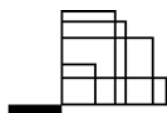




# Transparency report

**PricewaterhouseCoopers LLC, Oman**  
October 2020



**pwc**







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# Message from the Oman Senior Partner and Oman Assurance Leader

## Welcome to our 2020 transparency report

We are delighted to bring you the 2020 Transparency Report for PricewaterhouseCoopers LLC (PwC Oman). Throughout this report, the terms “PwC Oman”, “we”, “firm” and “our” refer to PricewaterhouseCoopers LLC (PwC Oman). This transparency report is published, in respect of the financial year ended 30 June 2020, in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014. The report describes our policies, systems and processes for ensuring quality, the results of key quality monitoring programmes and reviews, and the way we foster a culture of quality at every level of the firm.

We're a network of firms in 155 countries with more than 284,000 people who are committed to delivering quality in assurance, advisory and tax services.

At PwC, our purpose is to solve important problems and build trust in our society. Trust lies at the heart of everything we do at PwC. It's fundamental to fulfilling our firm's purpose. One of the ways we build trust is through transparency.

Our commitment to delivering high-quality assurance services is core to our purpose and is focused to strengthen trust and transparency.

## A focus on audit quality

Our audit business is fundamental to our strategy and brand. The quality of our work is core to our purpose, and we invest significantly in resources and its ongoing enhancement. To meet the changing expectations of the stakeholders, we continually review and update the scale and scope of our quality management operations, and invest in programmes to enhance the quality of the services that we provide. Our culture is centred around quality, and continuing to enhance this culture is integral to our leadership of the audit practice. We focus on embedding quality in everything we do, as individuals, teams and the wider practice, and ensure that we develop the necessary capabilities through promoting the right values and behaviours. We continue to invest in order to drive improvement in audit quality through new systems and technology, risk processes and learning and development for our people.

## Responding to the impacts of COVID-19 on the audit

This year, the global COVID-19 pandemic has had an unprecedented impact on our clients and our people, as well as global and local economies and broader society. From the early stages of the pandemic, the PwC Network offered comprehensive guidance to highlight areas of critical importance to ensure we did not compromise on audit quality, whilst safeguarding our people's wellbeing. Locally we were able to implement changes to our existing policies and procedures in light of the increased complexity and risk.





### Continuing our drive to improve quality through technology

Our continued focus on technology investment over recent years meant that our teams were able to quickly and seamlessly transition to working remotely with the onset of COVID-19. With the pandemic further driving the rate at which our clients are making changes to their businesses and operations, our own adoption of new technologies, as auditors, will only continue to increase. We will maintain our focus on investing in technology (automation, simplification and streamlining), improving processes/approach and strengthening the experience of our people.

Our aim is for our comprehensive and technologically enabled audit methodology, to be delivered by the right team of professionals; while maintaining our human values, ethics and professional scepticism. At PwC, we believe that assurance comes from human thought and judgement based on the results of testing and analysis. Our assurance professionals will continue to provide that judgement, intuition, constructive dialogue and challenge. This is what we refer to as the human difference. Assurance professionals working together with machines will deliver greater confidence than either could do alone.

We remain committed to our role as assurance providers – helping people make decisions with more confidence in a rapidly changing world.



**Omar Al-Sharif**  
Oman Senior Partner



**Mario Portelli**  
Oman Assurance Leader

**Omar Al-Sharif**  
Oman Senior Partner

**Mario Portelli**  
Oman Assurance Leader



## Our quality improvement programmes

At PwC, we are invested in continuously improving our audit quality through the design and operation of an effective system of quality management. This includes a focus on the following key areas:

- Continuing to strengthen our quality culture to support our partners and teams display behaviours consistent with driving audit quality.
- Integration of the use of Assurance Quality Indicators to aim to **predict** quality, Real Time Assurance to aim to **prevent** quality issues, Root Cause analysis to **learn** from quality issues and a Recognition and Accountability Framework to **reinforce** quality behaviours, cultures, and actions.

In addition, we continue to engage with our stakeholders to have:

- Public discussions on the future of audit, exploring how it needs to change to meet society's evolving expectations.
- Real time engagement around the impact of COVID-19 on audit compliance.



**At PwC, our purpose is at the core of what we do and why we do it.**

**Omar Al-Sharif**

Oman Senior Partner





# Our approach to quality



# Our approach to delivering quality services across all our operations and network

## Focus on Quality

The quality of our work is at the heart of our organisation and we invest significant and increasing resources in its continuous enhancement across all of our businesses. Quality is considered holistically across all aspects of our business including, clients, people and firm. This investment is targeted into many different areas, including training (technical, ethical and behavioural), methodologies, adding resources in key areas and exploring new ways of delivering our work. Each investment reflects a common determination to understand the factors that drive quality and identify opportunities for enhancement.

We are also investing heavily in new technology to drive continuous improvement in the capabilities and effectiveness of all of our services.

We are proud to have been the first of the global professional services networks to have published its internal audit quality inspection results. The publication of this data by our Network over the last few years, along with public discourse on the subject of the audit, has quite rightly put an increasing focus on the issue of audit quality. We have discussed audit quality in detail in this report.

## Definition and culture

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of 284,000 people that emphasises that quality is the responsibility of everyone including our 184 people in Oman. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

## Measurement and transparency

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

As our services change and develop, and the needs and expectations of our stakeholders also change, we are continually reviewing and updating the scale, scope and operations of our system of quality management and investing in programmes to enhance the quality of the services that we provide.

The Firm has continued its focus on 'tone at the top' of our organisation and enhanced the frequency of the engagement of leadership with the partners and staff during the COVID-19 pandemic crisis.





# Specific focus on audit quality

## Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing a quality audit. When there is identification of areas to improve on, we take each of these instances very seriously and work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

## The right objectives and capabilities

To help us put this strategy into effect, the PwC Network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. That's why our quality objectives focus on having the right capabilities – both at a member firm level and across our Network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

## Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are relevant to achieving and sustaining audit quality. To help us achieve these objectives, there are a number of dedicated functions at a network level that develop practical tools, guidance and systems to support and monitor audit quality across our Network. These elements have been integrated and aligned by our Network to build a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances.

