



PwC Cambodia Transparency Report 2023

December 2023



Contents



Message from leadership

4



Our approach to quality

11



Culture and values

15



Our people

34



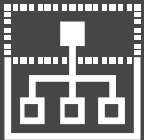
Our approach

39



Monitoring

45



PwC network

49



Legal and governance structure

51



Corporate responsibility

55



List of figures

		Page
Figure 1	<u>Quality Committee</u>	18
Figure 2	<u>Key elements of our Business Continuity Management</u>	31
Figure 3	<u>PwC Cambodia leadership structure</u>	53
Figure 4	<u>PwC Cambodia management structure</u>	54





Message from leadership



[Our approach to quality](#)



[Culture and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC network](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

Message from leadership

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 are 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 US\$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.

PwC's approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It combines expertise in audit, tax and compliance activities with a drive to expand specialist capabilities in areas such as cyber security, data privacy, ESG and AI. It also recognises the importance of quality – and that reporting and compliance represent just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance.

Similar to building trust, delivering sustained outcomes requires us to work in an integrated way. Instead of taking a traditional technology-driven approach to transformation, PwC focuses on the outcomes that our efforts are seeking to achieve. To deliver the agreed outcomes, we then mobilise our expertise in areas including – among many others – strategy, digital and cloud services, value creation, people and organisation, tax, sustainability reporting, deals, business recovery services, legal and compliance.

Our new strategy builds on our ongoing commitment to quality

To align with the PwC network strategy, we are continually investing in people, innovation and technology. Our people are key to high quality audits and we draw upon a wide range of specialist skills across our multidisciplinary practice. Therefore, we invest in our people by providing ongoing professional and personal development, with in-depth training. To meet constantly changing audit challenges in a digital age and enhance our audit quality, we invest in innovation and new technology to support our services and invest in technical support resources to help build a strong System of Quality Management (SoQM).

At PwC, we strive to deliver work of the highest quality and to live and act in accordance with the standards we set ourselves and the values that are at the heart of PwC. Ensuring the quality of our work across the full range of our services remains a core focus for us, both in terms of how best to monitor and deliver quality. Our leadership team has demonstrated this focus on quality through setting the right tone from the top, actively monitoring quality, learning from any mistakes, communicating expectations to our people and holding ourselves and our people accountable when necessary.

The favourable results of reviews and inspections for 2023 indicate that our Real Time Assurance (RTA) programme, which includes effective pre-issuance reviews, has helped us maintain audit quality so this year we've increased time and resources dedicated to this programme. The leadership team also utilises key indicators and measurements to monitor audit quality which allows us to take timely actions.

Message from leadership

PwC's Assurance practice continually strives to meet the evolving expectations of quality and value. Assured information is crucial in building trust in capital markets and companies' performance in key areas like sustainability. However, to effectively build trust, the assurance must be of high quality.

That's why we are on a path of continuous improvement in the quality of our assurance services, grounded in maintaining our independence and objectivity, adhering to the ethical requirements of our profession and performing our work in accordance with all applicable professional standards. Along this path, we are also reimagining our role in building trust in the information that matters most to our clients and their stakeholders.

As auditors, we are also acutely aware of another factor that drives trust: the quality of our external audits. That's why we're pleased to present our Transparency Report for 2023, which shows how we maintain quality in our audit work and comply with the requirements of the new International Standard on Quality Management (ISQM) 1 / Cambodian International Standard on Quality Management (CISQM) 1. The report outlines our policies, systems and processes for ensuring quality, as well as the results of key quality monitoring programmes and reviews. It also highlights how we foster a culture of quality at all levels of the firm.

The International Auditing and Assurance Standards Board (IAASB) has released new and updated auditing standards that set higher requirements for the audit profession. These standards are driving us to change how we work in the future. We are constantly exploring potential improvements, such as reinforcing our culture of independence and implementing new technologies that help deliver more effective and efficient audits. We have invested significant time and resources to maintain and continually enhance quality. As a result of these efforts, we've seen a continued positive impact on our review and inspection results.

Focusing on audit quality

Delivering quality audits is core to our purpose. We take any instance of audit deficiencies seriously and we work hard to quickly understand and remediate the impacts of the issue, analyse the root cause, learn lessons and take the opportunity to enhance the quality of future audits. We reflect the importance of quality – both quality outcomes and quality behaviours – in the evaluation, recognition and accountability of the relevant partners and leadership teams. Audit quality is the most important factor in performance evaluation and career progression decisions for both our partners and staff.

To maintain the quality of our work, we use a quality management framework based on clear objectives around audit quality. We deliver high-quality audit services through access to the necessary capabilities in terms of both people and technology. That's why our quality objectives focus on having the right capabilities – and on using these capabilities to meet our own standards and applicable professional requirements.

These capabilities are best developed and used within a culture of quality in which leaders set the right tone and are role models for our values, starting by acting with integrity. We continuously enhance our guidance and update our tools to support our engagement teams in addressing new and emerging risks and requirements as part of our audits.



Framework that enables quality

Our audit quality is built on having the right culture and the right people, supported by effective methodologies, processes and technology. We have a number of dedicated functions within the firm that develop practical tools, guidance and systems to support audit quality. PwC's assurance quality management framework – Quality Management for Service Excellence (QMSE) – directs us to consider specific risks to quality and respond appropriately in line with its individual circumstances. Our approach integrates quality management into how we run our business and manages risk rather than viewing quality and risk management as a separate activity.

The QMSE framework introduces an overall quality objective that is supported by a series of underlying quality management objectives. Each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives of ISQM 1 / CISQM 1, is achieved with reasonable assurance.

Quality starts and ends with people

We aim to recruit, train, develop and retain the best, brightest and values-driven people who share our strong sense of responsibility for delivering high-quality services. We truly believe our people help us differentiate on quality and are our most important asset. To prepare staff and partners for the delivery of quality assurance services, our people have access to a comprehensive curriculum of formal and informal learning and technical courses. We also develop and support our people through coaching, on-the-job training, and development learned through diverse experiences.

Where appropriate and necessary, our audit teams are encouraged to draw on outside expertise, such as a deep understanding of technologies, data analytics, or capabilities around physical asset valuation and complex financial instruments, actuarial calculations, treasury operations, tax compliance and many other areas. Being able to bring these skills to bear on audit work helps strengthen audit quality and builds trust in the information contained in audited financial statements.

I'm proud of what we've achieved so far on our quality journey and I would like to thank our partners and staff for their contribution to the favourable quality outcomes. I can assure you that our leadership is committed to the highest quality standards – underpinned by independence, ethics and professionalism – which drives the way our people conduct themselves, interact with each other and with our clients.



Kuy Lim

Office Managing Partner and Assurance Leader



Statement on the firm's system of quality management

During the year, we completed our evaluation of the firm's system of quality management under ISQM 1 / CISQM 1. On behalf of PricewaterhouseCoopers (Cambodia) Ltd, Kuy Lim has evaluated whether our firm's SoQM provides us with reasonable assurance that:

- The firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as at 31 March 2024, we believe our SoQM provides us with reasonable assurance that the quality objectives noted above have been achieved.



Year in review



Supervision and Review

Ratio of partners and managers to staff (FY23)

1 to 6.25

Work experience:

Average years of experience (FY23)

23

Years for Partners and equivalent

2

Years for staff



Monitoring of quality at engagement level

Number of Engagement Compliance Reviews (ECRs) and results

FY23

No global inspection carried out during 2023

FY22

1 Assurance engagements inspected

0 Non-Compliant

Number of internal ECR

FY23: 0 Assurance engagements

FY22: 2 Assurance engagements (compliant)

Number of RTA completed

FY23: 5 Assurance engagements

FY22: 8 Assurance engagements

5 findings

Quality findings identified and remediated

ACAR Inspection*



Overall assessment of the firm's SoQM

Rating: Adequate
No quality finding or deficiency on SoQM



Engagement review

3 Assurance engagements inspected

3 Satisfactory

* The ACAR inspection was joined by the Stock Exchange Regulator of Cambodia and the National Bank of Cambodia.

Year in review



Skills

Mandatory training attendance

100%

of partners and staff attended all mandatory training in FY23

Assurance Training FY23



Total hours of Assurance training completed by partners and staff

109

Average training hours

21,793

Assurance Training FY22



Total hours of Assurance training completed by partners and staff

117

Average training hours

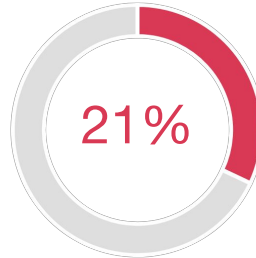
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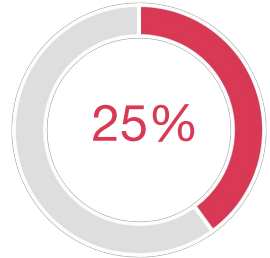
People

Staff turnover rate

FY23



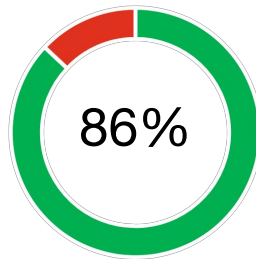
FY22



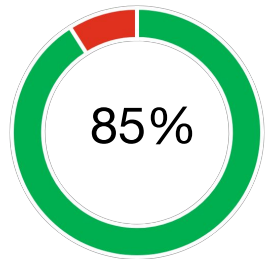
Partner and staff survey

% of our staff and partners participated in the Global People Survey (GPS)

FY23

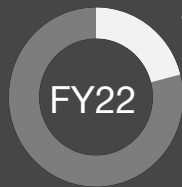
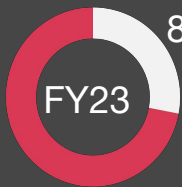


FY22

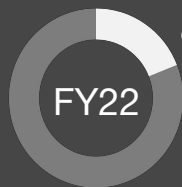
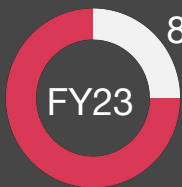


Percentage of Assurance professionals surveyed who report

Receiving consistent messages about the importance of audit quality from both local and firm leadership – Quality behaviour index



Understanding the firm's audit quality objectives



Highlights from the 2023 PwC Global People Survey

I am proud to work at PwC



The people I work with demonstrate conduct consistent with PwC's Global Code of Conduct



The feedback and coaching I receive allows me to make immediate improvement in my performance





Our approach to quality



[Message from leadership](#)



[Culture and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC network](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

Our approach to quality

A specific focus on audit quality across the Network

The PwC's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC, it is 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 / CISQM 1, is achieved with reasonable assurance.

