQM under the standard by 15 December 2023.



Overall quality objective

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders

Integrated and aligned in the right way

The quality objectives focus on having the necessary capabilities and to deploy our people consistently using our intellectual and technological resources to deliver audits in an effective and efficient manner that fulfils the expectations of our clients and stakeholders. Put simply, designing our business and processes to deliver consistently high-quality audits.

To help us achieve these objectives, the PwC Network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The Quality Management Process

The achievement of these objectives is supported by a **Quality Management Process (QMP)** established by our firm and Assurance leadership, business process owners, and partners and staff. This Quality Management Process includes:

- identifying risks to achieving the quality objectives;
- designing and implementing responses to the assessed quality risks;
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance, as well as appropriate Assurance quality indicators;
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analysis and implementing remedial actions; and
- establishing a quality-related Recognition and Accountability Framework to be used in appraisals, remuneration and career progression decisions.

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

The key factors that impacted our system of quality management

Our System of Quality Management (SoQM) must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, evaluating, assessing, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our Quality Management Process (QMP). Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective, taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

The past several years have seen unprecedented challenges and our firm's SoQM under the QMSE framework has helped us navigate and react to the impact that identified factors had on our ability to achieve the overall assurance quality objective - to deliver quality audit engagements.

Our SoQM involves a dynamic risk assessment process that takes and analyses the information about these conditions, events, circumstances, actions or inactions which may result in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses.

2023 key factors impacting our SoQM

This year, we've seen various factors impact our SoQM but in particular, some of the more meaningful conditions, events, circumstances actions and/or inactions that have necessitated changes to our SoQM include:

Implementing ISQM 1 and embedding it into the SoQM – In 2022, we performed a gap analysis to identify aspects of the new standard which required additional consideration ahead of the implementation date. Whilst we had already implemented a number of the requirements of ISQM 1 prior to the gap analysis, as most of the requirements were already covered by the PwC QMSE quality framework, there were some areas which required further work in 2022 to fully comply with the standard. A detailed ISQM 1 implementation plan was formulated and monitored. An impact of ISQM 1 and revisions to the PwC QMSE framework, which identified a gap to be remediated, was the requirement for enhanced levels of documentation covering all key processes and controls. This has required additional resource and points of accountability across support teams.

Technological resources was an area of continued focus for QMSE during the year. This was driven by the updates introduced in ISQM 1, as well as the focus on and developments in Global PwC guidance on Network Resources, Network Assurance Software Tools (NAST) and other service providers. The CI firm has benefitted from an increased breadth of reporting from the PwC Network, and from other PwC member firms who support us in our operations.

Adoption of new systems – The CI firm has been an early adopter of some PwC global systems. Early adopting systems has provided PwC Channel Islands with a greater voice in ensuring that these systems can be tailored to efficiently address territory-specific requirements. An example would include the stringent and complex AML requirements in the Channel Islands. Through adopting the early versions of these systems, our staff have been faced with challenges in using these systems during their journey to maturity. To address the quality issues that this may have presented, dedicated support teams, whose primary function is to operate these systems, have been established.

Training integrity and unethical behaviour – During the year there has been significant focus on enhanced communications of our expectations over the integrity and unethical behaviour-related risks associated with training and assessments. This was in response to increased market and regulatory focus on unethical behaviour and training integrity in the profession and we expect this enhanced public scrutiny to continue. Additional QMSE risk responses were added in 2022.

Impact of the Russia/Ukraine conflict – The continued impact of the ongoing conflict, including sanctions issues and the separation of the Russian firm, was considered across all the QMSE objectives from a risk perspective to assess the extent of any changes required.

Statement on the effectiveness of our internal control system

Based on the results of the activities described above, as well as consideration of regulator reviews and the results of other monitoring activities, we're satisfied that our SoQM provides us with reasonable assurance that the objectives of the SoQM are being achieved. Whilst no severe and/or pervasive deficiencies have been identified by us, through PwC Network-driven reviews, or by regulators, some deficiencies and areas of improvement were identified. These have either been remediated, or continue to be remediated.



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Our culture and values



Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of 364,000 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.



Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC Network – is required to have in place a comprehensive System of Quality Management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC Network is continually reviewing and updating the scale, scope and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC Network provides.



Our firm's commitment to quality



Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in what matters - how we do business, with each other and in our communities.

Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG, cybersecurity, and more can affect its reputation, staff retention, access to capital, and ultimately enterprise value.

That's why we're evolving our assurance offering to be able to provide confidence not just in companies' financial statements but also in their impact on people and the planet as well.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

This culture is supported by appropriate tone at the top through regular communication from leadership to all partners and staff about the firm's commitment to quality. Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. We track whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we're confident our people understand our quality objectives. Delivering service of the highest quality is core to our purpose and our assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and across the wider society.



Aim to predict: Assurance Quality Indicators

We've identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.



Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

- i. **Integrity** – to be straightforward and honest in all professional and business relationships.
- ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- iii. **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
- v. **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/ fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network and leadership in PwC Channel Islands monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Channel Islands has adopted the PwC Network standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals - behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal - to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Channel Islands are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers at our firm and have a responsibility to report and express concerns, and to do so fairly, honestly and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and all staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviours that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

The PwC Code of Conduct and the ethics helpline are available online for all internal and external stakeholders at <https://www.pwc.com/ethics>.

PwC Channel Islands has a Recognition and Accountability Framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC Network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.



Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph. PwC Channel Islands has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy, including managing the related independence processes and providing support to the business. The partner, Lisa McClure, is supported by a small team of independence specialists. The PRI reports directly to the Territory Senior Partner.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements e.g. bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. 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.

PwC Channel Islands supplements the PwC Global Independence Policy as required by local regulations and other relevant regulations, including the independence requirements of the United States Securities and Exchange Commission and those of the Public Company Accounting Oversight Board of the United States and the United Kingdom Financial Reporting Council's Ethical Standard, where they are more restrictive than the network's policy.

Independence-related systems and tools

As a member of the PwC Network, PwC Channel Islands has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with their independence policies and procedures. These include:

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities), as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system.
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly-traded securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required.

Independence-related systems and tools (continued)

- Authorisation for Services (AFS) which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service.
- Joint Business Relationships (JBR), which is a global system used to clear joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships.
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements), where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code.

PwC Channel Islands also has a number of Channel Islands-specific systems which include:

- a rotation tracking system which monitors compliance with PwC Channel Islands' audit rotation policies for engagement leaders and other key audit partners involved in an audit; and
- a database that records all approved close business relationships entered into by PwC Channel Islands. These relationships are reviewed on a six month basis to ensure their ongoing permissibility.