## Delivering a quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept; it needs to be embedded in everything we do as individuals, teams, firms and the Network. The quality objectives are supported by designated key activities which are considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieving each quality objective.

## Values and judgments

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by the company's management and / or directors are free of "material misstatements" – reaching a professional judgment on whether the financial statements present a fair picture of the company's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgment – all supported by technology.





# Delivering audit quality during the COVID-19 pandemic

## Our response to COVID-19

This year, the global COVID-19 pandemic has had an unprecedented impact on our clients and our people, as well as global and local economies and broader society.

At PwC, in addition to safeguarding the health, safety and well-being of our people, we have remained focused on working together as a Network, with our clients and other stakeholders to continue to deliver audit quality.

## Sharing developments and experience

From the early stages of the pandemic, the PwC Network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality. We have leveraged the guidance developed by our Network to provide consistent leadership and guidance on audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

Our Network response was comprehensive. It covered all aspects of audit quality, including regulatory and standard setting updates, auditor reporting, methodology, accounting and learning and education. Using the Network guidance, we considered changes needed to our existing policies and procedures as well as what needed to be reinforced through appropriate communications to our staff and partners.

## Identifying and addressing risks related to COVID-19

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain the necessary audit evidence and execute specific audit procedures such as completing physical inventory counts, responding to regulatory reporting deadlines, assessing delays in client reporting, review of component auditors/overseas work papers. This is in addition to the risk assessment considerations including the identification of new risks and accounting implications in light of the COVID-19 situation.

Our system of quality management provided the framework to identify, assess and respond to the risks arising from the COVID-19 situation. We used the experience and examples shared with us from across the Network to support our assessment of the issues that had the potential to impact our system of quality management.

We focused on enhanced supervision and review, periodic risk alerts and communications, mandated consultations with specialists, where appropriate, introduced new interim mandatory consultation policies on technical, methodology and risk management matters, based on risk and complexity of engagements.

## Using technology to support our teams

Our teams transitioned quickly and seamlessly to working remotely. Our Network audit technology infrastructure and tools including our Connect Suite and team collaboration software ecosystem (see '**Our audit approach - tools and technologies to support our audit**' section for how we use technology tools in our audits), which have been in place for a number of years, enabled our people to continue to carry out their work despite the significant change in our physical work environment.

The impact of the COVID-19 continues to change. We are continuing to monitor, assess and respond to the resulting risks in our audits.





# Cultures and values

## 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 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

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

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 success of our firm. Based on this tracking, we are confident our people understand our audit 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.

To help PwC Oman put this strategy into effect, the PwC Network has established a framework for quality management which integrates quality management into business processes and the firm-wide risk management process.

The framework introduces an overall quality objective for the Assurance practice focused on having the people and processes to deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders. This overall quality objective is supported by a series of underlying quality management objectives and our system of quality management (SoQM) must be designed and operated so that these objectives are achieved with reasonable assurance. The achievement of these objectives is supported by a **quality management process** established by our firm and Assurance leadership, business process owners, and partners and staff.

## The quality management process

This quality management process includes:

- Identifying risks to achieving the quality objectives;
- Designing and implementing responses to the assessed quality risks;
- Monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators;
- Continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions; and
- Establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions.







### **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 Quality Management System of Excellence ('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.

The AQIs are used by the leadership to measure the achievement of quality objectives annually, in areas including independence, engagement performance, people related matters, quality matters, matters relating to engagement performance, direction, supervision and review. This is monitored through appropriate periodic reporting by the relevant functional teams to the leadership. Trends in areas with indicators of quality within these measures are considered annually and actions implemented, as appropriate. Quality outcomes within these quality indicators are used to determine appropriate actions through the recognition and accountability framework of the Firm.

### **Aim to Prevent: Real Time Assurance**

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

The RTA program which is a coaching programme to the teams was run in FY20 for 15 Oman engagements. There is good breadth of coverage across all engagements leaders targeting the higher risk engagements based on client risk profile. The reviews are performed by experienced managers, senior managers and directors with relevant industry expertise. Issues identified through this programme are communicated to the practice through mandatory training programme webcasts, briefings and additional guidance. The internal monitoring process of the program leveraged on current technologies allowing for standardisation and automation.

### **Learn: Root cause analysis**

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 is 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 various sources including Network inspection of our SoQM and audits both with and without deficiencies —whether identified through our own internal inspections process or through external inspections —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 deficiencies is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with deficiencies, 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 practise. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.





## 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 outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network and our firm's standards and policies;
- **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 the quality objective;
- **Interventions/recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality; and
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behavior and sufficient to incentivise the right behaviours to achieve the quality objectives.



## Ethics, Independence and objectivity

### Ethics

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

- **Integrity** – to be straightforward and honest in all professional and business relationships.
- **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- **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.
- **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.
- **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

In addition, our Network Standards applicable to all Network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC Network and leadership 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, we have adopted the PwC Network Standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Oman are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers 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 behaviours inconsistent with the Code. Each firm in the PwC Network provides a mechanism to report issues. There is also a confidential global reporting option on [pwc.com/codeofconduct](https://pwc.com/codeofconduct). PwC Oman has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

The PwC Code of Conduct is available on-line for all internal and external stakeholders at [pwc.com/ethics](https://pwc.com/ethics).



## Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC member 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 IESBA International Code of Ethics for Professional Accountants, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

PwC Oman is part of the PwC Middle East Network (defined under the **'Legal and governance structure'** section of this report). Independence is overseen by the 'Partner Responsible for Independence' or 'PRI' with appropriate seniority and standing. The PRI is responsible for implementation of the PwC Global Independence Policy and other local independence requirements applicable in Oman including managing the related independence processes and providing support to the business. The PRI is supported by a team of independence specialists.