Cambodian International Standards on Quality Management 1 (CISQM 1)

CISQM 1, which is equivalent to International Standards on Quality Management 1 (ISQM 1), became effective on 15 December 2022 and requires all firms performing audits or reviews 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 these requirements. This includes designing and implementing the SoQM to comply with ISQM 1 / CISQM 1 by the effective date and evaluating the SoQM under the standard by 15 December 2023.

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. 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 supports PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems 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 individual circumstances. Each firm is responsible for using the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.



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

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 QMP 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 analyses and implementing remedial actions and
- establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions

Our approach to quality

We have continuously maintained our quality control system which enables PwC to:

- recruit the right people
- deliver adequate training to our people
- manage client selection
- use technology to increase audit effectiveness
- implement ongoing monitoring to ensure that partners and staff follow the firm's policies and procedures
- embed quality into the performance evaluation of partners and staff to foster a culture of quality.

PwC Cambodia evaluates its system of quality management annually to determine whether it provides reasonable assurance that it complies with professional standards and applicable legal and regulatory requirements, and that the reports issued by the firm or engagement partners are appropriate in the circumstances.

Our quality management involves the integrated use of Assurance quality indicators with the aim of predicting quality issues, Real Time Assurance to aim to prevent quality issues, a root cause analysis to learn from quality issues and a recognition and accountability framework to reinforce quality behaviours, culture and actions.

These programmes, by design, require ongoing monitoring and improvement, in particular the Assurance quality indicators, which will evolve significantly over time as we continue to use and learn from these measures.



“Performing quality audits requires more than just the right tools and processes. PwC auditors apply professional scepticism, objectivity, specialist skills and judgement. PwC’s values guide our auditors in making their assessments, behaving ethically and building a strong culture to deliver trust.”

Kuy Lim

Office Managing Partner and Territory Assurance Leader

The key factors that impact 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 quality management focus is therefore not applying prescribed rules but rather designing and implementing risk responses which are fit for purpose to manage the risks identified in our own risk assessment and to 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 – delivering quality audit engagements.

Our SoQM involves a dynamic risk assessment process that takes and analyses information about these conditions, events, circumstances, actions, or inactions that 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

Key factors impacting our SoQM in 2023

This year, we have 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:

- Increasing expectation of key stakeholders (including regulators) on auditors
- Resourcing and retention of talent, including attractiveness of the profession which impacts the adequacy of resources to deliver quality services
- Impact from standards revisions (e.g. ISA 220(R)/CISA 220 (R) and IESBA revision) on certain policies, processes and controls
- IT infrastructure and network resources which impact the correctness and reliability of information from IT systems and databases
- Compliance with ethical standards and requirements and PwC Code of Conduct

The SoQM is subject to independent assessment by an independent evaluation team comprising partner, directors, senior managers and managers from within the region. The QMSE evaluation team leader reports the results and findings directly to the firm's Assurance Leader. The evaluation includes interviews with various business process owners to evaluate their roles, supporting resources, objectivity and their attitude towards the quality agenda. It also includes an assessment of the effectiveness of the design of key activities in response to the risks, the robustness of the root cause analysis process, performance measures reported to leadership and quality improvement actions.

Consistent with ISQM / CISQM 1, our QMSE focuses on the importance of ongoing monitoring that is designed to identify findings as early as possible so that they can be assessed, actioned, and remediated in a timely manner to minimise any potential negative impact on quality. Therefore, our QMP has been effectively designed to identify findings, and we have appropriately responded to those findings in a timely manner based on specific facts and circumstances, allowing us to conclude whether we have reasonable assurance over our SoQM.



Culture and values



[Message from leadership](#)



[Our approach to quality](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC network](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

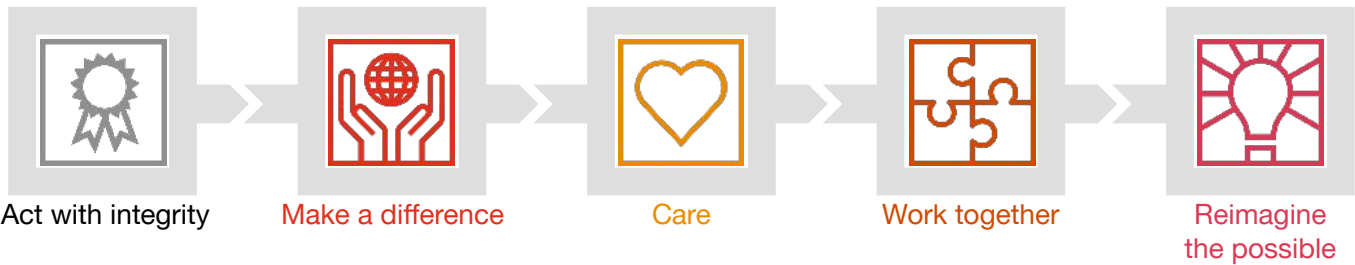
Our firm's commitment to quality



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.

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



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 are 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 wider society.

Quality awareness channels

Quality awareness channels include:

- face-to-face or virtual sessions with partners and managers through monthly meetings
- learning and development programmes, such as Assurance core curricula, training programmes provided to partners, methodology workshops, soft skills training, digital training and annual R&Q training
- webcasts and eLearning courses
- periodic alerts, emails and communication from our leaders.

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 leadership team 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 which we have as a member 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 to global leadership. These results are then discussed in detail with the leadership 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 we provide 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 firm's system of quality management and investing in programmes to enhance the quality of the services that we provide.



Leadership's commitment to quality

Our firm-wide and Assurance priorities always include quality agenda which demonstrates that the leadership has considered quality as an important part of our business operation and aim to maintain and balance between commercial and quality and compliance.

The quality performance also forms part of the Recognition and Accountability Framework for Senior Partner, Assurance Leader, Business Unit Leaders and Business Process Owners (BPOs).

Culture and behaviours are a key focus area in the Root Cause Analysis (RCA). The mindset of those performing the root cause analysis process is to seek potential causal factors related to culture and behaviours. If no potential causal factors are identified, the RCA team usually question whether their analysis has gone 'deep enough'. In addition, the RCA team consider and assess root causes that may result in difficult business or leadership decisions including client selectivity, partner and staff capacity and workload.



Our quality support teams

Quality Committee

We set up our Quality Committee more than ten years ago to oversee quality control. It consists of functional area lead partners in Assurance.

The Quality Committee meets regularly to:

1. monitor quality control systems and operations,
2. initiate remedial actions to address exceptions and deficiencies in audit quality,
3. report on significant audit quality matters, and
4. provide recommendations on quality enhancement initiatives to the Assurance Leader and Risk and Operations Leader.

The leaders and managers of the following functions provide support to the committee:

- Risk & Quality
- Methodology, Technology & Transformation
- Corporate Reporting Services
- Human Resources
- Learning & Development
- Resources Planning



Figure 1: Quality Committee

Risk & Quality

PwC Cambodia is fully supported by the R&Q team from PwC Thailand. We have one director in Cambodia who coordinates and works with the R&Q team. The Risk & Quality (R&Q) team operates on a firm-wide basis and supports the firm's leadership in managing risk and quality, and assists engagement teams on compliance, independence and quality matters. The team advises on managing risks to maintain consistent quality and comply with professional standards, laws, regulations and policies, while achieving business objectives. R&Q provides risk management services and internal legal, independence, and quality counsel at both firmwide and line-of-service levels.

The R&Q director reports directly to the Cambodia Management Team. R&Q is on the standard agenda of all leadership and partner/managers meetings.

Corporate Reporting Services (CRS)

To manage the complexity of financial reporting standards, it's important that our clients receive clear and consistent advice. Our Corporate Reporting Services (CRS) team provides internal and external support and guidance on accounting treatments of complex issues, training on accounting standards, and reviews of financial statements in compliance with financial reporting standards.

The CRS team comprises one partner from Thailand who is accredited global CRS consultant, two directors, one senior manager and one manager. CRS works closely with engagement teams on significant accounting issues to arrive at solutions that are acceptable under the financial reporting framework. If opinions are unresolved, a technical panel discussion will be organised.

PwC Cambodia is supported by specialists from PwC Thailand as well as by specialists from our Global CRS group for cross-border engagements and multinational clients.

Methodology, Technology & Transformation

PwC Cambodia is supported by PwC Thailand. We have managers in Cambodia who work with M&T team to coordinate activities and communications. In Thailand, we've established a full-time audit Methodology, Technology & Transformation (M&T) business unit led by the Implementation Partner and supported by five Methodology and six Technology & Transformation team members.

The Methodology team provides updates on new developments in auditing, consults on methodology-related issues, and supports practice staff in relation to PwC's audit methodology. The Technology & Transformation team implements our auditing software and Assurance Transformation tools, develops training courses and user guides for the Assurance Transformation tools as well as acting as help-desk support.

M&T's aim is to continuously improve overall audit quality, simplify processes wherever possible and maintain trust. Moreover, M&T aims to reimagine the audit through the use of technology to help our audit teams adopt the enhanced guidance and Assurance Transformation tools. The team endeavours to meet and surpass the minimum audit quality standards set by the PwC network and local requirements.

M&T's main responsibilities include:

- implementing audit methodology and Assurance Transformation tools,
- launching training materials based on PwC's global materials for methodology and Assurance Transformation content, and customising them to local needs in respect of local practical issues and real cases,
- working with Global team to develop effective user guidance material for Assurance Transformation tools,
- optimising, reporting and ongoing support for Assurance technology and transformation tools,
- communicating new and updated policies, procedures, and methodologies and keeping staff up to date,
- addressing methodology and technology issues, and
- conducting engagement reviews to identify and improve audit quality and efficiency.
- provide consultation on auditor report requirements and review the key audit matters (KAM) that are required in audit opinions to ensure they comply with Cambodian International Standards on Auditing and PwC audit methodology.





Aim to Predict: Assurance Quality Indicators

We have 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.

Quality performance measures and a meaningful analysis of their results can also provide valuable insights into audit quality factors and are part of our four strategic quality initiatives used to monitor and measure quality at both the firm and individual levels.

- At the firm level, quality performance measures include the prediction of results for the next reporting. This gives us early notice of where to look for potential issues and take timely action. They also assist in communicating our views on quality to stakeholders: audit committees, capital markets and the general public.
- At an individual level, these measures help partners understand their responsibilities, and their performance in each area is reported quarterly or annually.