Independence training and confirmations

PwC Channel Islands provides all partners and practice staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on PwC Channel Islands' independence policy and related topics. Additionally, face-to-face training is delivered to our people on an as-needed basis by PwC Channel Islands' independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for listed and SEC-restricted clients.



Independence monitoring and disciplinary policy

PwC Channel Islands is responsible for monitoring the effectiveness of its system of quality management in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- compliance testing of independence controls and processes;
- personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies; and
- an annual assessment of our firm's adherence with the PwC Network's standard relating to independence.

The results of PwC Channel Islands' monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PwC Channel Islands has a Recognition and Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the PwC firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Channel Islands' systems and processes and for additional guidance and training.



Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We've established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we're competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

Client and Engagement Acceptance and Continuance

PwC Channel Islands has a process in place to identify acceptable clients based on the PwC Network's proprietary decision support systems for audit client acceptance and retention (called Acceptance). Acceptance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance.
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement.
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

PwC firms (including PwC firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements.
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio.
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.

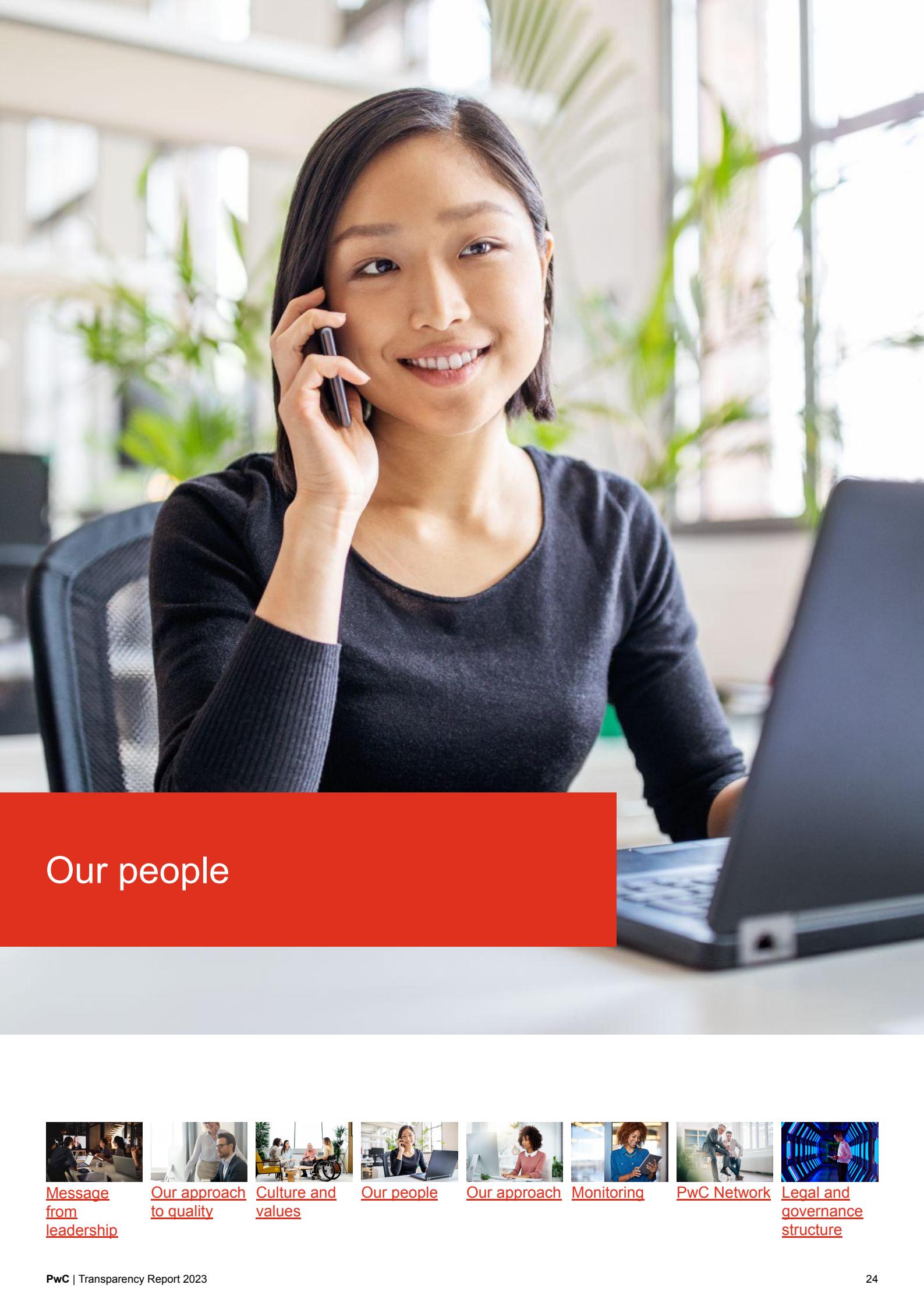


Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partners, including non-Partner Engagement Leaders accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network's and our firm's standards and policies.
- **Behaviours:** We've set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective.
- **Interventions/ recognition:** We've put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality.
- **Consequences/ rewards:** We've implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives.





Our people



[Message
from
leadership](#)



[Our approach
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values](#)



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[Legal and
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Our people



Audit Quality Measures

- Average staff retention rate: 84%
- Average retention rate of Managers: 87%
- Average retention of Senior Associates: 81%
- Average retention rate of Associates: 82%
- Partner and manager hours in relation to total engagement hours: 1:17.3



People strategy

Our people strategy was developed in support of our broader business strategy, The New Equation, and aligned to our local business strategy. We're focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

We do this by focusing on three key areas:

1. Equipping our workforce for today's realities and tomorrow's possibilities and thereby creating a community of problem-solvers; creating a resilient foundation for times of change and developing inclusive and adaptable leaders for a shifting world.
2. Our purpose is to build trust and create sustainable outcomes. We're strongly committed to our values of acting with integrity, making a difference, care, working together and making a difference. Creating an environment where our values combine with our purpose, our people are able to make a difference in a rapidly changing world.
3. The evolution of work continues to accelerate – how and where we work is different, and technology is enabling our people to enhance their skills and create more value while upholding quality. We aim to instill a continuous learning culture that inspires curiosity, creates an ability to grow and contributes to the creation of our community of problem-solvers.



Inclusion and diversity



At PwC, we're committed to being a leading organisation for inclusion and belonging with our people, clients, and external stakeholders and a leading employee destination for diverse talent. We're focused on ensuring our ways of working embrace diversity and foster an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of 'Care' and 'Work Together', we strive to more deeply understand and empathise with different backgrounds, perspectives and experiences. We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people and society.