## 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 non-assurance services for those clients.

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

These policies and processes are designed to help PwC 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 or in response to operational matters.

The Firm supplements the PwC Network Independence Policy as required by local laws and regulations. The independence requirements of the United States Securities and Exchange Commission (SEC), those of the Public Company Accounting Oversight Board of the United States (PCAOB) and those of the EU Audit Regulation are in certain instances more restrictive than the IESBA Code and the PwC Network's policy accounts for this by including provisions that are specifically applicable to such restricted entities.





## Independence-related systems and tools

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

- The Central Entity Service ('CES'), which contains information about corporate entities including public interest audit clients and SEC restricted clients and their related securities. CES assists in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit engagement or business relationship. This system also feeds Independence Checkpoint and Authorisation for Services.
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and records their subsequent purchases and disposals. Where a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client 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.
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory).

PwC Oman also tracks rotation requirements as applicable under the Network independence policy and with reference to local rules, as applicable, for the engagement leaders and other key audit partners involved in audits.

All approved business relationships entered into by PwC Oman are also maintained in a database. These relationships are reviewed on a six monthly basis to ensure their ongoing permissibility.



### **Independence training and confirmations**

PwC Oman provides all partners and practice staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on the firm's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practice on an as-needed basis by the firm'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 member 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 confirmations are supplemented by engagement level independence confirmations for audit services.

### **Independence monitoring and disciplinary policy**

The leadership is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, the Middle East Network independence team perform:

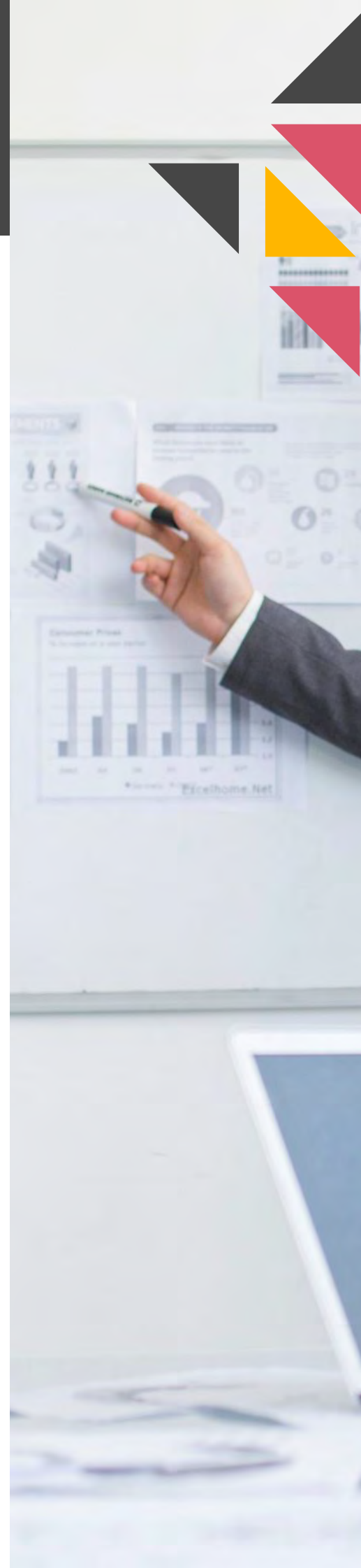
- Compliance testing of independence controls and processes;

- Personal independence compliance testing of a random selection of, at a minimum, partners and all partner candidates as a means of monitoring compliance with independence policies; and
- An annual assessment of the member firm's adherence with the PwC Network's Standard relating to independence.

The results of monitoring and testing are reported to the regional management on a regular basis with a summary reported to them on an annual basis.

There are 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 the breach, an evaluation of the impact of the breach on the independence of the member firm and the need for 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 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.

### **Client and Engagement Acceptance and Continuance**

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

### **Engagement teams:**

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

### **Member firms (including member 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 member firms in the Network have applied in assessing audit acceptance and continuance.

# Our people

## People strategy

Our people strategy is focused on being the world's leading developer of talent. We hire candidates who have diverse backgrounds and appropriate skills; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity.

Our hiring standards include a structured interview process with behavior-based questions built from The PwC Professional framework, assessment of academic records, and background checks.

We believe that investing in a broad range of skills, experiences and backgrounds puts us in a stronger position to understand and meet the needs of our clients. This year we have continued to recruit a more diverse range of talent, in particular to encourage more talented women.

## 'Tomorrow Today'

Our One Firm "Tomorrow Today" strategy is how we are investing to create the PwC of the future; we are responding to the expectations of the market to deliver a different, more digital experience to our clients. We are helping our people develop their potential to harness rapid technological change. In Assurance, our 'Tomorrow Today' strategy centers on tech-enabling our business so we can deliver enhanced quality and value for our clients and give our people the skills they need to thrive in an increasingly digital world. There are two elements to this strategy:

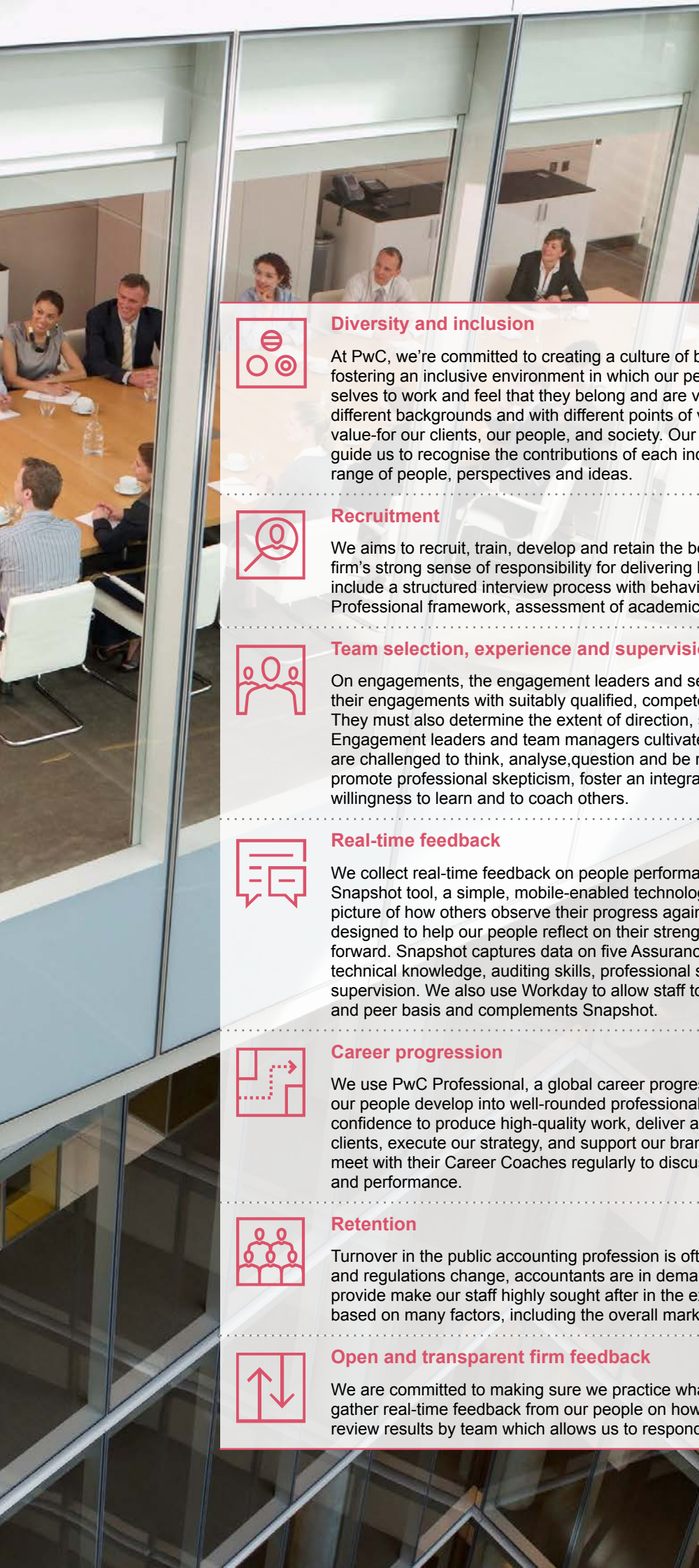
**Digital upskilling:** We provide our people with individualised learning tools to expand the use of digital solutions on their audits and empower them with a mindset of continual improvement and innovation. All our professionals have access to our "Digital Fitness App" which is a learning solution designed to raise awareness on the importance of digital in the marketplace and provide easy access to bite-sized pieces of learning

that will upskill and help them become confident on digital topics. Our Digital Academies leverage market-leading software and focus primarily on building three core skills: data wrangling, automation, and data visualisation. These tools enhance the firm's collective digital fluency while providing each individual with a personalised curriculum to build their digital IQ. Our Digital Accelerators are embedded within our engagement teams and are dedicated to applying digital capabilities to each audit, as well as developing new digital solutions for the firm.

**People experience:** Given the pace and complexity of change, the firm is putting the power of its resources toward supporting our people's journey to greater well-being. Our 'Be well, work well' framework reinforces how our people and their wellbeing are at the core of Tomorrow, Today, driving a culture of innovation and improving operational efficiency to foster a healthy work-life balance.







### Diversity and inclusion

At PwC, we're committed to creating a culture of belonging. We are focused on diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and are valued. 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. Our core values of caring and working together guide us to recognise the contributions of each individual and develop a workplace with a range of people, perspectives and ideas.



### 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 behavior-based questions built from The PwC Professional framework, assessment of academic records, and background checks.



### Team selection, experience and supervision

On engagements, the engagement leaders and senior engagement team members must staff their engagements with suitably qualified, competent and experienced partners and staff. They must also determine the extent of direction, supervision and review of junior staff. Engagement leaders and team managers cultivate a mind-set in which engagement teams are challenged to think, analyse, question and be rigorous in their approach. They apply and promote professional skepticism, foster an integrated coaching culture and demonstrate willingness to learn and to coach others.



### Real-time feedback

We collect real-time feedback on people performance, values and progression via our Snapshot tool, a simple, mobile-enabled technology. Snapshot provides a point-in-time picture of how others observe their progress against the PwC Professional framework. It is designed to help our people reflect on their strengths and areas of focus as they move forward. Snapshot captures data on five Assurance quality dimensions: accounting and technical knowledge, auditing skills, professional scepticism, issues management, review and supervision. We also use Workday to allow staff to provide real-time feedback on an upwards and peer basis and complements Snapshot.



### Career progression

We use PwC Professional, a global career progression framework. PwC Professional 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. As part of the framework, individuals meet with their Career Coaches regularly 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 turnover rate fluctuates based on many factors, including the overall market demand for talent.



### Open and transparent firm feedback

We are committed to making sure we practice what we preach. To keep us on track, we gather real-time feedback from our people on how well the firm is living its values. We can review results by team which allows us to respond in a timely and targeted way.



## The PwC Professional

The PwC Professional is our global leadership development framework. It 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 on-demand 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 Firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing 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.

Further, PwC Oman continues to be committed to talent development, investment in youth and Omanisation. PwC Oman entered into an agreement with the National Training Fund (NTF), an initiative of the Government of the Sultanate of Oman, to provide accounting and

finance training to selected Omani youth.