The quality performance measures (including targets and measurements) are developed for each QMSE objective and approved by Assurance leadership at the beginning of the fiscal year. The data is collated centrally every month by dedicated members of the R&Q team based on input from business process owners who analyse the data, assess the results and develop draft action plans based on a root cause analysis if quality risks are identified. The results include the current month's actual performance and prediction for next month. The quality performance dashboard is prepared and submitted to Assurance leadership for their discussion and approval.

Aim to Prevent: Real Time Assurance

We have developed a Real Time Quality Assurance (RTA) programme to provide preventative monitoring that helps coach and support engagement teams during an audit to get the 'right work' completed in real-time. Refer to the section 'Monitoring of Assurance Quality' on [Page 46](#) for further details.

Learn: Root Cause Analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions for continuous improvement. Our main objectives when conducting these analyses are to understand what our findings tell us about our SoQM and to determine how we can create the optimal environment for our engagement teams to deliver a high 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. Refer to the section 'Monitoring of Assurance Quality' on [Page 47](#) for further details.

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.

The 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 standards and policies of the PwC network and our firm.



Behaviours: We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with a quality objective.



Interventions/recognition: We have put in place interventions and recognition that promote and reinforce positive behaviours and a culture of quality



Consequences/rewards: We have 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. Failure to meet quality objectives can result in performance income cuts and other consequences, up to the revoking of signing rights.

The framework applies to partners, associate partners, signing directors and key management roles. It supports our leadership in their responsibility to help meet our quality standards. Every year, our Assurance leadership team updates, approves and communicates the framework to all partners.

Risk & Quality KPIs

Our commitment to quality starts from the top. The R&Q standard KPIs are applicable to all our partners to measure quality and compliance with the firm's policies, requirements and processes and this forms part of the annual partner performance evaluation process.

R&Q KPIs are applicable for all staff depending on their grade and cover certain aspects of compliance with risk management, independence policies as well as quality performance. Staff may face punitive measures for non-compliance.

Ethics, independence and objectivity

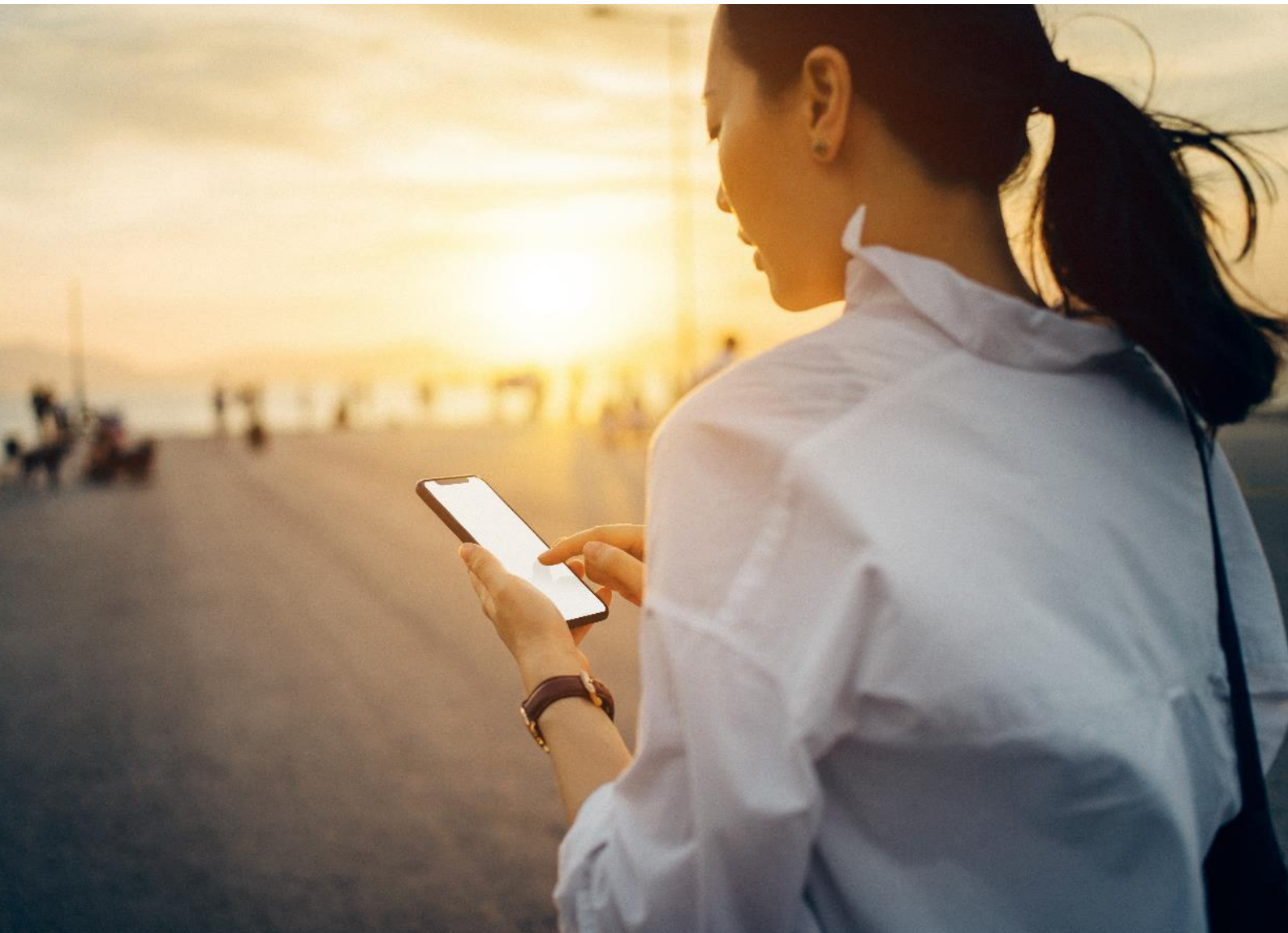
At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, which are:

- 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 judgments.
- 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 practise, 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 and cover a variety of areas including ethics and business conduct, independence, anti-money laundering, antitrust/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 Cambodia 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 Cambodia has adopted the PwC Network Standards which include a Code of Conduct, and related policies that clearly describe the expected behaviours 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 for a broad range of circumstances, all with the common goal of doing the right thing.

Upon hiring or admittance, all staff and partners of PwC Cambodia are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code of Conduct 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 of Conduct. In addition, every partner and 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.

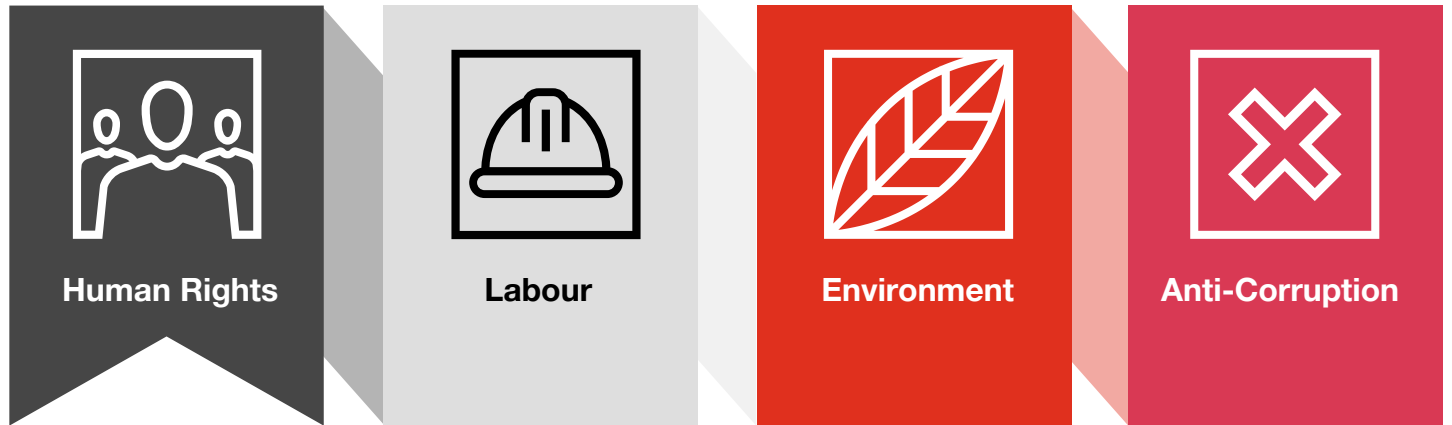
The PwC Code of Conduct and the ethics helpline are available online for all internal and external stakeholders at <https://www.pwc.com/ethics>.

PwC Cambodia has adopted an 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.

Third Party Code of Conduct

PwC is recognised as a global leader in professional services, working with many of the world's largest organisations. We have committed to operating within a framework of ethical and professional standards, laws, regulations, internal policies, and our core values. PwC is a signatory to the United Nations Global Compact and is committed to its ten principles.



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: the elimination of all forms of forced and compulsory labour
Principle 5: the effective abolition of child labour
Principle 6: the elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges
Principle 8: undertake initiatives to promote greater environmental responsibility
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
PwC expects third parties to require the same levels of integrity and business conduct from their personnel and anyone outside their organisation who is engaged to provide services for, or with PwC.
PwC's Third Party Code of Conduct (Code) explains the minimum standards of integrity and business conduct PwC expects of the third parties with which it does business.



Complaints and allegations

The Code of Conduct and the behaviours we seek to reinforce are brought to life in numerous ways for our people, including formal training, leadership programs emphasising a culture of speaking up and showing respect at work, and in our day-to-day work and handling of complaints and investigations.



Speak up. Speaking up is crucial to our culture at PwC – it’s a living example of our values. Speaking up when something doesn’t seem right demonstrates integrity and that we have the courage to do the right thing. It also helps to prevent mistakes and misconduct, while showing that we care about each other and our business. And it assists us in living up to our commitment to delivering quality outcomes. Everyone within the firm – no matter their level or role – is encouraged and empowered to speak up when dealing with a situation that doesn’t seem right. All PwC partners and staff have a responsibility to report and express their concerns.

The firm has a confidential and secure tier of the [PwC Ethics Helpline](#) and supporting case management system, whereby any PwC partner, staff member or third party can report concerns that our member firms then investigate.



Listen up. Listening and collaboration means we consult with our colleagues so that concerns are heard and addressed in an open and professional manner. We consult with our supervisors, coaches, ethics teams and human capital representatives. They are responsible for addressing and if necessary escalating the issues brought to their attention.