Recruitment



PwC Channel Islands aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records and background checks. Across the Channel Islands' firm in FY23, we recruited 142 new people, including 64 trainees (graduates and school-leavers), 76 experienced hires and two fixed-term employees. Over the course of the year, we also had 40 work experience individuals and interns join us.



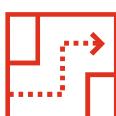
Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.



Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is collected via our Snapshot tool, a simple, mobile-enabled technology. We also use Workday to give and receive upward and peer feedback. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and our firm.



Career progression

PwC Channel Islands uses The PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.



Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. An ongoing focus on creating an inclusive culture and refreshing our approach to onboarding of new joiners have been successful in improved retention of talent.



Global People Survey

Each PwC firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Channel Islands is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback. We achieved a People Engagement score of 80% in our FY23 survey.



Wellbeing and flexibility

Creating a resilient foundation for our people is essential to our combined success. We create an awareness of health-related matters and provide a supportive framework. Understanding that work is a subset of life, we promote Everyday Flexibility to allow personal choice around where and when work is performed. Our 'Dress for your Day' policy supports a relaxed environment where the focus is on the task rather than a corporate dress code. PwC Channel Islands empowers people to decide when, where and how they work, and offers many flexible working options including flexing time or home-working.

The firm continues to have a strong focus on wellbeing and mental health. During the period, the firm has increased its number of fully trained mental health first-aiders and provided mental health training to all Partners and Directors.



The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.



Professional development

We're committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, in a combination of in-person and virtual classrooms, on-demand learning and on-the-job real time coaching/ development. Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials that include webcasts, podcasts, articles, videos and elective courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.



Continuing education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools - this includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom and on-the-job support.



The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement, while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we'll deliver the training. Our Learning & Education leader then considers what additional training is appropriate - formal and/or informal - to address specific local needs. Specific industry training relevant to the Channel Islands is conducted to ensure teams understand their clients' business to enhance quality. Digital upskilling is provided to enhance the level of accuracy in the audit process.



Our training investment in people

Assurance training FY23

Average hours achieved by partners and staff

62	PwC Global assurance core training
82	Territory specific, industry-specific and digital training
144	Total PwC delivered structured training

FY23 total hours completed

47,586

Assurance training FY22

Average hours achieved by partners and staff

49	PwC Global assurance core training
82	Territory specific, industry-specific and digital training
131	Total PwC delivered structured training

FY22 total hours completed

40,260

Mandatory training attendance

100%

of partners and staff have completed all mandatory training attendance in FY23



Case study: PwC Hive Hackers

Our Hive Academy initiative fits squarely in The New Equation by building trust, solving an important problem and delivering sustained outcomes. The Hive Academy team - Ralf Meijer and Scott Wallace, who joined us as education specialists to deliver on this purpose - aim to encourage, teach and prepare young people for a world of technology through exposure to innovative digital education delivered in local schools.

Hive Academy is committed to providing opportunities and experiences that will inspire the workforce of the future to pursue a career in technology. To achieve these aims, they have designed a comprehensive curriculum teaching computing and other 21st century skills - collaboration, communication, creativity and problem-solving - to students from 7-18 years of age, whilst simultaneously upskilling teaching staff.

As well as the wider societal benefits and improvement in enjoyment and understanding of computing lessons, we use our staff to help facilitate the courses in schools. This has been an overwhelmingly positive experience for staff and has improved job satisfaction and their own communication and digital skills. Another benefit is the change in perception of PwC in the Channel Islands, pivoting from auditors to a digitally enabled, human-led community of solvers. To date, over 100 PwC volunteers have had the opportunity to be facilitators, which is hugely rewarding for them. The programme is well established and most schools have completed at least one course. In FY23, the programme has reached over 1873 students and 75 teachers across the Channels Islands.





Partner remuneration

Partners are remunerated solely out of the profits of PwC Channel Islands. Audit partners aren't permitted to be incentivised, evaluated or remunerated for the selling of non-audit services to their audit clients.

The final allocation and distribution of profit to individual partners is made by the Territory Senior Partner, once their performance has been assessed and the annual financial statements have been approved. For the Territory Senior Partner, the performance assessment is carried out by a member of the UK Board of PwC.

Each partner's remuneration comprises three interrelated profit-dependent components:

- **Responsibility income:** reflecting the partner's sustained contribution and responsibilities.
- **Performance income:** reflecting how a partner and their team(s) has performed.
- **Equity unit income:** reflecting the overall profitability of PwC Channel Islands.

Each partner's performance income is determined by assessing achievements against an individually-tailored, balanced scorecard of objectives, based on the partner's role and responsibilities.





Gender Pay Gap

PwC Channel Islands is committed to creating an inclusive culture and promoting equality in the Channel Islands. The March 2023 PwC Channel Islands Women in Work Index, using 2021 data, showed there is some way to go to improve female participation in work across the islands, with an estimated gender pay gap of 11% in Jersey and 14% in Guernsey. [Women in Work](#)

As part of the firm's commitment to promote a diverse and inclusive workplace, PwC Channel Islands voluntarily publishes its own gender pay gap information.

Results: effective 30 June 2023

The gender pay gap is calculated as the difference between the average FTE pay of all women in the firm versus the average FTE pay of all men in the firm, regardless of what they do in the organisation. The table below shows that PwC Channel Islands has an overall gender pay gap (mean) of 2.3% (2022: 3.8%) i.e. men are paid slightly more than women overall. The firm is confident that people are paid equally for equivalent work.

1.0 PwC Channel Islands overall gender pay gap

Note:

- figures represent a favour towards women

+ figures represent a favour towards men

Demographic: linked to the gender mix in the population

Non-Demographic: linked to differences in pay

	All staff		Including partners	
Overall gender pay gap (mean)	FY23	FY22	FY23	FY22
	2.3%	3.8%	29.1%	31.4%
Demographic gap	FY23	FY22	FY23	FY22
	1.7%	4.0%	31.1%	33.2%
Non-demographic gap	FY23	FY22	FY23	FY22
	0.6%	-0.2%	-2.0%	-1.9%