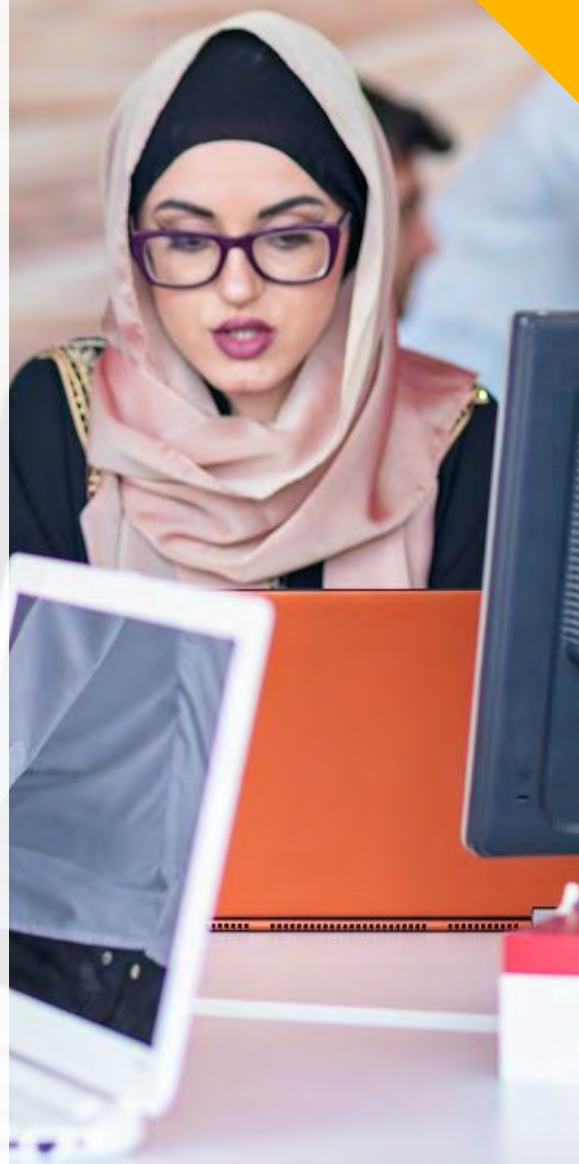
This program demonstrates PwC's strong commitment to making a positive impact on the wider Omani society and its workforce. The NTF program is one of the many ways in which the firm contributes to Omani society by attracting and fostering local talent and empowering them to fully take charge of their growth.

### Continuing education

We, and other PwC member 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 practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our PwC Middle East Network Learning and Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.



## Our training investment in people

### Assurance Training FY20

	Average hours
Partners and directors	42
Managers	42
Senior associates	57
Associates	94

### Mandatory training attendance

# 100%

Of partners and staff have completed all mandatory training attendance in FY20



We leverage learning technology tools and platforms to provide our people with development opportunities, relevant to them and in a way that best works for them, empowering them to take ownership of their own learning and development journey.

Our training practices to develop and maintain capabilities and technical competence include:

- An annual risk and quality update training for all partners and staff spanning matters relating to compliance, independence and ethics;
- The provision of a mandatory technical training programme which comprises both foundation and update of accounting and audit methodology trainings as well as specific training for auditors of US PCAOB or American Institute of Certified Public Accountants ('AICPA') and industry clients;
- The consideration of training needs on an ongoing basis. We release guidance and/or training material as appropriate throughout the year. This allows us to respond to emerging performance gaps promptly when they are identified. This includes but not limited to IFRS hot topics and alerts on risk management and methodology considerations; and

- Equipping our tutors with effective instructor skills and having processes in place to measure the effectiveness of our training.

The modular content along with innovative learning approaches have led to formal recognition from the broader learning community. In both 2017 and 2018, PwC's Learning and Education won a Brandon Hall Group silver award for excellence in the 'Best Strategy for a Corporate Learning University' © 2017, 2018 Brandon Hall Group, Inc.



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# Our audit approach

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



## The PwC Audit

The quality and effectiveness of audit 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 audit methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to what our various stakeholders require from us, what they tell us we need to improve and to the findings of regulatory inspections on the quality of our work. Details of the most recent regulatory findings, if any, can be found in the Monitoring section. Just as important are the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement.



### People

Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business knowledge to understand what those insights mean. We recruit professionals with these capabilities-people who can deliver the highest quality outcomes in terms of client service and compliance.



### Technology

As technological change accelerates, our clients want to trust their information with organisations that don't merely keep up, but lead the way. We've made a global commitment to offer leading audit technology, and we've invested heavily in tools to match our approach. The result is greater quality and insight to our clients.



### Approach

We've built our audit around our people and our technology. We've designed it to give us more time with our clients, understanding the things that matter to their business. That's more time understanding client concerns, and more time focusing on the inherent risks we see, including how they change over time and how they compare with peer companies.

## = The PwC Audit



## Tools and technologies to support our audit

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



### Aura Platinum

PwC Audit is underpinned by Aura Platinum, our global audit documentation system which is used across the entire PwC Network. Aura Platinum is the heart of 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. Smart dashboards show teams audit progress and the impact of scoping decisions more quickly.

## Audit technology

Aura Platinum is supported by a series of technology-based audit support tools and templates which are accessible via a range of electronic devices ranging from PCs to smartphones. These tools increasingly integrate with Aura, populating audit evidence directly into Aura. The main tools include:



**The Connect Suite** is our collaborative platform where we share data, document requests and audit status. It provides fast, efficient and secure information sharing with our clients and multi-location audit teams at every stage of the audit:

- **Connect** monitors the status of requests and information between our clients and the engagement team in real time. Audit and client teams know where things stand at all times through a consolidated dashboard showing all sites, digitisation of engagement matters, and automated key performance indicators.
- **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 so there's greater transparency, compliance and quality for complex multi-location audits.



**Halo** is our market-leading audit technology that allows us to identify and assess risks and determine where to focus audit efforts. Halo interrogates, tests and analyses huge volumes of business-critical data, analysing whole populations, spotting and visualising anomalies and trends in financial information. It enables us to analyse patterns and trends, identify unusual and high-risk transactions, and provide valuable insight to our teams and our clients.



