

# PwC Malaysia Transparency Report

October 2024

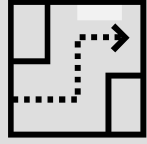


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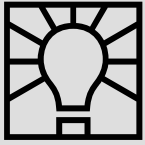
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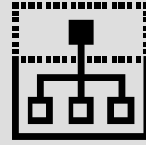
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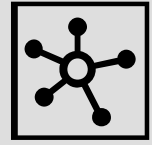
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# Message from

# leadership



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# Message from leadership

## Welcome to our 2024 Transparency report

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with over 370,000 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.

Looking back at the events of the past year, including geopolitical instabilities, persistent inflation, the escalating effects of climate change and increasing cyber risks amid growing GenAI advancements, it is evident that the bar placed on transparency is getting higher. As we journey forward in the new financial year starting July 2024, with new leaders in our Country Management Team as part of succession planning, we are cognisant of the effort that needs to be put in to strengthen our values around governance, trust and ethics. Indeed, there is a greater need for accountability in our engagements and a deeper understanding of the unique challenges facing our clients.

As part of PwC's global network of firms, we remain steadfast in our commitment to create long term value to our stakeholders as they respond towards these issues and navigate the rapidly evolving landscape around them.

We are guided by our global network's pledge to reinforce our values on trust in everything we do.

### Quality at the heart of everything we do

In support of the Audit Oversight Board ("AOB")'s commitment to promote high audit quality in Malaysia, our fourth Transparency Report reaffirms our continued focus and efforts to maintain audit quality and enhance our governance processes.

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards as well as legal and regulatory requirements. To achieve this, we recognise the importance of investing in a rigorous system of quality management (SoQM) that covers leadership and governance, accountability, ethics and independence, people, learning and development, and other functional processes. We embed quality management into the daily operations of running our Assurance business through our SoQM that is in line with the PwC global network's Quality Management for Service Excellence ("QMSE") framework.

As part of our commitment to enhance quality, we have embarked on a journey to reimagine and transform our Internal Firm Services to better support the firm's quality agenda. The aim of this transformation exercise includes enhancing ways of working among critical functions such as elevating the role of Risk and Quality, as well as increasing data quality which is critical in enhancing the effectiveness of the firm's ongoing monitoring activities.

### Evolving for the future

In staying responsive to market and stakeholder expectations, we are scaling up our capabilities in areas such as environmental, social and governance (ESG) and artificial intelligence (AI). One of the initiatives we are investing in is the introduction of our very own PwC generative AI tool, ChatPwC. It is currently being rolled out to our employees in phases and the use of ChatPwC is in line with the network's business rules.

On the ESG front, we are seeing rapid development on sustainability reporting in the market and we are actively engaging regulators and standard setters on this topic. The ESG Academy under PwC's Academy represents our commitment to upskilling sustainability professionals and businesses through dedicated programmes around ESG risk assessment, ESG investing and portfolio selection, Taskforce on Climate-Related Financial Disclosures ("TCFD") and Global Reporting Initiative ("GRI") training among others.

### Delivering long term value to our stakeholders

Overall, the outcomes we realise from these efforts spur us to continue in our journey to create a differentiated experience for our people, our clients and the community.

Through our focus on accountability, quality, independence, transparency and engagement, we are confident that we can continue to deliver high quality audits while playing a role in building trust in information that drives the capital markets.

Indeed, we recognise that the needs and expectations of stakeholders on the audit profession will continue to grow, and we will not waver in our commitment to protect and preserve trust in all that we do as a multi-disciplinary professional services firm.



**Soo Hoo Khoon Year**  
Managing Partner



# Message from leadership

## Message from our Assurance Leaders

During the year, various initiatives and changes have been put in place to better manage audit quality. Our profession remains under an unprecedented spotlight with increasing expectations on quality, integrity, and trust.

### Driving quality mindset and actions through culture

Quality is the responsibility of everyone in the firm and hence, it is important that we continue building and strengthening a quality culture amongst our people. During the year, we have introduced three critical behaviours i.e. Courage, Respect, and Co-create to drive a quality culture mindset in our day to day activities. Various activities and continuous communications were rolled out to create awareness on the three critical behaviours, and to provide guidance and tips on bringing the behaviours to life. Some of our quality initiatives include proper phasing of audit work, and encouragement to speak up to provide constructive feedback. Culture transformation does not happen overnight. It is a continuous journey to embrace and practise the shared initiatives and little habits wholeheartedly.

Our Leadership in Quality survey, which measures how our people view our commitment to quality, has also received positive rating and comments; evidencing that our various quality initiatives have created positive impact to our people.

In addition to culture, it is important to have a strong quality infrastructure that supports our service delivery. Accordingly, we continue to invest in more resources in supporting various quality control functions.