2.0 PwC Channel Islands gender split and gender pay gap by staff grade

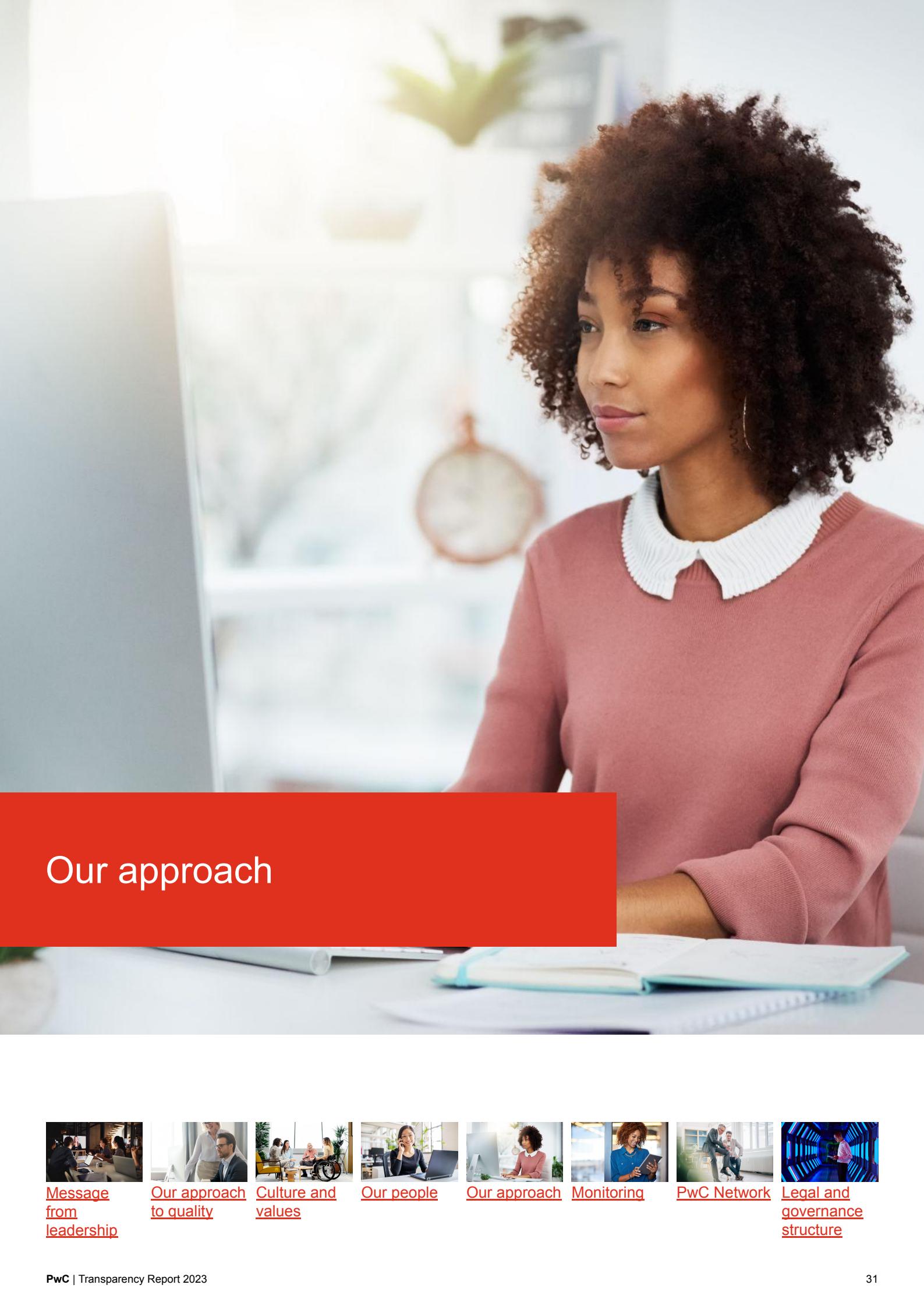
	Number of men	Number of women	Pay gap
Administrative	0	5	N/A
Associate	62	42	-4.1%
Senior Associate	111	101	-0.1%
Manager	43	39	-0.7%
Senior Manager	35	33	2.0%
Director	22	14	4.0%

PwC Channel Islands has 'Inclusion Ambassadors' representative of the organisation's diversity who feed back on and find ways to achieve an inclusive environment across all areas of diversity. This group reports to the 'Inclusion Council', which sets targets and provides scrutiny over policies and processes.

Continued measures to create a more flexible working environment for all have included maintaining our incentives for working parents, a review of the Four Day Working Week in summer 2022 and the decision to repeat this in the summer of 2023. The firm believes the strategy is working, but there is more work to do.

At the partner level, it has two women among its 12 partners, as at 30 June 2023. Including partner reward in the analysis shows a gender pay gap of 29.1% (2022: 31.4%). The firm is encouraged by this improvement, but continued focus on leadership development remains a priority, so that within a reasonable time period, diversity at partner level improves.

In terms of diversity beyond gender, PwC Channel Islands employs people from over 35 different countries within its business, which brings a significant diversity of thinking and experience which its clients get value from.



Our approach



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[Legal and
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Our approach