Follow up. For any allegation, complaint, or concern, we investigate and address the situation in an appropriate and timely way. If a concern is reported, it’s handled with appropriate confidentiality and discussed with others only as needed. Disciplinary action is taken as appropriate and in accordance with established accountability frameworks in each member firm.



Non-retaliation. PwC is committed to protecting our people against retaliation when complaints are filed in good faith. Retaliation is serious misconduct that will not be tolerated, and any PwC professional – whether a partner or staff member – who takes retaliatory action will be held accountable.

Conflicts of interest

Given the broad nature of our operations and the many clients that we serve, PwC frequently faces the risk of potential conflicts of interest. We take any potential conflict of interest seriously. If a conflict is identified, we’re committed to take timely steps to address it. The firm maintain internal controls and processes to identify potential conflicts and comply with applicable laws and regulations.

Our programmes reinforce the need to act in accordance with the Code and frameworks for ethical decision-making. The firm understands that there’s a greater risk of conflict of interests, or a perception of such issues by our stakeholders, in some key areas (including working with government). There are separate principles to deal with these areas.



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 Cambodia is supported by PwC Thailand who 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 is supported by a team of independence specialists. The PRI reports directly to the Firmwide Leadership Team.

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.



Objectivity and Independence

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 Cambodia supplements the PwC Global Independence Policy as required by local regulations, including the independence requirements of the US SEC and those of the US Public Accounting Oversight Board and the EU Audit Regulation where they are more restrictive than the network's policy.

Independence-related systems and tools

As a member of the PwC network, PwC Cambodia 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;



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) 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. 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.

We have in place the system and database which facilitate our monitoring of compliance with relevant audit rotation policies for engagement leaders, other key audit partners and quality review partners involved in an audit.

PwC Cambodia also has a number of specific systems which include:

- An application of all approved simple business relationships entered into by PwC Cambodia.
- An application of all approved directorships and declarations from our partners and staff of personal relationship with an audit client or its related entities.
- A rotation tracking system which monitors compliance with PwC Cambodia audit rotation policies for engagement leaders, other key audit partners and quality review partners involved in an audit.



Independence training and confirmations

PwC Cambodia provides all partners and 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 Cambodia's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by PwC Cambodia's 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 audit clients.



Independence monitoring and disciplinary policy

PwC Cambodia 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 Cambodia's monitoring and testing are reported to the Firmwide Leadership Team on a quarterly basis.

PwC Cambodia has an 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 Cambodia's 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 have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are 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 Cambodia 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 resolutions, 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; and
- 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; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.



Data privacy



At PwC, we maintain a professional and well-articulated approach to the management of all personal data. Everyone in our organisation has a role to play in safeguarding personal data so that data subjects and stakeholders can apply their rights.

To protect personal data, we have raised staff awareness and encouraged the proper handling and use of data, including confidential information. We have also implemented operating systems, designed processes, invested in security and embedded well-established data management practices across our business to ensure that personal data provided by clients is securely protected.

Furthermore, we have ingrained a respect for personal data protection in our working culture which is reflected in the standards and policies in place. Our principles have been incorporated in our Data Protection Policy and Network Data Protection Programme (NDPP) which has been implemented by PwC member firms around the world. These standards and policies on data protection provide the requirements and define specific principles for protecting personal data to be aligned with the applicable laws relating to personal data protection.

Awareness of the importance of personal data protection has been cascaded to our staff via mandatory online training about the personal data protection and regular communication informing them of their roles and responsibilities in upholding these standards and policies. This includes with conducting the compliance testing plan to measure the effectiveness of operating system, data protection compliance and policy. This helps ensure that our staff are committed to safeguarding personal data while providing high quality services to clients.

Incident management

PwC recognises that security incidents are disruptive and may cause damage to individuals, clients or the business function. We must be prepared to combat these threats and quickly respond to prevent impacts that may result in financial, legal or reputational implications. In order to be properly prepared, an incident management programme has been implemented to identify, classify, escalate, respond and resolve security incidents in a timely manner and reduce impact to the individuals and the business.

Adequate controls have been implemented to properly detect and defend the firm against malicious software designed to disrupt computer operations. To keep up with the changing threats, encryption and up-to-date malware protection software has also been implemented to protect data on servers, workstations, laptops, mobiles and removable devices.

Detection or suspicion of a security incident is critical for early identification and containment of its impacts. PwC personnels are required to be familiar with the process and points of contact to report and escalate any suspected violation or perceived security incident.

Network and system monitoring and logging

Monitoring, logging, scanning or other security utilities are necessary with detection of network or system vulnerabilities. All security, audit and system tools have been configured, registered and protected with restricted access privileges, including output that is considered confidential, and secured in accordance with PwC policies and procedures.

Monitoring and logging are detective controls to identify unexpected system activity that may include a decline in expected system performance or unauthorised activity. Early identification provides support teams with warning indicators of system performance trends that can be addressed to ensure system availability. Appropriate monitoring and logging of systems, applications and networks provide a tracing capability, and combined with proper levels of activity recording, are critical controls for the containment and remediation process. In addition, filtering and monitoring controls for ingress and egress points prevent malicious activities, cyber attacks, data leaks and other harmful events.

Business Continuity Management (BCM)



Figure 2:

Key elements of our Business Continuity Management

- Business continuity strategy**
Our business continuity strategy ensures that critical business services and processes are supported by resilient solutions, and that the firm is able to manage major incidents and crises. Business continuity planning is done throughout the firm as a formal work programme to ensure systems supporting critical business services and processes can be recovered within a defined and acceptable timeframe and sensitive and critical information are protected.
- Disaster recovery and technology resilience**
To ensure that critical services and processes that rely on technology applications and infrastructure are available when needed, we specified the key applications requiring Disaster Recovery (DR) solutions and pre-arranged a DR site.
- Incident management**
We have planned process outlines and the responsible person to identify, investigate, contain, and recover from any potential threats to data security and the integrity of the PwC brand.
- Business continuity planning (BCP)**
Our BCP provides guidance to restore critical services in the event of a disaster. Our BCP is reviewed and updated annually or when there are significant changes to key factors i.e. organisation, threats and risks.
- Business continuity activities**
Our BCP includes a recovery plan matrix which enables critical business services and processes to resume to an acceptable level within an agreed timeframe following a disruption.
- Business continuity activities**
Our annual testing covers BCP, DR and call tree. The outcomes of BCP testing are reported to and approved by the firm's leadership.

Confidentiality and information security

Confidentiality and information security 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.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

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 Cambodia hold and can lead to 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.

PwC firm compliance with the ISP is measured through quarterly data-driven assessments as 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's approach to anti-corruption

Corruption is at the centre of some of the world's most pressing problems. PwC is opposed to corruption in any form and recognises the importance of making smart choices when it comes to its business relationships.

The PwC ethics and compliance standards and policies specifically set out how member firms are expected to identify and mitigate the risk of bribery and corruption in their activities. The standards require us to establish systems, policies and procedures to prevent bribery and corruption. In complying with the network standard, we have undertaken the following:

- Appointing an experienced individual who is responsible for implementing the standards' requirements, with appropriate leadership oversight.
- Preparing an annual risk assessment to evaluate (a) the level and type of risks the firm faces, and (b) the policies and procedures the firm uses to comply with the standards and/or to respond to local risks.
- Implemented local policies on anti-bribery, facilitation payments and gift-giving which clearly state that bribes must not be solicited, accepted, offered, promised or paid, with facilitation payments in cash or kind strictly prohibited.
- Annual training for all personnel (including new joiners) on local and network policies and guidance.
- Taking steps to identify and resolve any departures from or violations of policies in place.
- Annually undertaking monitoring to assess compliance with anti-corruption standard as well as local and network policies and guidance, and resolving any deficiencies, where identified.
- Each year, all partners and staff at PwC Cambodia are required to sign a personal confirmation of their anti-corruption compliance.





Our people



[Message from leadership](#)



[Our approach to quality](#)



[Culture and values](#)



[Our approach](#)



[Monitoring](#)



[PwC network](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

Our people

We recognise that our people are our greatest asset and our competitive advantage. To support them in their career journey, we follow the PwC Professional to help accelerate and enrich our people's development and set our brand apart.

To really stand out and stay competitive in a rapidly changing world, we need to offer more than functional and technical competences. Crucial attributes we want our people to demonstrate are leadership, an awareness of the business environment at local and global levels, and the ability to develop business relationships and being a trusted advisor to deliver a sustained outcomes. We need transformational and inclusive leaders who inspire others and who can lead clients, teams and others throughout the change journey.

People strategy



Our people strategy was developed in support of our broader business strategy, The New Equation. We are 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.

Digital upskilling and transformation



We continue to focus on digital transformation activities to enable our workforce to function and service our clients in a digital economy. All our staff receive training on the fundamentals of digital transformation, data analytics, technology and generative AI (GenAI), customised to their level and line of services to enable them to have skills to get insights on data used by organisations and prepared for the continuously changing technology landscape.

We enabled specific individuals to become digital accelerators, having deep analytics skills to help champion digital service offerings across all our lines of service. We also launched a programme to provide knowledge badges to all our staff to demonstrate their digital knowledge.

Asia Pacific Marketplace



This year in collaboration with the PwC firms in the region we've launched the Asia Pacific Marketplace, a pioneering regional digital ecosystem that brings together unique perspectives and cutting-edge technology. Asia Pacific Marketplace serves as a one-stop shop where our clients can explore a wide range of human-led and tech-powered digital solutions, not only from PwC but also from trusted third-party providers. The primary goal is to unlock significant business value for our clients, who can discover solutions tailored to address their most critical challenges across various domains, including cybersecurity, data and analytics, digital transformation, ESG, organisational effectiveness, risk management and tax.

ChatPwC



In line with the firm's strategy 'The New Equation' which is focused on solving important problems and delivering tech-powered and human-led solutions with tangible results, PwC Cambodia has launched 'ChatPwC', a GenAI tool to improve service delivery. ChatPwC is being positioned to help enhance productivity and the efficiency of service delivery in the Mekong territories, which comprise PwC Cambodia, PwC Laos, and PwC Thailand. The implementation of ChatPwC aims to assist the firm's community of solvers manage and analyse insights, explore solutions and access knowledge.

Other initiatives



Our Digital Lab is a repository of digital assets to enhance productivity and created by PwC network staff across the world. It functions as a centre of innovation encouraging our employees to develop digital assets that can enable improvement and automation across the services delivered internally and to our clients. We are currently creating local solutions to add to the Digital Lab and also launching a series of digital products in the areas of ESG, governance, regulatory reporting and transformation to expand our digital service offerings.