**Count** facilitates the end-to-end process for inventory counts, allowing our engagement teams to prepare 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's Confirmation System** makes it easy for clients to return requested information securely. Automated, flexible technology means it works for virtually all confirmation types—from accounts receivable to derivatives to loans to inventory.



## 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 risks, 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. It is the Firm's policy that its information assets and those of its clients are protected from internal and external threats, confidentiality and integrity of information is maintained; statutory, regulatory and contractual obligations are met; and access to information assets is granted only for justified business needs, to the extent permitted by applicable laws and regulations.

### Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have set our Data Protection policy that reflect the requirements of applicable data privacy or data protection law including General Data Protection Regulation "GDPR" where it applies to a Processing activity including EEA Personal Data. We are committed to embedding good data management practices across our business.

### Information Security

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

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27002:2013, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the Network of Member Firms. The PwC ISP directly supports the Firm's strategic direction of cyber readiness to proactively safeguard its assets and client information. The PwC ISP is reviewed/updated, at a minimum, on an annual basis.

PwC Oman is required to adhere to the ISP requirements and complete an annual, evidence based assessment to demonstrate compliance. The CISO approved assessment undergoes a detailed and standardised Quality Assessment (QA) process performed by a centralised, objective Network Information Security Compliance team.





## Supporting engagement performance



### Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, improve the quality of what we do and create economic capacity to invest in the future. We use resources at Service Delivery Centres to streamline, standardise, automate, and centralise portions of the audit, where appropriate.



### Direction, coaching and supervision

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



### Consultation culture

Consultation is key to ensuring audit quality. 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 specialities.



### Technical teams

Besides these specialists a pool of methodology, technical accounting and risk and quality specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting and auditing and providing those updates to professional staff.



### Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. They consider important matters including firm independence, risks of material financial statement misstatement and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



### Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or central functions such as the technical team. These include the use of technical panels consisting of partners independent of the engagement.

# 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 in the Oman. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the Network's QMSE framework.

Our firm's monitoring procedures include 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 and non-audit assurance engagements are performed in compliance with laws, regulations and professional standards.

Our monitoring also encompasses a review of completed engagements (Engagement Compliance Reviews-ECR) as well as periodic monitoring of our SoQM by an objective team. The results of these procedures, together with our ongoing monitoring form the basis for the continuous improvement of our SoQM.

Our firm's monitoring program is based on a consistent Network-wide inspections program based on professional standards relating to quality control including ISQC 1 as well as Network policies, procedures, tools and guidance.

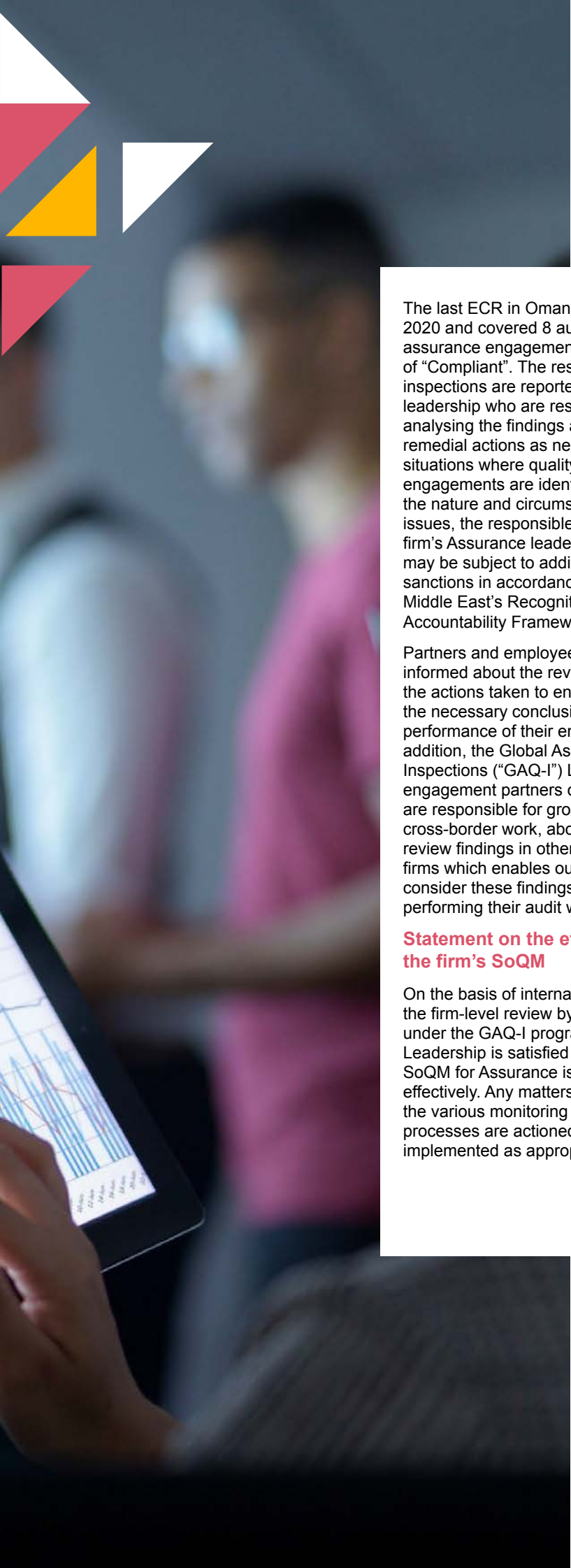

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit or non-audit assurance reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each engagement leader is reviewed at least once every five years, unless a more frequent review is required based on the profile of that engagement leader's client portfolio.

Reviews are led by experienced Assurance partners, supported by independent teams of partners, directors, and senior managers and other specialists. 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 review procedures.

Finally, the PwC Network coordinates an inspection program to review the design and operating effectiveness of our SoQM. The use of a central team to monitor these inspections across the Network enables a consistent view and sharing of relevant experience across the PwC Network.