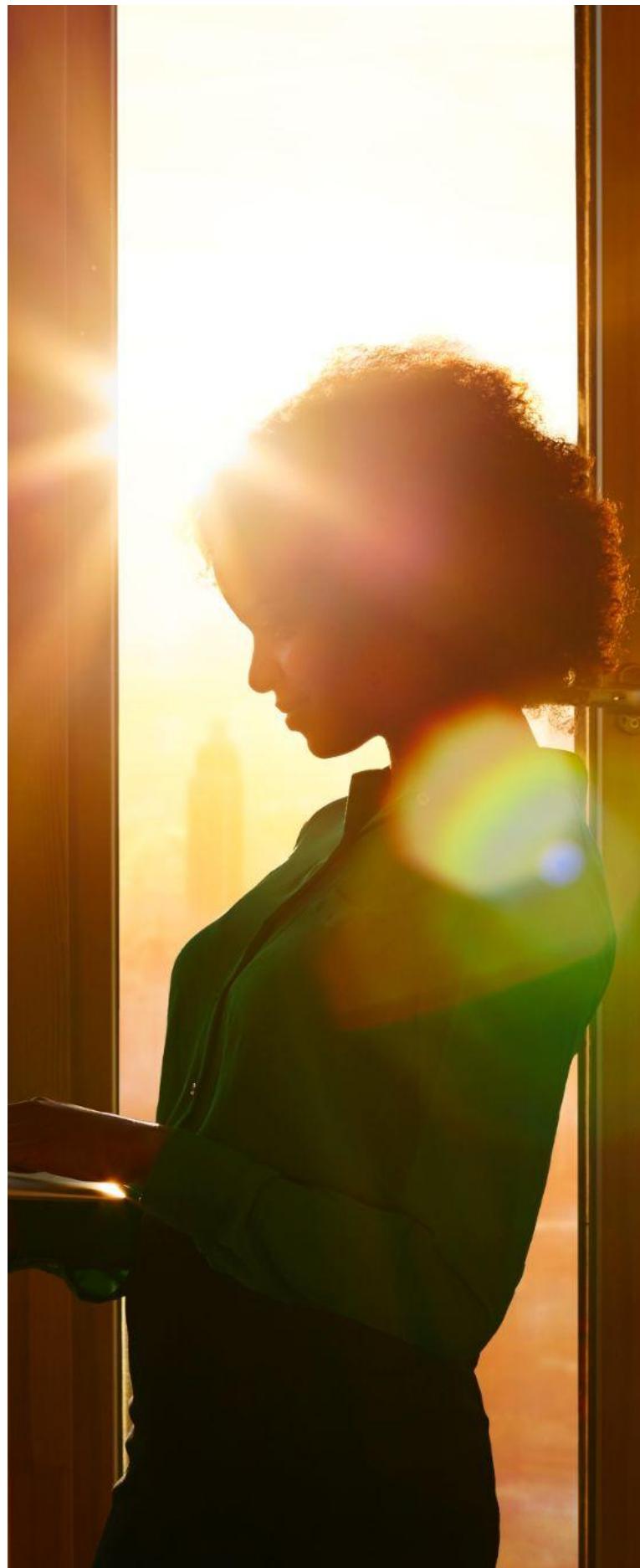
Our approach

PwC Channel Islands uses a range of cutting-edge methods, processes, technologies and approaches to ensure continuous improvement in the performance and quality of our audit engagements.



Our tools

As a member of the PwC Network, PwC Channel Islands has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.



Tools and technologies to support our audit



Our technology

Aura, our global audit documentation platform, is used across the PwC Network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real-time dashboards show teams' audit progress and the impact of scoping decisions more quickly.

Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations - in real-time.

Connect Audit Manager streamlines, standardises and automates group and component teams coordination for multi-location and statutory/ regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Document Bot is a document generation tool applicable to most clients that automatically generates the correctly worded audit report, audit engagement letter and other audit-related documents, based on input parameters that the auditor specifies. The use of Document Bot reduces the likelihood that the auditor might make a mistake in tailoring a document to the specific engagement circumstances, particularly in areas that are complex. Document Bot has inbuilt workflow tracking to evidence manager and engagement leader review.

Halo Platform enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired client data for multiple applications during the audit.

Halo, our data auditing tools, address large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria, making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.

PwC Confirmations, our global, secure, web-based confirmation platform providing a guided experience to preparing, sending, monitoring and receiving electronic and paper responses for our auditors and third-party confirmers, as well as a dashboard view to assist in status updates. The Confirmr portal allows confirmers to easily navigate and provide responses.



Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC Network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, providing a transformed audit experience focusing on continuous quality enhancement. PwC's vision for NGA is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders. As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.



Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.

Confidentiality and information security



Information protection

Confidentiality and information protection are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

The firm's Risk Management Partner, Evelyn Brady, is responsible for information protection. In this role, she is supported by the Information Protection Governance Group (IPGG), which is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters.

Membership of the IPGG comprises representatives from the Leadership Team, Information Technology and Risk Management, including Data and Information Protection. The objectives of the IPGG are to:

- Provide overall governance and oversight of information protection.
- Act as an approval body for information management and protection policies and procedures.
- Agree and allocate information protection accountability and responsibilities.
- Identify and initiate information management remediation projects.
- Monitor compliance with information protection policies and standards.
- Approve the implementation of new technologies for use in the firm.

The firm is bound by, and all partners and staff are required to comply with, the ICAEW's fundamental principle of confidentiality. There are also other legal and regulatory obligations on partners and staff about handling confidential information and personal data, and contractual terms govern the use and disclosure of client information.

The firm provides information security and data protection training upon recruitment, annual update training for all partners and staff thereafter, and on an ad hoc basis throughout the year. We also have in place a Recognition and Accountability Framework and the appropriate technical and organisation measures to promote compliance with relevant data protection regulation.



Data privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have continued to build on the extensive Network Data Protection Programme, including the use of a Network Data Incident Response service.

We're registered with the Guernsey and Jersey Data Protection authorities. Please refer to the regulator websites in [Guernsey](#) or [Jersey](#), our registration references are DPA1992 and 15699, respectively. Our standard privacy statement is publicly available at www.pwc.com/jg/en/about-us/privacy-statement.html.



Information Security

Information Security is a high priority for the PwC Network. PwC firms are accountable to their people, clients, suppliers and other stakeholders to protect information that is entrusted to them.

Failure to protect information could potentially harm the individuals whose information PwC firms hold, lead PwC firms to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. The Information Security Policy (ISP) outlines the minimum security requirements with which every PwC firm must comply.

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, financial services industry standards, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of member firms. The PwC ISP directly supports the firm's strategic direction of cyber readiness to proactively safeguard its assets and client information.

PwC firm compliance with the ISP is measured through quarterly data-driven assessments, as a well as a yearly evidence-based assessment for each PwC firm.

Deviations that result from the assessment are prioritised for remediation per timelines agreed with firm leadership.

PwC Channel Islands also operates an information security management system, which is certified as compliant with the requirements of ISO/IEC 27001:2013, covering our Guernsey and Jersey offices.



Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future. We use delivery centres to streamline, standardise, automate, and centralise portions of the audit.



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Engagement teams utilise Aura, which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.



Consultation culture

Consultation is key to maintaining high audit quality. While we have formal protocols about mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. PwC Channel Islands has access to all the technical resources to track new developments in accounting and auditing and provide updates to the appropriate professional staff. PwC Channel Islands' consultative culture means that its engagement teams will regularly consult with experts and others where appropriate, either locally, within the UK firm, or with global network specialists.



Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another assurance partner or central functions such as Risk and Quality.

These include the use of technical panels consisting of partners independent of the engagement.





Monitoring



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Monitoring



Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It's a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Channel Islands. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards (also referred to as our ongoing monitoring). This includes the use of Real Time Assurance.



Restatements

0

Number of financial statement restatements involving Market-Traded Companies due to material errors



Aim to Prevent: Real Time Assurance

We've developed a Real Time Quality Assurance (RTA) program designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Our RTA program includes the use of predictive Audit Quality Indicators, a firmwide dashboard showing key metrics against all live audit files, hot reviews on all listed engagements and deep dive real-time reviews on selected engagements, ensuring coverage across all partners and directors. Additionally, our local Chief Auditor Network, led by our Methodology Leader, has separate teams covering all key industries and their role includes leading industry-specific training and sharing best practice approaches to common areas of challenge or focus.