Diversity and inclusion

At PwC, we're committed to being a leading organisation for inclusion and belonging with our people, client, and external stakeholders and a leading employee destination for diverse talent. We are focused on ensuring our ways of working embrace diversity and fostering 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

We aim 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.



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.



Career progression

We use PwC Professional, a global career progression framework which sets out clear expectations at all staff levels across five key dimensions (professional skepticism, review and supervision, auditing skills, issues management, and accounting and technical knowledge). 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 make 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.



Global People Survey

Each PwC member firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Cambodia is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.



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 firm.

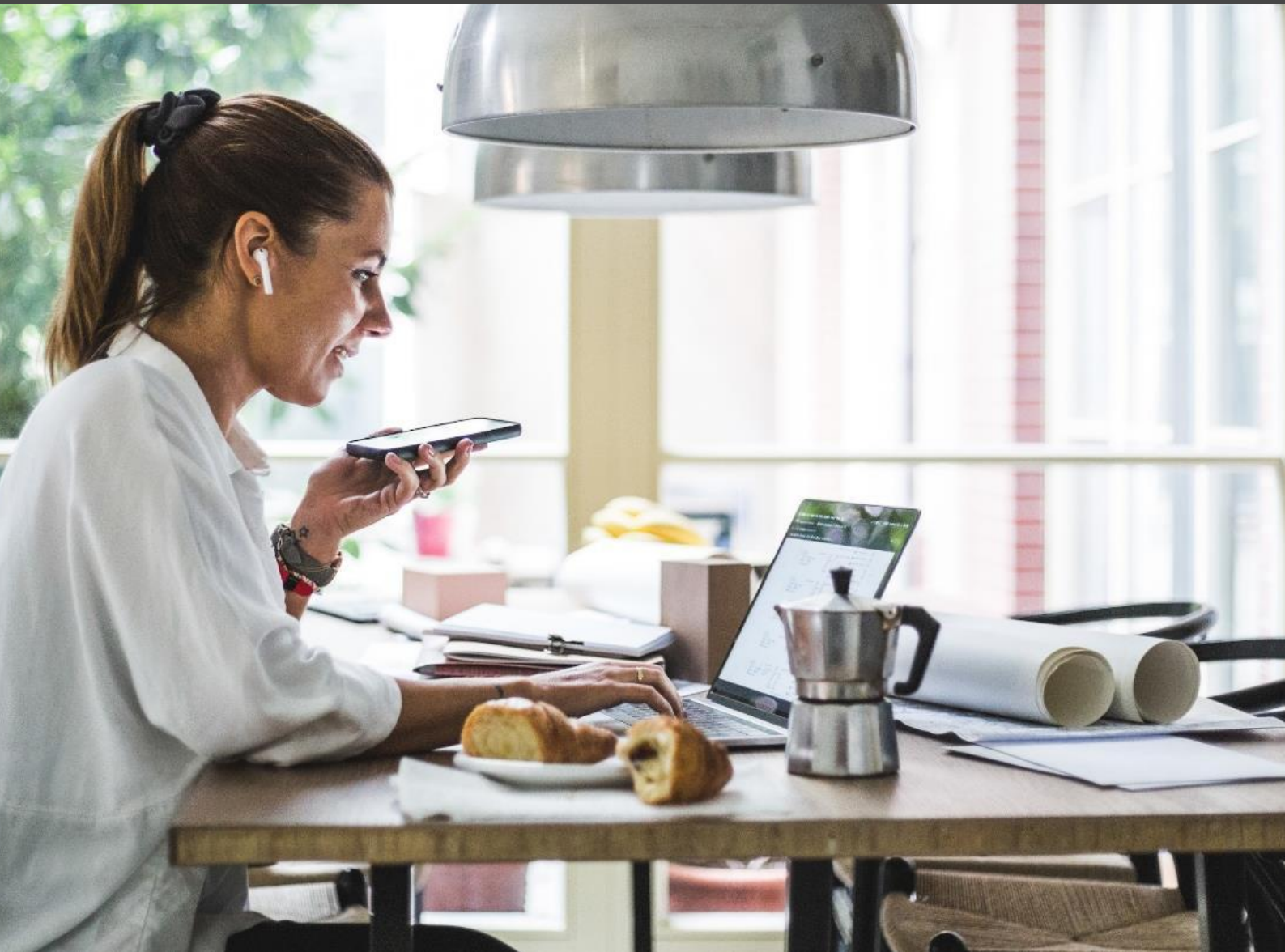
Health and safety of our staff

Wellbeing and engagement

Staff wellbeing, both physical and mental, is our top priority. PwC Cambodia has addressed its importance through the 'Be well, work well' programme which included a communication campaign on how to create and sustain good physical and mental health. We've also rolled out activities that help engage staff and create a sense of belonging.

PwC Cambodia is also thinking carefully about how to make our working model more flexible and inclusive. To support work-life flexibility, we launched a hybrid working model to improve the employee experience and support a work-life harmony that allows everyone to work smarter whilst maintaining our quality of service. We aim to provide a workplace that enables both high performance and a work-life balance that supports and respects personal values. This hybrid working model aligns with our existing WeFlex policy to provide flexible working for everyone.

In terms of employee engagement, PwC has an annual Global People Survey with the main objective of collecting feedback and then taking the survey results into the action plan to help address staff areas of concerns/priorities and improve the engagement level within teams and across the organisation.



Learning and development of our staff

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 are 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, classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible learning portfolio facilitates personalised learning with access to Continuing Professional Education (CPE) and non-CPE educational materials, including webcasts, podcasts, articles, videos and courses.

Achieving a professional credential supports our commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with more individualised paths to promotion and support them in prioritising and managing their time more effectively when preparing 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 and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing our partners and staff with the opportunity to strengthen their technical and professional skills, including professional judgment while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Development leader considers what additional training is appropriate – formal and/or informal – to address specific local needs and new developments, such as local GAAP, auditing and taxation, industry specific, business skills and language programmes.

Our learning framework is not only designed for technical capabilities, but also to enhance other crucial professional attributes. We follow the PwC Professional framework attributes: whole leadership, business acumen, global and inclusive, relationships, and technical and digital capabilities. We focus more on technical competence for our 'entry level' staff, and more on the other attributes for senior staff and above.



Our approach



[Message from leadership](#)



[Our approach to quality](#)



[Culture and values](#)



[Our people](#)



[Monitoring](#)



[PwC network](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

Our approach



Our approach

Our audit quality and effectiveness is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, in the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about our audit quality and any areas for audit efficiency and improvement. Details of these indicators and processes can be found in the Monitoring of Assurance Quality section.

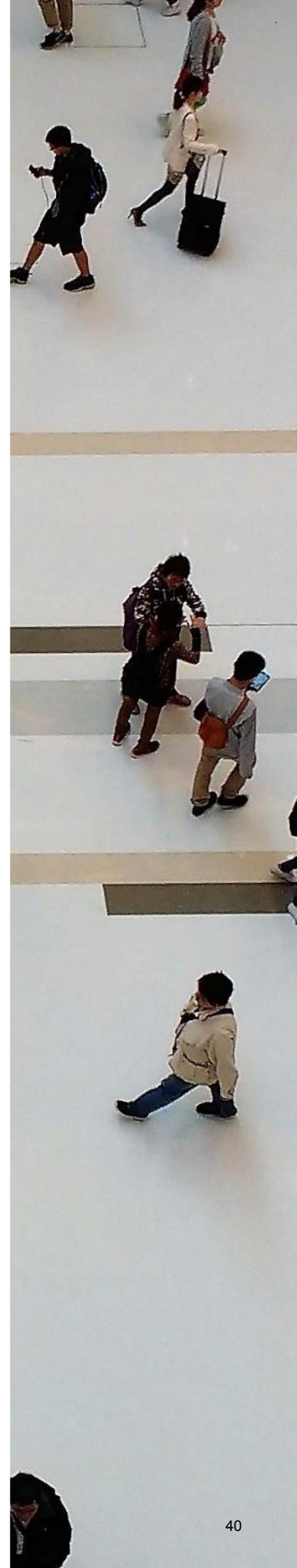
Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and the findings of regulatory inspections on our work quality. According to recent inspections, there were no findings related to the quality of our work including engagement performance. Details of the most recent regulatory findings can be found in the section 'Monitoring of Assurance Quality' on [Page 46](#) for further details.



Our tools

As a member of the PwC network, PwC Cambodia has access to and uses PwC Audit, an audit methodology and process designed specifically for our staff. This methodology is based on the International Standards on Auditing (ISAs) / Cambodian International Standards on Auditing (ISAs), with additional PwC policies and guidance provided where appropriate (for example, United States Generally Accepted Auditing Standards (USGAAS) issued by the American Institute of Certified Public Accountants (AICPA) and PCAOB Audit Standards).

PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA / CISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC member firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

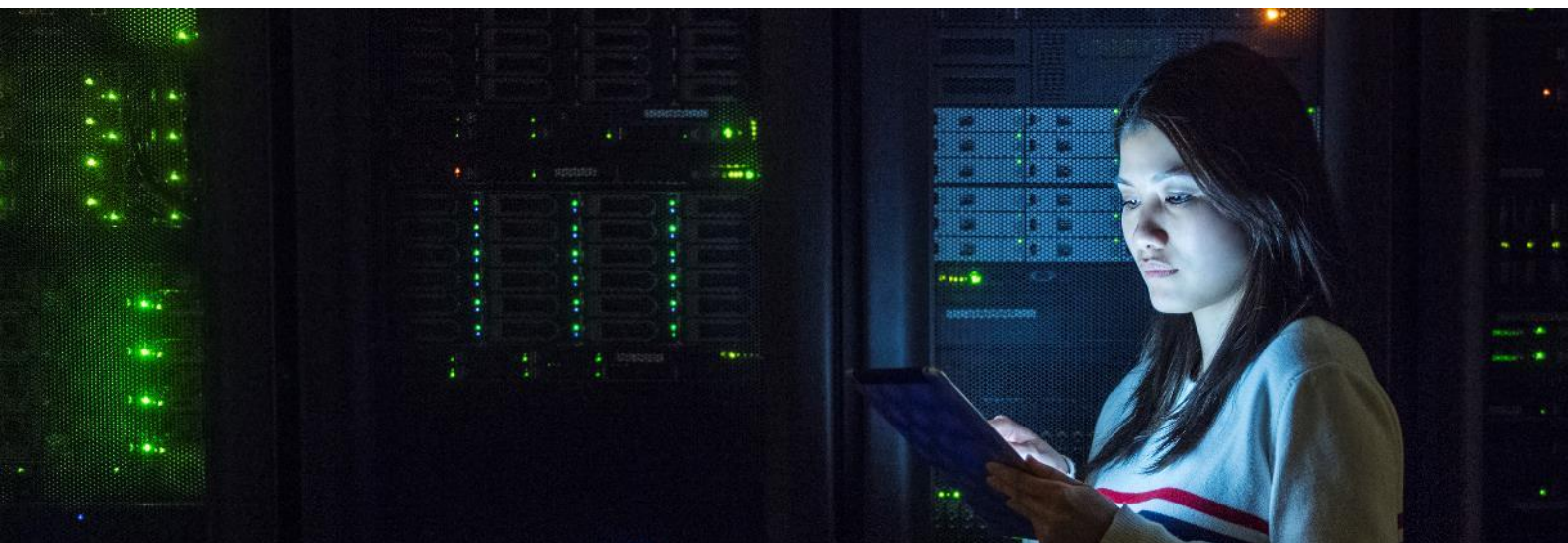


Tools and technologies to support our audit



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.
- **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.
- **Count**, which facilitates the end-to-end process for observing inventory counts, allows our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.
- **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 Confirmer portal allows confirmers to easily navigate and provide responses.
- **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.