The last ECR in Oman was held in June 2020 and covered 8 audit and non-audit assurance engagements, all had a rating of “Compliant”. The results of the inspections are reported to our firm’s leadership who are responsible for analysing the findings and implementing remedial actions as necessary. In situations where quality issues 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 training or sanctions in accordance with PwC Middle East’s Recognition and Accountability Framework.

Partners and employees of our firm are informed about the review results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, the Global Assurance Quality - Inspections (“GAQ-I”) Leader informs engagement partners of our firm, who are responsible for group audits involving cross-border work, about relevant quality review findings in other PwC member firms which enables our partners to consider these findings in planning and performing their audit work.

#### **Statement on the effectiveness of the firm’s SoQM**

On the basis of internal monitoring and the firm-level review by the member firm under the GAQ-I programme, the Leadership is satisfied that the firm’s SoQM for Assurance is operating effectively. Any matters identified through the various monitoring and review processes are actioned and changes implemented as appropriate.

#### **External inspections**

PwC Oman is accredited to perform statutory audits and is eligible to undertake statutory audits for listed entities by virtue of its registration with the Capital Market Authority (“CMA”) in Oman. Audit firms are inspected by the CMA for the purpose of ensuring compliance with the rules of accrediting audit firms of companies subject to CMA’s control. There were no CMA inspections during the last financial year.

Further PwC Oman is registered with the UK Financial Reporting Council (“UK FRC”) and subject to their oversight. This registration allows PwC Oman to audit the annual accounts of companies incorporated outside the European Union whose transferable securities are admitted to trading on a regulated market in the United Kingdom. There were no UK FRC inspections during the last financial year.

# Legal and governance structure

## Legal structure and ownership of PricewaterhouseCoopers LLC

PricewaterhouseCoopers LLC ('PwC Oman') is a limited liability company owned by two partners. The partners are PricewaterhouseCoopers Bermuda and Omar Adli Al Sharif. PwC Oman is registered and operates under the laws of the Sultanate of Oman holding Professional License No L1065369, with its principal place of business at Salam Square - South, 4th floor, Suites 402-404, Madinat Al Sultan Qaboos, P.O. Box 3075, Ruwi, Postal Code 112, Muscat, Sultanate of Oman.

PwC Oman is a member firm of PricewaterhouseCoopers International Limited. It is also part of the Middle East region, which includes other member firms in the GCC, Levant and North Africa.

## Governance structure

### Middle East Leadership Team

The Middle East Leadership Team (MELT) is responsible for the management and performance of the PwC Middle East Network firms ('ME member firms') and the determination and execution of the strategy, business plan and formal direction of all ME member firms.

The MELT is chaired by the Middle East Territory Senior Partner and comprises of ME leaders which includes amongst others the line of service leaders of Assurance, Advisory and Tax.

The MELT approves standards and policies relating to business values and ethics, quality assurance, compliance and risk management consistent with those set out under the PwCIL Regulations to be promoted within PwC member firms and oversees the implementation of such standards and policies to ensure global risk management and compliance.

### Middle East Regional Board

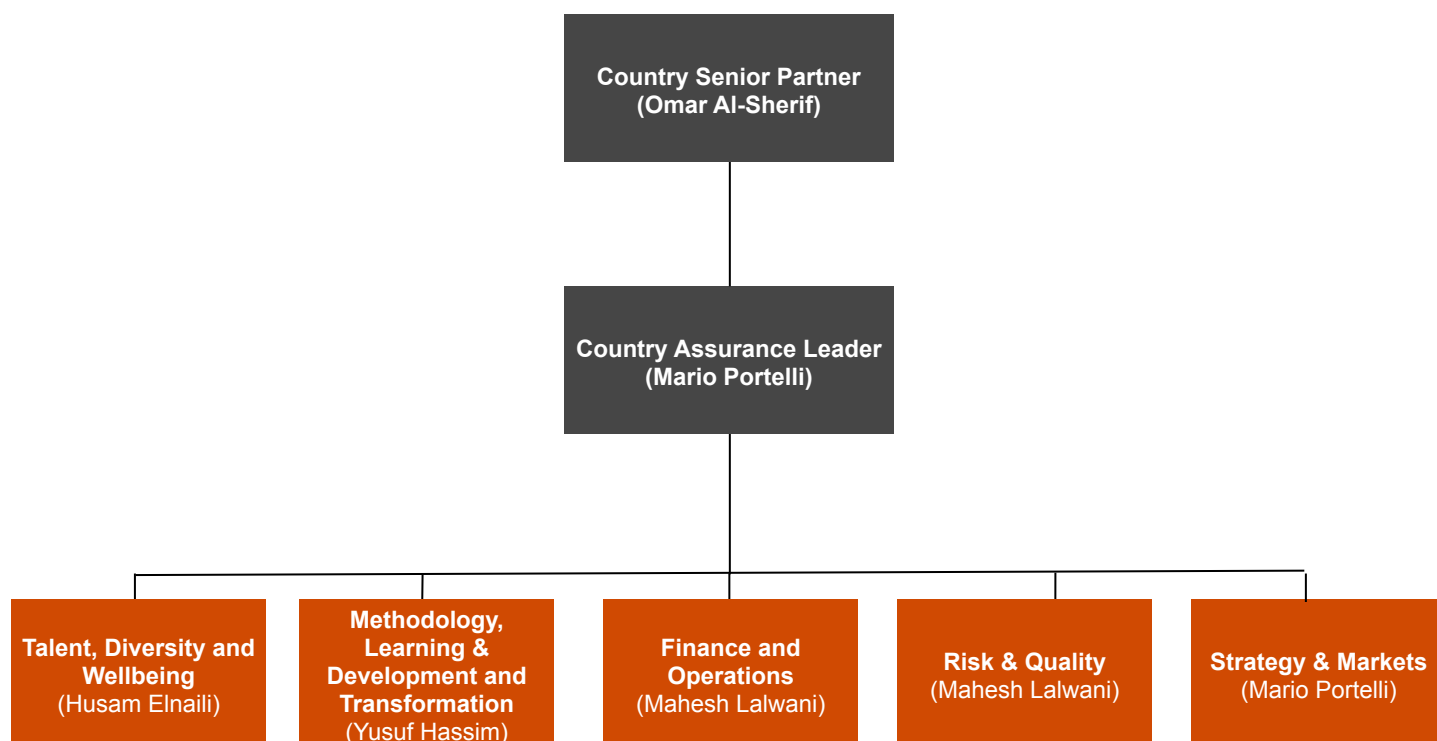
The Middle East Regional Board represents the interests of all PwC Middle East Network firms and has collective responsibility to oversee their direction and control, strategy and governance, and to engage closely with the MELT in shaping their future to achieve their vision, values and principles. The Middle East Regional Board provides constructive oversight of the activities of the ME Managing Partner and the MELT.