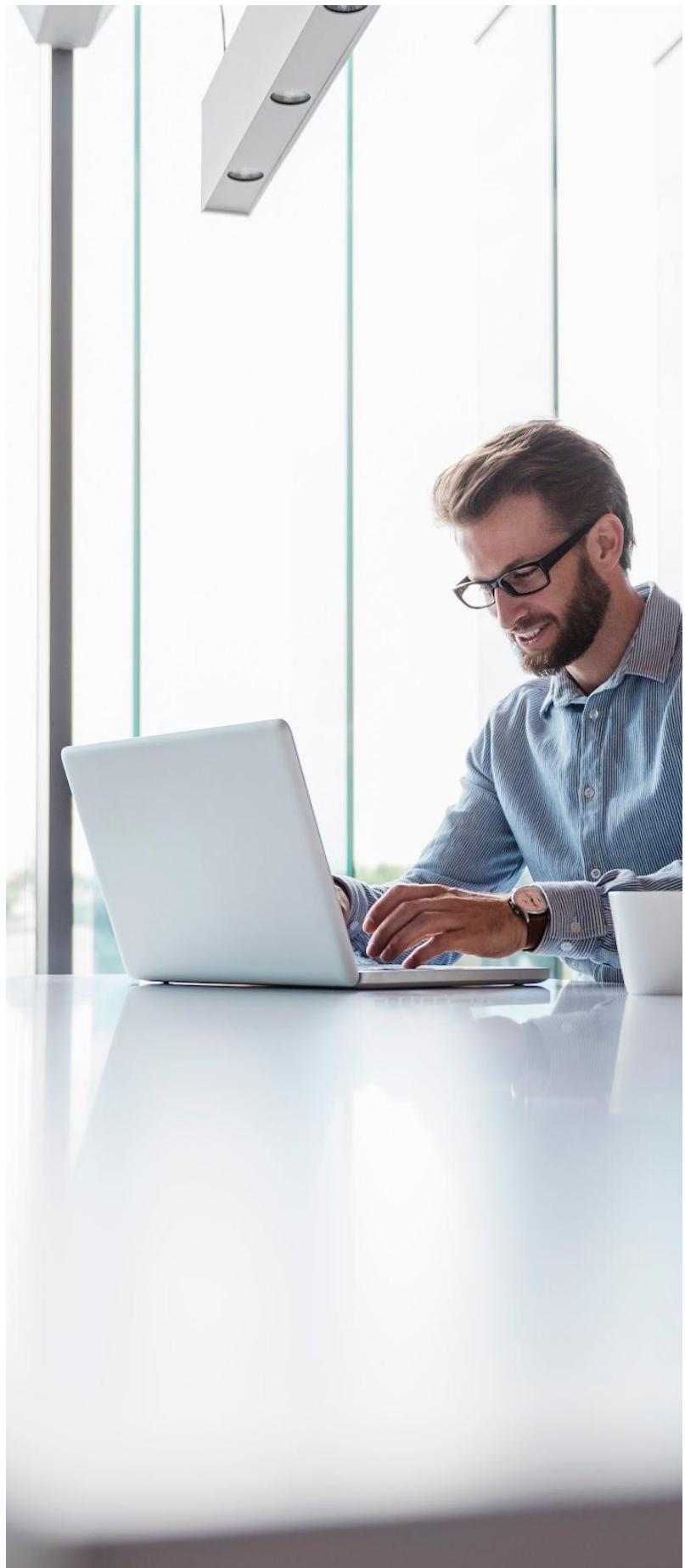


In addition to the ongoing monitoring noted above, our monitoring also encompasses periodic assessment of our SoQM, which includes the review of completed engagements (Engagement Quality Reviews - EQR), as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. EQRs are performed under a network-wide inspection programme based on professional standards and PwC audit methodology.

EQRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. All assurance partners and signing directors must have at least one of their engagements reviewed every five years, or once every three years for those eligible to sign UK Statutory audit reports or Market-Traded Companies, unless a more frequent review is required based on the risk profile of a particular engagement. During FY23, 15 audit engagements and three non-audit assurance engagements were subject to an EQR.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. EQR reviewers may be sourced from other PwC firms, if needed, to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

Since we see it as a key learning tool, and an opportunity to discover best practices from other territories auditing similar entities, we send a significant number of senior staff to perform ECRs in other territories. Partners and employees of our firm are informed about the inspection results and the actions taken to support continual learning and improvement.



Additionally, the PwC Network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The Network also looks at the PwC firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our firm's leadership who are responsible for analysing the results of the inspections along with the findings identified from all sources of information and implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible partner or our firm's assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Assurance partners of our firm receive information on the results of the network inspection program, designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's consolidated financial statements.



Learn: Root cause analysis

We perform analysis to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analysis are to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies - whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors - to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include sufficiency and continuity of staff, level of consultation with experts and specialists, experience on similar clients, seniority and experience of engagement leaders and the benefit from interventions such as real-time reviews and quality review partners.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to use these learnings to continuously improve all of our audits. We evaluate the results of this analysis to identify enhancements that may be useful to implement across the practice. We believe this analysis contributes significantly to the continuing effectiveness of our quality management. The learnings from RCA are shared with the practice in a number of different ways, including, at learning and development events, in specific internal communications to the audit practice, and through the Chief Auditor Network (CAN).



External inspections

PwC Channel Islands is eligible as a recognised auditor to undertake the required statutory audit work for Jersey and Guernsey domiciled companies with debt or equity listed on regulated exchanges in the following countries:

- Luxembourg
- United Kingdom

The Jersey Financial Services Commission and the Guernsey Registry have delegated responsibility for conducting inspections of recognised auditors to the Audit Quality Review (AQR) team of the Financial Reporting Council in the United Kingdom.

The AQR team completed its latest triennial inspection of the quality of PwC Channel Islands' work in 2023. Following completion of that inspection, the Financial Reporting Council and the Institute of Chartered Accountants in England and Wales recommended to the Jersey Financial Services Commission and the Guernsey Registry the continuation of PwC Channel Islands' registration as a recognised auditor.

The Quality Assurance Division of the Institute of Chartered Accountants in England and Wales completed its last inspection of PwC Channel Islands in 2021.

Following the completion of the inspection, PwC Channel Islands' licence to perform UK statutory audits remains in place.