Tools and technologies to support our audit



Other technology adopted by PwC Cambodia

PwC's Smart Audit Platform is a secure portal developed by another PwC firm to further streamline audit testing activities with cutting-edge machine learning and automation. PwC Cambodia invested in this technology along with audit technology tools integrated with Aura. The platform currently supports the following modules:

- **Smart PDF Extract** quickly and accurately extracts information from PDF documents, transforming it into consistently formatted and structured Excel workbooks.
- **OPEX Test** streamlines the testing of operating expenses by automatically analysing supporting documents that need to be matched against the general ledger.
- **PP&E Additional Test** streamlines the testing of fixed asset additions by automatically analysing supporting documents that need to be matched against the general ledger.



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 a next generation audit 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.

Supporting engagement performance

Evolving delivery model

We continue to evolve the way we deliver our services to give our clients an even better experience, further enhancing the quality of what we do and creating the 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. They supervise the work completed by junior team members, coach the team and maintain audit quality. Engagement teams use Aura which effectively monitors the engagement's progress to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.

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Technical panel support

Engagements involving complex issues may require the support of a technical panel of Assurance Leader, experienced client-facing partners, Risk Management Partner, and in some cases, technical experts or specialists in audit or industry areas. Engagement partners and leaders consult a technical panel when issues of major importance affecting a client or the firm arise or a difference of opinion cannot be resolved. Panel decisions are binding upon engagement leaders.

We stress setting up technical panel consultations in an early enough stage in the audit process to effectively address risks to our clients or the firm.

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Consultation culture

Consultation is key to ensuring audit quality. Reviewing work and consulting with appropriately qualified people before engagement delivery improves the quality of service and reduces risks. Consultation is one of PwC's fundamental strengths. While we have formal protocols about mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. For example, our engagement teams routinely speak with experts in areas such as taxation, risk, valuation, actuarial and other specialties as well as individuals within our technical support teams.

We have made great efforts to create a consulting culture where our people are encouraged to talk to others whenever they're in doubt. We've developed internal databases that allow our teams to get the consultation they need and also allow our internal technical experts to respond to and monitor the progress of enquiries they receive.



Technical support teams

Our technical support teams comprise technical accounting, auditing, and financial reporting specialists as well as risk and quality. These specialists play a vital role in keeping our policies and guidance current in these areas by tracking new developments in accounting and auditing and providing those updates to professional staff. They also provide enquiry and consultation supports related to their expertise. Refer to section ‘Our quality support teams’ on [Page 18](#) for further details.

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Quality review partner (QRP)

As part of our SoQM and in line with professional standards, a QRP is assigned to higher risk clients, such as listed entities, high-profile clients and clients preparing for an initial public offering. The Assurance Leader appoints QRPs in consultation with the Assurance Risk Management partner.

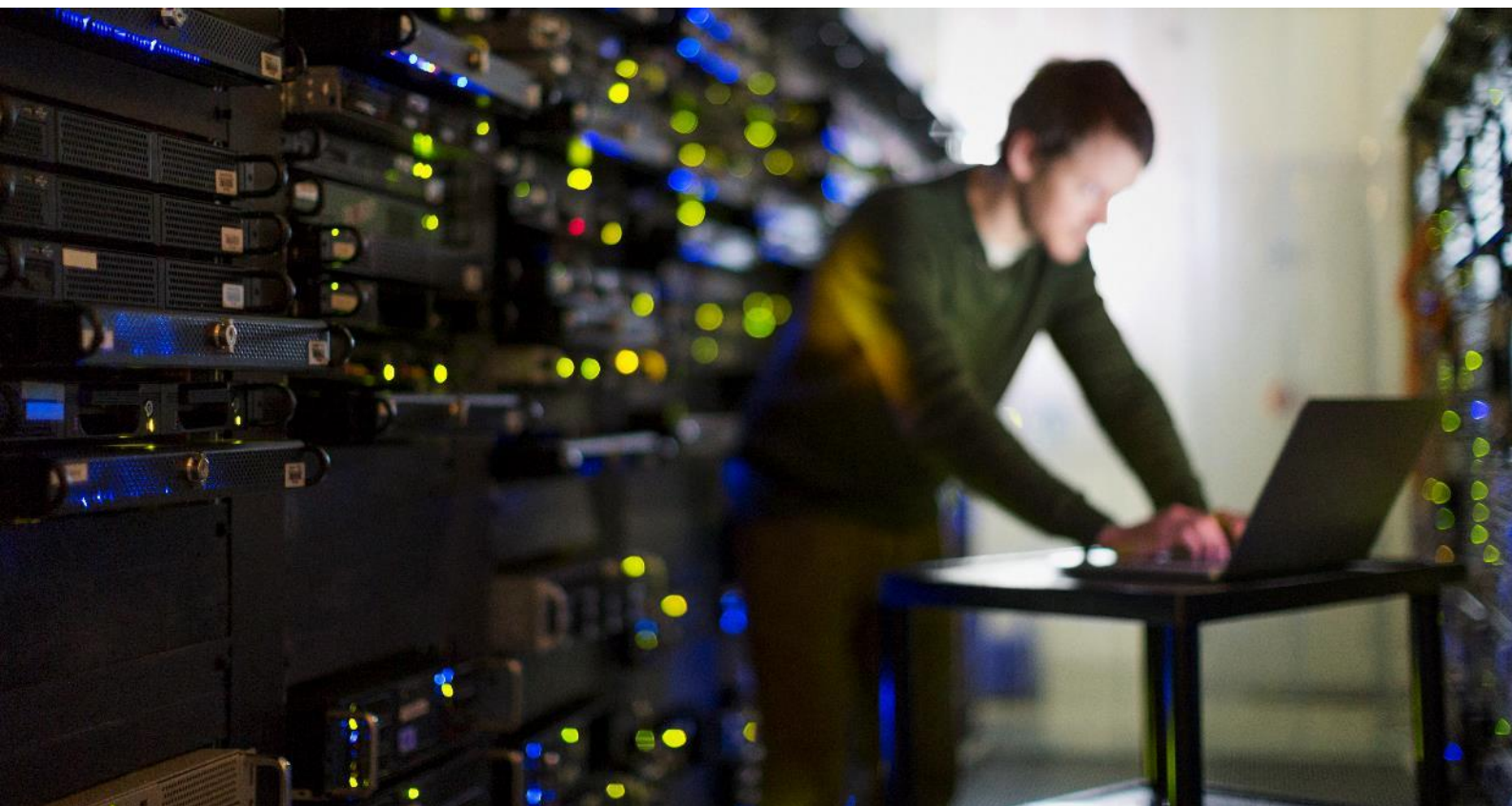
QRPs must have sufficient technical knowledge, appropriate experience, industry expertise, time and authority. They must be able to objectively evaluate an engagement team’s significant judgments and conclusions. First-time QRPs are required to complete mandatory QRP training before taking on the role.

QRPs are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, risks of material financial statement misstatement and a team’s responses to those risks, and specific accounting, auditing, financial reporting and disclosure issues. The QRP’s involvement is monitored and reported in the partners KPI dashboard on a quarterly basis as part of their KPIs. QRPs have access to real-time review findings, which allows them to monitor audit quality and follow up on issues with audit teams.

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Differences of opinion

Protocols exist to resolve situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or technical support teams. Resolution protocols include the use of technical panels consisting of partners independent of the engagement.





Monitoring



[Message from leadership](#)



[Our approach to quality](#)



[Culture and values](#)



[Our people](#)



[Our approach](#)



[PwC network](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

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 is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Cambodia. This includes the design and operation of an effective 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.

Quality monitoring provides our firm's leadership with insight into the overall quality of our Assurance practice. 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.



Aim to Prevent: Real Time Assurance (RTA)

We have developed a Real Time Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit. The RTA's key objectives are to:

- evaluate real-time quality improvements on selected engagements,
- assist engagement teams with enhancing audit quality, including documentation,
- assist engagement teams to comply with PwC audit methodology, accounting and auditing standards, and our risk management policies



Our periodic monitoring

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 sourced from within our firm and other PwC firms in the same region. 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. Each signer is reviewed at least once every five years, unless a more frequent review is required based on the profile of that signer's client engagements.

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.

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 monitoring, mentoring, training or further financial 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 (RCA)

We perform analyses 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 analyses 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:

- engagement information (e.g. type of client, industry, year-end, budget and actual hours, realisation rate)
- engagement leader and manager information (e.g. number of years at PwC and at current grade, number of years on the engagement, number of other engagements, non-client responsibilities, mandatory training completion)
- key engagement team metrics (e.g. utilisation, actual audit hours incurred, time charge data)

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 these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.

The potential causal factors identified from the RCA process are critical inputs for developing a quality improvement plan prepared for each inspection cycle. The linkage of potential causal factors to the quality improvement plan will assist our leadership to assess whether the planned actions address the identified potential causal factors, and are therefore more likely to improve audit quality.

Based on the root cause analysis results, we develop a Quality Improvement Plan that addresses the root causes. The Quality Improvement Plan is presented and approved by our leadership team and then implemented and regularly monitored by the firm's Quality Committee.