## Country Governance

The Oman Senior Partner and the Oman Assurance Leader have the ultimate responsibility for the firm's audit quality in Oman. The Country Assurance Leader is in turn accountable to the Regional Assurance Leader who provides support across a range of areas including quality, technology, training and development, technical matters and specialised staffing support as required.



## Core assurance organisation structure



# PwC Network

## Global Network

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC Network. 'PwC' is often used to refer either to individual firms within the PwC Network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. The PwC Network is not a global partnership, a single firm, or a multinational corporation. The PwC Network consists of firms which are separate legal entities.







## PricewaterhouseCoopers International Limited

Firms in the PwC Network are members in, or have other connections to, PricewaterhouseCoopers International Limited (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 member 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 member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC Network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member 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 member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control member 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. Board members are elected by partners from all 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** 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 Network firms to coordinate activities across all areas of our business.

The Territory Senior Partner of the PwC Middle East Network is a member of the Strategy Council.

A list of audit firms and statutory auditors within the PwC Network from European Union and European Economic Area Member States can be found in section **'EU EEA Member firms'** section of this report.

Total revenue achieved by statutory auditors and audit firms from EU/EEA Member States that are members of the PwC Network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately Euro 3.2 billion. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2020.



# Public interest audit clients

During the period covered by this Transparency Report, PwC Oman prepared audit reports for public interest audit clients incorporated outside the EU/EEA which have transferable securities listed on an EU/EEA regulated market.

These clients are as follows:

- bank muscat SAOG that has securities listed in London, Ireland and Frankfurt stock exchanges.
- Bank Dhofar SAOG that has securities listed in Irish Stock Exchange.



# Remuneration of partners

Each partner's remuneration in the PwC Middle East Network comprises three interrelated profit-dependent components

- **Role level** – Reflecting the Partner's sustained contribution and responsibilities.
- **Performance rating** – Reflecting how a Partner and their team(s) has performed.
- **Firm profitability** – Reflecting overall profitability of the firm.

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

Audit partners are not incentivised, evaluated or remunerated for the selling of non-audit services to their audit clients.

Quality failings identified either through regulatory reviews or internal quality reviews impact the performance assessment and therefore remuneration of audit engagement leaders through an accountability framework.



# Financial information



The total revenue including audit services of PricewaterhouseCoopers LLC ('PwC Oman') for the year ended 30 June 2020 is US\$ 14.67 million.

## The PwC Oman firm revenue mix – by practice area

Assurance	68%
Tax	16%
Consulting and deals	16%

A list of the EU/EEA Public Interest Entities (defined as those incorporated outside of the EU/EEA that have transferable securities listed on a EU/EEA regulated market) for which we carried out a statutory audit during the year ended 30 June 2020 can be found in section '**Public interest audit clients**' of the transparency report. Revenue disclosures required are as follows

- Audit revenues earned by EU/EEA Public Interest Entities audit clients amounted to US\$ 0.53 million for the year ended 30 June 2020.
- Audit revenues earned by all other audit clients of the firm amounted to US\$ 7.49 million for the year ended 30 June 2020.
- Non-audit services revenues earned by EU/EEA Public Interest Entities audit clients amounted to US\$ 0.003 million for the year ended 30 June 2020.
- Non-audit services revenues earned by all other clients amounted to US\$ 6.65 million for the year ended 30 June 2020.





# EU EEA Member firms



The table below is a list of audit firms and statutory auditors within the Network i.e. from EU or EEA Member States as of 30 June 2020.

Member State	Audit firm/statutory auditor
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Kärnten Wirtschaftsprüfung und Steuerberatung GmbH, Klagenfurt
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Salzburg Wirtschaftsprüfung und Steuerberatung GmbH, Salzburg
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bcvba/Reviseurs d'entreprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit s.r.o
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France
France	PricewaterhouseCoopers Services France
France	PwC Entrepreneurs CAC
France	PwC Entrepreneurs Commissariat aux Comptes
France	PwC Entrepreneurs Audit
France	PwC Entrepreneurs Audit France
France	PwC Entrepreneurs CAC France
France	PwC Entrepreneurs Commissariat aux Comptes France
France	PwC Entrepreneurs France
France	PwC Entrepreneurs Services
France	Expertise et Audit Lafarge
France	M. Philippe Aerts
France	M. Jean-François Bourrin
France	M. Jean-Laurent Bracieux
France	M. Didier Brun
France	M. Anouar Lazrak
France	Mme Elisabeth L'Hermite



Member State	Audit firm/statutory auditor
France	M. François Miane
France	M. Yves Moutou
France	M. Claude Palméro
France	M. Pierre Pégaz-Fiornet
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Gibraltar	PricewaterhouseCoopers Limited
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Vaduz
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Netherlands	Coöperatie PricewaterhouseCoopers Nederland U.A.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados-Sociedade de Revisores Oficiais do Contas Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB
UK	PricewaterhouseCoopers LLP
UK	James Chalmers
UK	Katharine Finn



We have prepared this Transparency Report, in respect of the financial year ended 30 June 2020, in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014.

PricewaterhouseCoopers LLC is referred to throughout this report as "the firm", "PwC Oman", "we", "our" and "us".

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