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PwC network



Global network

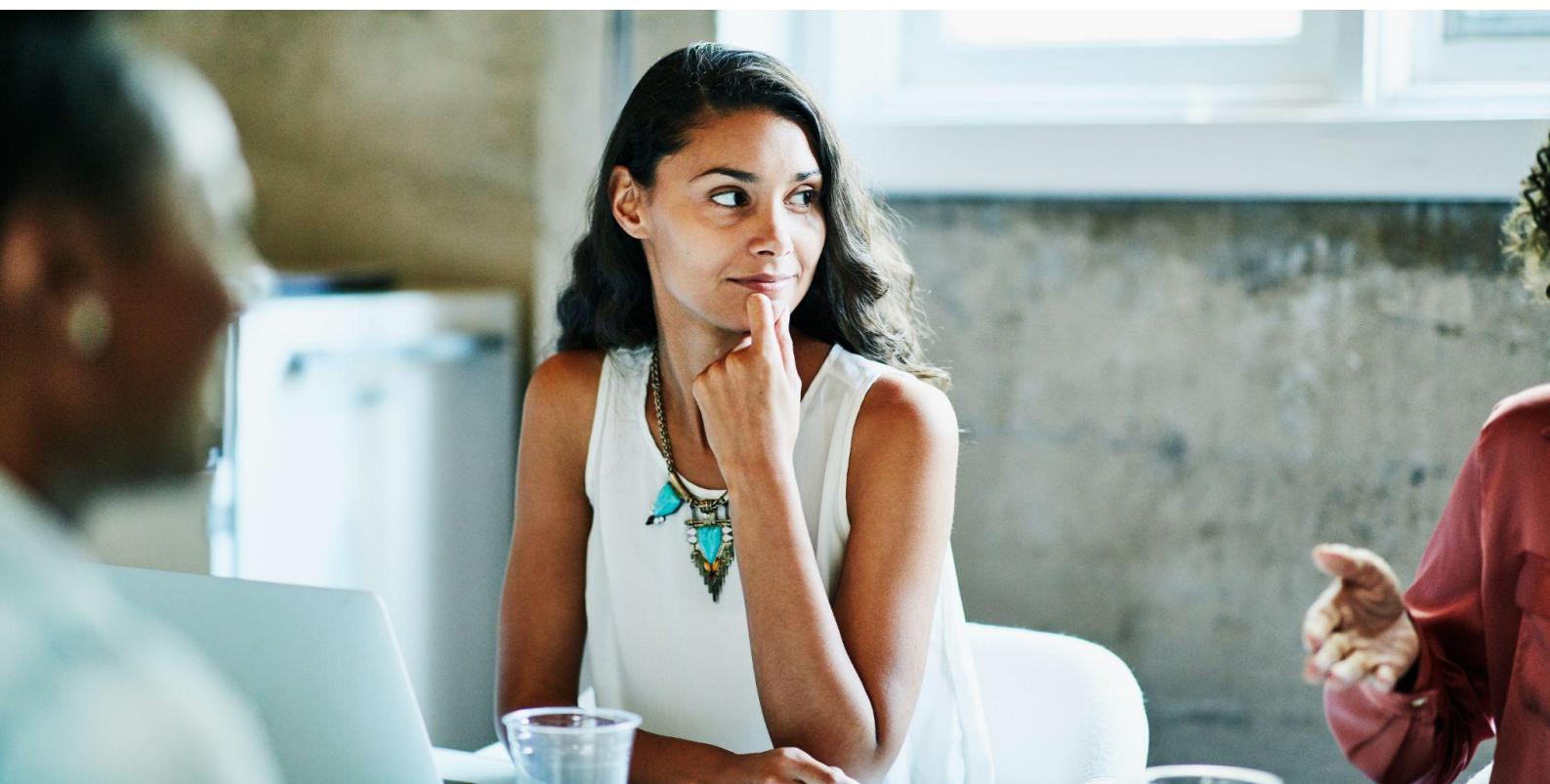
Firms in the PwC Network are members in, or have other connections to PwCIL, an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for PwC firms in the PwC Network. Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. PwC firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC Network. In addition, PwC firms may draw upon the resources of other PwC firms and/or secure the provision of professional services by other PwC firms and/or other entities. In return, PwC firms are bound to abide by certain common policies and to maintain the standards of the PwC Network as put forward by PwCIL.

The PwC Network is not one international partnership. A PwC firm cannot act as agent of PwCIL or any other PwC firm, cannot obligate PwCIL or any other PwC firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any PwC firm, cannot obligate any PwC firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control any PwC firm's exercise of professional judgement.



The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 19 members. One is appointed as an external independent director, and the other 18 Board members are elected by partners from PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC Network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC Network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.





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Legal and governance structure

Legal structure and ownership of PwC Channel Islands

PricewaterhouseCoopers CI LLP (PwC Channel Islands) is a limited liability partnership incorporated in the UK. It's wholly owned by its Members, who are commonly referred to as Partners. Its members include PricewaterhouseCoopers LLP (PwC UK). Other than PwC UK, all Members of PwC Channel Islands are natural persons and partners of the firm.

As of 30 June 2023, PwC Channel Islands was made up of twelve partners in addition to PwC UK; one in tax, one in advisory and ten in assurance. The subsidiary providing professional services during the year was PricewaterhouseCoopers Services (Guernsey) Limited, which is licensed by the Guernsey Financial Services Commission under the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

Our governance structure reflects our partnership model. We have a senior partner who, once elected, leads his or her fellow partners who collectively form the Management Board with the support of a managing partner in each of Jersey and Guernsey. During the year ended 30 June 2023, PwC UK's interest was represented by Carl Sizer in his capacity as Head of Regions on PwC UK's Management Board. Carl provided oversight and support to the Channel Islands firm in all key strategic matters relating to PwC UK. Additionally, Karen Finlayson who is a Member of PwC UK's Supervisory Board holds the position of "Protector". The Protector has a formal role in certain governance aspects of partnership affairs and acts as an escalation point for the partners if this is required.



Carl Sizer, Management Board, UK Head of Regions and Platforms, PwC UK

Carl joined PwC in 1999, making Partner in 2009 and going on to join the Management Board as Head of UK Regions on 1 July 2020. From 1 January 2022 he has also taken responsibility for Platforms; whereby he is responsible for driving PwC UK's market approach to addressing the most significant challenges and opportunities faced by their clients, with a particular focus on ESG.

Carl is focused on the Financial Services sector and previously led the growth in PwC UK's Midlands Financial Services practice and was responsible for the National Banking & Capital Markets Audit practice. Carl has worked with a number of PwC's global clients and spent two years in the Banking and Capital Markets practice in New York. Externally, Carl is a member of the ICAEW, where he has previously served as deputy chairman of the Learning and Professional Development Board and is also a member of the Institute of Chartered Accountants in Scotland.