External inspections

In Cambodia, there is a joint audit quality inspection by the local regulators. The Accounting and Auditing Regulator together with the Securities and Exchange Regulator of Cambodia and the National Bank of Cambodia have inspected PwC Cambodia's Assurance practice. The 2023 inspection was undertaken in August 2023 with the scope of inspection covering the firm's SoQM and selected engagements. We received an overall rating of "Satisfactory" for the engagements reviewed. They also found no quality control defects and concluded that the firm's SoQM is adequate.

Communicate: Results of quality monitoring programme

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, monitoring or further sanctions in accordance with our firm's Recognition and Accountability Framework ([Page 21](#)).

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





PwC network



[Message from leadership](#)



[Our approach to quality](#)



[Culture and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[Legal and governance structure](#)



[Corporate responsibility](#)

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 18 members. One is appointed as external, independent director, and the other 17 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.





Legal and governance structure



[Message from leadership](#)



[Our approach to quality](#)



[Culture and values](#)



[Our people](#)



[Our audit approach](#)



[Monitoring](#)



[PwC network](#)



[Corporate responsibility](#)

Legal and governance structure

PwC in Cambodia has been established since 1995. The Company is registered with the Ministry of Commerce and the Ministry of Economy and Finance. PwC Cambodia is also registered with the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA). PwC Cambodia is accredited by the Securities Regulator of Cambodia, the National Bank of Cambodia, the Trust Regulator of Cambodia and the Insurance Regulator of Cambodia.

Our experience in Cambodia has given us a thorough understanding of the local market and enables us to provide our clients with a wide range of professional services. In particular, our position has allowed us to build up strong relationships with key ministries, financial institutions and both commercial and aid-funded organisations.

PwC's Assurance practice works with organisations to improve their corporate reporting and help them comply with regulatory requirements and contractual agreements.

Our audit approach is based on our extensive industry knowledge. It's tailored to suit the size and nature of our clients' organisations. Our deep understanding of regulations and legislation means we can help clients with complex reporting issues.

Leadership and management structure

Our leadership structure helps us maintain our commitment to quality in every facet of our business. See Figure 3 for the leadership structure ([Page 53](#)) and Figure 4 for Cambodia management team. ([Page 54](#))

Our Risk & Quality practice agendas are part of all management meetings and incorporated in the firm and Assurance business strategies.



Our management structure

Leadership Team

The Leadership Team currently comprises five partner partners; three Thai partners and two Cambodian partners. The Leadership Team is responsible for the firm's governance and oversight, and for giving input to support and monitor firm strategies.

Figure 3: PwC Cambodia leadership structure



Our management structure

Office Managing Partner

Kuy Lim is the firm's Office Managing Partner and the Territory Assurance Leader. His role is to lead the partners and their teams, and to manage the firm, including setting its short- and long-term strategic direction.

The Office Managing Partner is ultimately responsible for the firm's risk management, quality, and independence matters. He develops processes and structures to ensure strategies are reviewed thoroughly, associated risks are identified, and appropriate internal controls are implemented to manage the risks.

Kuy Lim is member of the Leadership Team and the Cambodia Management Team.

Cambodia Management Team

Our Management Team is responsible for setting broad business objectives and ensuring compliance with PwC policies.

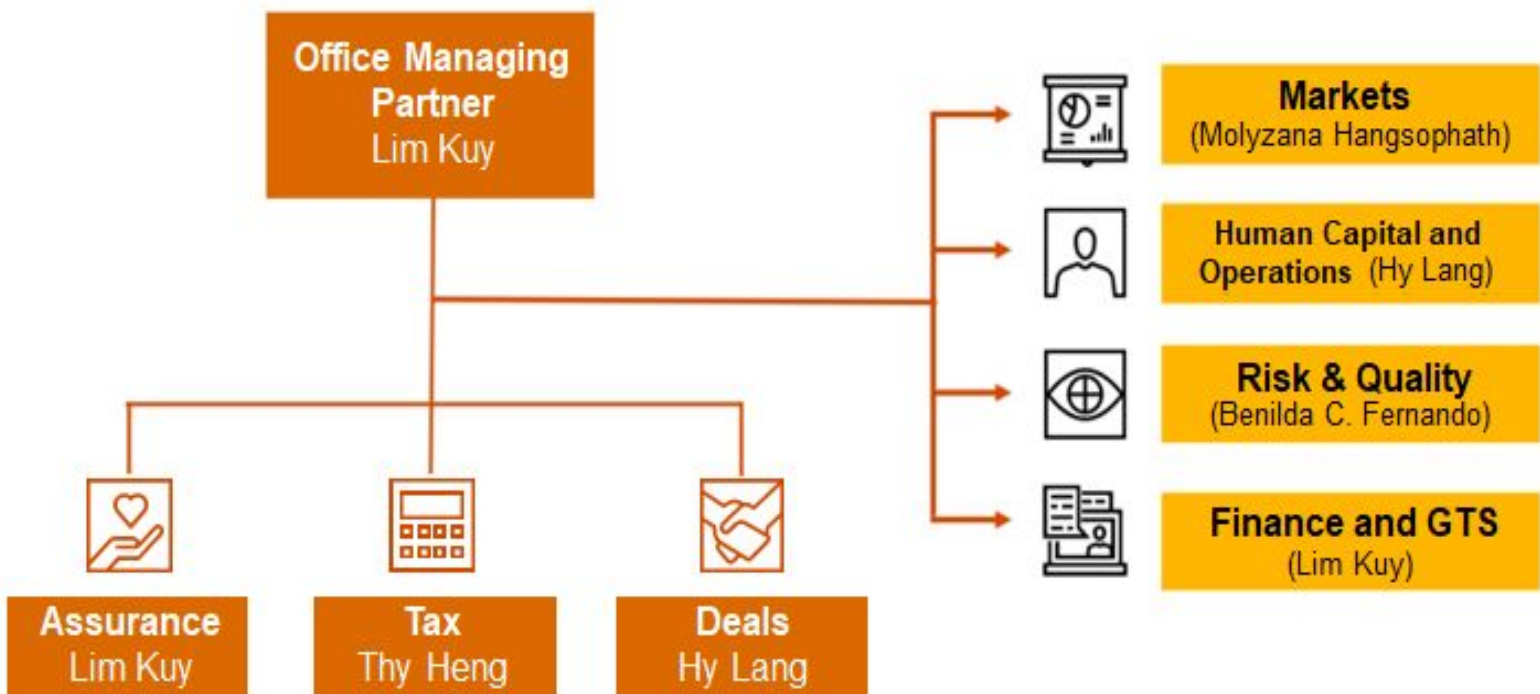


Figure 4: PwC Cambodia Management structure



Corporate responsibility



[Message from leadership](#)



[Our approach to quality](#)



[Culture and values](#)



[Our people](#)



[Our audit approach](#)



[Monitoring](#)



[PwC network](#)



[Legal and governance structure](#)

Together for clean river

Our plastic collection effort!

The activities aim to raise our people's awareness of plastic pollution, and we start from cleaning one of our beautiful capital's landscapes along the riverbank.

As part of this effort, we believe we could reduce our plastic usage and to raise our people's awareness of the impact plastic pollution could bring to our environment, our community, and our Earth. We've come up with this plastic collection activity along the riverbank to raise awareness not just of our people, but our community, on responsible consumption. Sustainable waste management involves minimising the use of resources and increasing the efficiency of waste disposal and recycling. Everyone at PwC has a part to play in the sustainability solution.



Give a little, make a great impact

Donating (used and new) necessities to those who need it most

As we reflect upon the past year's achievements in our donation project, we are pleased that our commitment to giving back to the community has not only continued but has gained momentum, creating a positive impact on the lives of the less fortunate. This report outlines our initiatives, aligning with the principles of 3R (reduce, reuse, recycle) and contributing to Sustainable Development Goal 12: Responsible consumption and production.



Addressing educational disparities:

Our donations include, new or gently used clothing in good condition, other essentials and school supplies to bridge the gap in access to learning materials. By participating, we aim to pass on knowledge to students, contributing to a brighter and more equitable future.

Enhanced contributions:

In addition to the generous contributions from our employees, PwC Cambodia took the further step of purchasing several new items in all the aforementioned categories. This strategic decision aims to amplify our collective impact, ensuring a more extensive and effective donation effort. Together, as a united force for positive change, we stand committed to creating a better world for all.



Our effort to help solve important problems through community engagement.

At PwC, we are committed to helping more people to play a greater part in our economy and society. We want to help communities develop the skills they need to thrive. So we are working with NGOs as well as social, micro and small enterprises to share the skills, knowledge and talent of our people.

Throughout 2023, PwC Cambodia staff dedicated their time to virtual and on-site initiatives, sharing their expertise with external stakeholders. These engagements aimed at delivering meaningful and impactful outcomes, contributing to the broader goal of community development.

Key collaborations



PwC Cambodia collaborate with ACAR to provide small and medium practitioners about quality management

As part of our social contribution, PwC Cambodia contributed to a project led by the Accounting and Auditing Regulators (ACAR) to improve accounting and auditing in Cambodia. Together with the Kampuchea Institute of Certified Public Accountant and Auditors, PwC Cambodia led a workshop to bring awareness to small and medium practitioners highlighting the importance of both audit quality and quality management.



Seminars and webinars

PwC Cambodia held seminars on Tax and Accounting updates in Phnom Penh and in Sihanoukville joined by companies in different sectors.

In addition, PwC Cambodia hosted free webinars 'Accounting Talks' on accounting matters.

Topics covered included:

- Accounting for employee benefits/pension fund
- Accounting matters for property developers
- Accounting matters for retailers



Pro bono services

PwC Cambodia provide pro bono service to Kantha Bopha Foundation of Cambodia, a foundation established by the government to support Kantha Bopha Hospital provide the medical and health needs of Cambodian children.

PwC Merit Day

The gathering aims to accumulate merit. It signifies cultivating thoughts, self-determination and doing good deeds to eliminate evil actions. People must lead a meaningful life, striving for goodness, engaging in positive deeds and upholding virtuous behaviour.

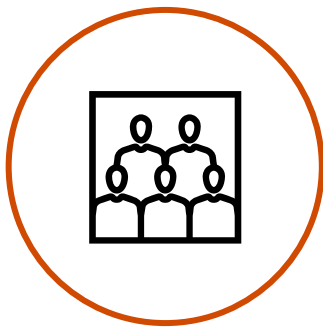


Committing to Net Zero with 2030 goals

In November 2023, PwC made a worldwide climate commitment to achieve Net Zero with 2030 goals. This means that as a network, we're taking a series of measures to achieve net zero greenhouse gas (GHG) emissions over the next decade. This includes reducing emissions from our operations, particularly air travel and energy management, investing in carbon offsetting projects, engaging and supporting our suppliers to decarbonise, as well as engaging clients and playing an important role in public policy discussions.

The move plays an important role in putting our purpose into action and developing our Environment, Social and Governance (ESG) platform. Net Zero refers to the goal of reducing GHG emissions. We aim to balance what's left by removing an equivalent amount from the atmosphere. Science dictates that every part of the economy needs to decarbonise by 2050 at the latest to avoid catastrophic climate breakdown.

Our commitment



Operations

50% GHG reduction,
100% renewable
electricity by 2030.



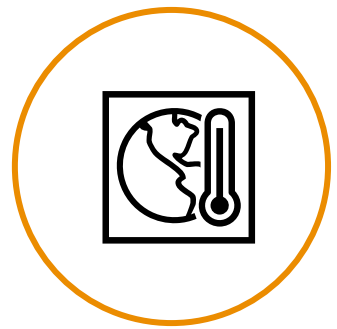
Clients

Help clients transition
to a Net Zero future.



Suppliers

50% of suppliers to
set science-based
targets by 2025.



Climate agenda

Collaborating with
business,
policy-makers and
NGOs.

Our decarbonisation targets



Reduce scope 1 and 2 absolute
emissions by 50% from a FY19 base
by FY30.



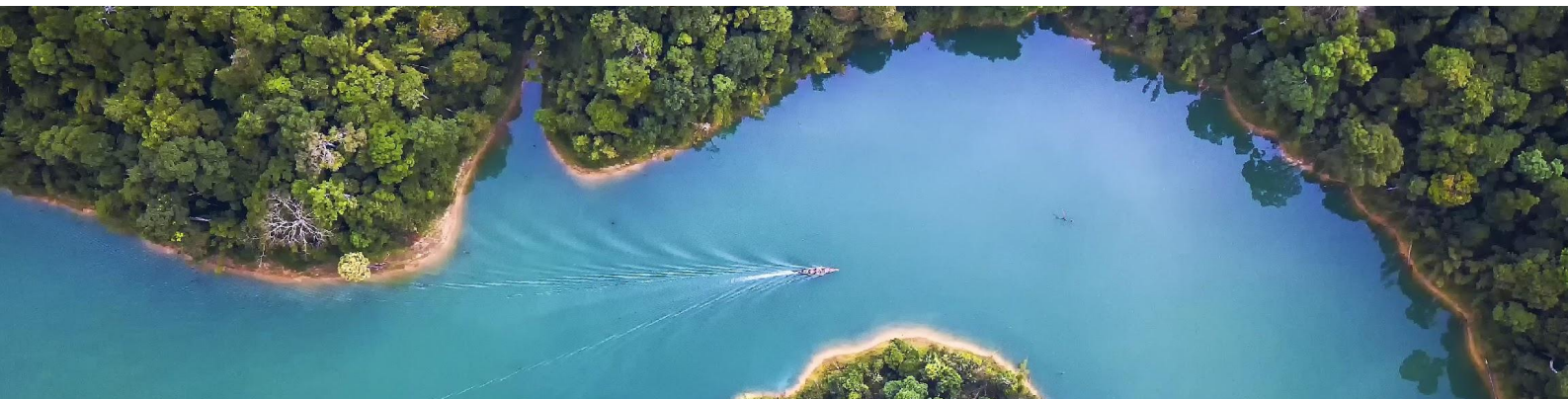
Reduce absolute business travel
emissions by 50% from a FY19 base
by FY30.



Transition to 100% renewable
electricity in all territories by FY30.

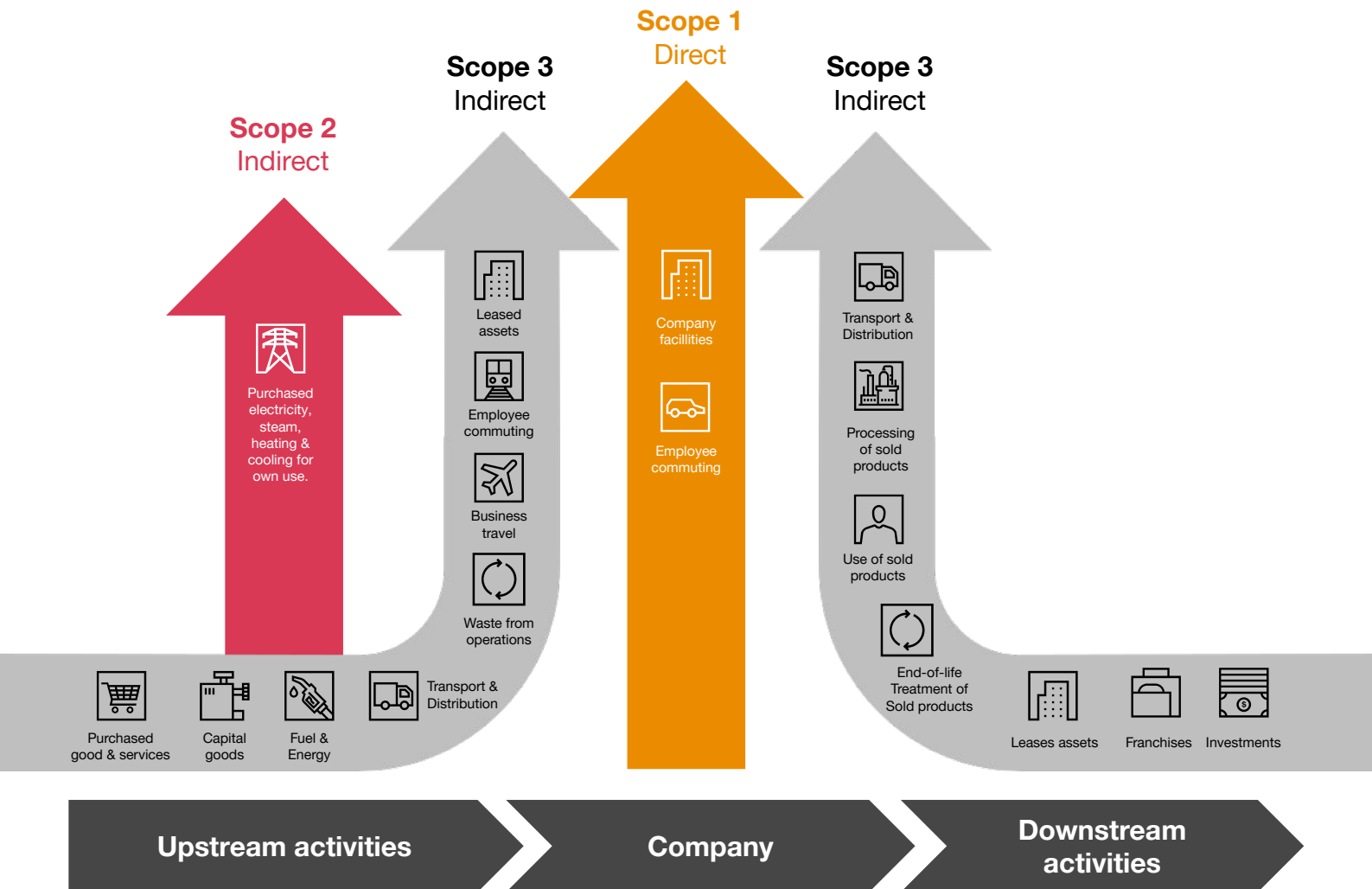
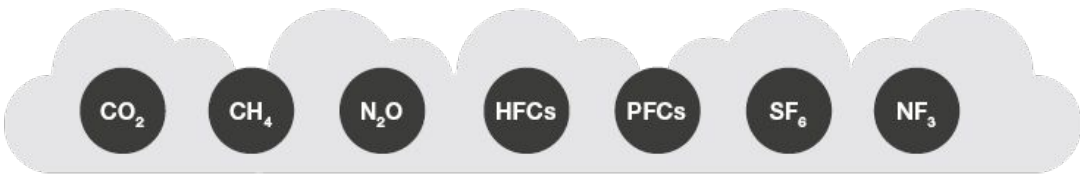


Commit that 50% of suppliers of our
purchased goods and services have
set science-based targets (by
emissions) to reduce their own climate
impact by FY25.



PwC carbon footprint measurement

Scope 1	Scope 2	Scope 3
<p>All direct emissions from the activities of an organization or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles, and air-conditioning leaks.</p>	<p>Indirect emissions from electricity purchased and used by the organization. Emissions are created during the production of the energy and eventually used by the organization.</p>	<p>All other indirect emissions from activities of an organisation, occurring from sources that they do not own or control.</p> <p>These are usually the greatest share of the carbon footprint, covering emissions associated with procurement, transport & distribution, product use, and product end of life.</p> <p>These also can be the most challenging to address.</p>



What we've achieved so far



1. Completed data collection and reporting

Updated our GHG inventory from the FY19 baseline to FY23. It covers scope 1, 2 and 3 (air travel, business travel, accommodation, electricity, paper, water use, purchasing goods and our supply chain), as required by the Global team. This enables us to calculate the largest source of greenhouse gas emissions from our company activities, so we can identify the root cause of emissions and adjust our strategy and business activities accordingly



2. Established a greener workplace

- On 25 September 2023, we launched the campaign 'Waste sorting at work is easier than you think' by placing new waste sorting zones in the central pantry on each floor, as well as small deskside bins to encourage our staff to use the new waste sorting bin zones.
- Decorated the office with air purifying plants to improve the working atmosphere and air for employees
- Promoted a paperless campaign by reducing printing and paper use such as using e-invoices and e-documents whenever possible and avoiding unnecessary printing. Converted from paperwork to digital work and monitored the quantity of paper used.
- Replaced sanitary items with green and organic products, such as toilet paper, hand wash gel and other washing liquids.



3. Green procurement Initiative

Encouraged staff to choose products and services that cause minimal adverse environmental impacts. The procurement staff prioritise the environment when searching for eco-friendly products and services at competitive prices. More broadly, we have improved sustainable procurement to include human health and economic concerns. We are also revisiting purchasing policies to promote green demand. We plan to establish criteria for evaluating supplier performance over the planned or expected operating lifetime, when procuring products, equipment and services that are expected to have a significant impact on the organisation's environmental performance.



4. External/Internal communication

Net Zero and CS newsletter

Net Zero and Corporate Sustainability content is carefully curated to share pertinent information about the environment, emphasising the importance of adopting Net Zero practices. It serves as an educational tool, fostering a sense of responsibility towards sustainable living and the environment.



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