Karen Finlayson, Partner, Risk and UK Regions Lead for Government and Health Industries, PwC UK

Karen is a Partner in the PwC UK risk line of service and she specialises in governance, risk, controls and internal audit across the government and public sector. She is also the PwC UK Regions Lead for Government and Health Industries and the lead client partner for NHS National Bodies. Karen joined PwC UK in 1997 and became a partner in 2015. She was elected to the PwC UK Supervisory Board on 1 January 2021 and is a member of the PwC UK Risk Committee and Partner Affairs Committee.

Partners and their key roles as of 30 June 2023

Name	Role(s) as at 30 June 2023	Experience as a PwC Partner	Location
Evelyn Brady	Risk Management Partner and Guernsey Managing Partner	14 years	Guernsey
Alex Burne	Business Transformation Leader	1 year	Guernsey
Mike Byrne	Clients and Markets Leader	8 years	Jersey
Karl Hairon	External Audit Leader and Jersey Managing Partner	13 years	Jersey
Neil Howlett	Advisory Leader	6 years	Jersey
John Luff	Quality Leader	10 years	Guernsey
Lisa McClure	Partner responsible for Independence, Ethics and Business Conduct	5 years	Jersey
Roland Mills	People Partner	7 years	Guernsey
Adrian Peacegood	Technology Partner	3 years	Guernsey
Chris van den Berg	Partner	3 years	Jersey
Nick Vermeulen	Territory Senior Partner and Territory Assurance Leader	12 years	Guernsey
David Waldron	Tax Leader	3 years	Guernsey

The firm has three PwC offices within the Channel Islands:

Jersey	Guernsey	Alderney
PwC Channel Islands 37 Esplanade St Helier Jersey JE4 4XA Tel: +44 1534 838200 www.pwc.com/jq	PwC Channel Islands Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND Tel: +44 1481 752000 www.pwc.com/jq	PwC Channel Islands Maison Des Venelles Venelles Des Gaudion Alderney GY9 3YW Tel: +44 1481 752143 www.pwc.com/jq



Prevention of facilitation of tax evasion: Response to the Criminal Finances Act 2017

The Criminal Finances Act 2017 introduced the concept of an organisation performing a corporate criminal offence if any of their associated persons (including partners and staff) criminally facilitated the evasion of tax either in the UK or overseas. Organisations need to demonstrate that they have reasonable procedures in place to prevent the facilitation of tax evasion. The deliberately wide scope of the offence requires organisations to have oversight of the risks associated with their customers, employees and third parties, over their downstream activities.

PwC Channel Islands follows the PwC Global Code of Conduct which sets out its commitment to upholding professional standards, adhering to applicable laws and regulations and fulfilling ethical obligations. Every year, every member of staff confirms that they are familiar with and have complied with this Code of Conduct.

The PwC Global Code of Conduct guides partners and staff on PwC's core values of: Act with integrity; Make a difference; Care; Work together; and Reimagine the possible. It defines how all partners and staff should behave and conduct business and provides practical advice on how to take ethical decisions.

PwC Channel Islands has policies, training and procedures to enable it to comply with applicable laws and regulations, including those relating to tax. These include:

- Regular mandatory training for all partners and staff so that they understand the ethical and professional requirements under which it operates.
- Contractual terms and due diligence procedures in respect of persons who perform or will perform services for or on behalf of the firm.
- Client and engagement acceptance procedures.
- Whistle-blowing (speak-up) policies and procedures.
- Regular reviews of systems and processes by Internal Audit and the risk and quality team.
- Since the introduction of the Criminal Finances Act 2017, PwC Channel Islands has reviewed all existing relevant policies and procedures and has taken a number of additional steps which aim to further formalise and prevent the facilitation of tax evasion. These include:
 - Designating a partner responsible for a response to the offence, reporting directly to the leadership team.
 - Carrying out a risk assessment to identify and prioritise a response to facilitation risk across all service offerings.
 - Reviewing existing policies and procedures across each line of service to identify any enhancements required.
 - Providing training for partners and staff.
 - Committing to monitoring and reviewing the risk assessment at least annually, as well as the firm's continuing compliance with relevant policies and procedures.



Financial information

The results shown below, for the year ending 30 June 2023, have been extracted from the draft PwC Channel Islands accounts which have yet to be finalised by the partners.

Total fee income for the years ending 30 June were:

	2023 (Unaudited) £ Million	2022 £ Million
Statutory audit revenue earned from Market-Traded Companies	3.7	3.4
Audit revenue earned from all other clients	58.6	49.2
Non-audit services revenue earned from Market-Traded Companies	0.6	0.5
Non-audit services revenue earned from all other clients	17.4	15.3

Market-Traded Companies are defined under Jersey and Guernsey law as companies incorporated in Jersey and Guernsey with transferable securities admitted to trade on UK and EU Regulated Markets, subject to certain companies that are eligible for exemptions.

Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately 2.8 billion Euro. This represents the turnover from each entity's most recent financial year converted to Euro at the exchange rate prevailing as of 30 June 2023. The list of these entities is included in Appendix 1.



Public interest audit clients

During the period covered by this Transparency Report, PwC Channel Islands has not signed any audit reports on the financial statements of an EU PIE as defined by Article 13. However, as a third country audit firm, audit opinions have been issued during the year ended 30 June 2023 for the Jersey and Guernsey incorporated audit clients listed below that have transferable securities admitted to trade on UK and EU Regulated Markets and meet the definition of being Market-Traded Companies under Jersey and Guernsey law.

Listed in the United Kingdom:

- Aberdeen Latin American Income Fund Limited
- Balanced Commercial Property Trust Limited
- CT Property Trust Limited
- GCP Asset Backed Income Fund Limited
- Highbridge Tactical Credit Fund Limited
- Hipgnosis Songs Fund Limited
- International Public Partnerships Limited
- Invesco Bond Income Plus Limited
- Jersey Electricity PLC
- JPEL Private Equity Limited

- JP Morgan Global Core Real Assets Limited
- JTC PLC
- Millshaw SAMS No. 1 Limited
- Princess Private Equity Holding Limited
- River & Mercantile UK Micro Cap Investment Company Limited
- SME Credit Realisation Fund Limited
- Starwood European Real Estate Finance Limited
- Taylor Maritime Investments Limited
- Tufton Oceanic Assets Limited
- TwentyFour Income Fund Limited
- TwentyFour Select Monthly Income Fund Limited
- Vinacapital Vietnam Opportunity Fund Limited

Listed in Luxembourg and the United Kingdom:

- Credit Agricole CIB Finance (Guernsey) Limited



Appendix 1

Member State	Name of Firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB



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PricewaterhouseCoopers CI LLP is referred to throughout this report as 'the firm', 'PwC CI', 'we', 'our' and 'us'.

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