### Nurturing talents empowered by next gen technology

Our people are the heart and backbone of the firm. With our people strategy centered around fostering a supportive, inclusive, and growth-focused working environment, we have carried out various people engagement and development initiatives, including recognising the outstanding efforts of our people through an annual Assurance Awards. In response to these, retention rates across different staff levels have improved.

Positive feedbacks were received from our annual People Survey, notably on people development and wellbeing. We offer our people not only the technical skills and on-the-job learning, but also soft skills development tailored to their specific needs. We remain committed to providing a supportive environment where our people's health and safety are paramount. During the audit peak period, we consistently remind our people to take the necessary breathers and prioritise their safety.

Having the right talents empowered by the right technologies lead to efficient and insightful audit. We have invested in technology to enhance the delivery of a consistent and high quality audit. Our aim is to further standardise, simplify, centralise, and automate our audit work through responsible use of emerging technologies such as generative AI tools (e.g. ChatPwC).

We are dedicated to continuously developing our talent and technology to bring out the best from our people, to deliver outstanding quality service and professionalism.

### Continuing the sustainability journey

At PwC Malaysia, we support the various initiatives undertaken by regulators and standard setters to improve the quality, reliability and comparability of sustainability reporting through our involvement in various working groups and committees.

With the increased focus on sustainability reporting, we create awareness and upskill our people in this sphere through the Assurance Sustainability Learning Curriculum and organised an annual month-long learning campaign.

In our own sustainability journey, we have committed to achieve net zero greenhouse gas ("GHG") emissions by 2030. Real-time tracking of our emissions, emission reduction efforts through business travels and electricity use, and engagement of our suppliers for a just transition are some of the efforts taken to achieve our goal.

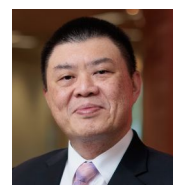
As another chapter unfolds under the new leadership team, our focus will remain the same - increase efficiency and protect quality with the aid of technology, uphold integrity, and nurture trusted relationships with our clients.

We hope you find this Transparency Report useful and it has provided insights to how we uphold our commitment to delivering quality service.



**Ong Ching Chuan**

Outgoing  
Assurance Leader



**Dato' Theng Bee Han**

Incoming  
Assurance Leader

# Year in review

## Partner and staff survey

**80%**

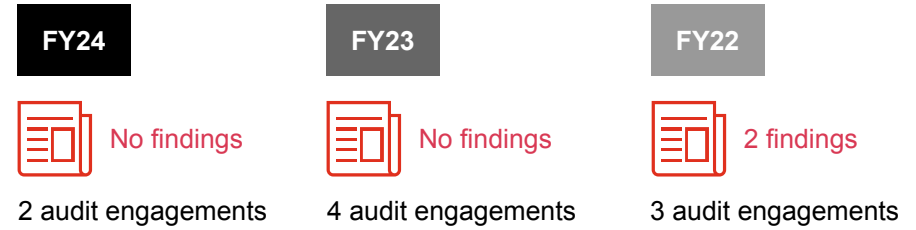
of our staff and partners participated in our Global Pulse Survey.

**86%**

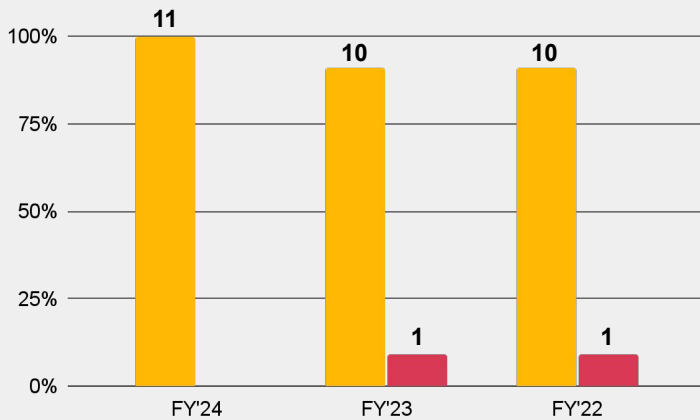
of the respondents believe they are challenged to deliver quality work

## Audit quality reviews - external (PIEs only)

Results of external inspections of Public Interest Entity (“PIE”) audit engagements conducted by the Audit Oversight Board (“AOB”) during their annual inspection visits.



## Audit quality reviews - internal (PIE and Non PIE)



Results of internal Engagement Compliance Reviews (“ECRs”) conducted by independent teams of experienced professionals from other PwC member firms.

- Compliant
- Non-compliant

## Hot reviews (PIE and Non PIE)

Number of audit engagements included in hot reviews including the real time review programme and targeted hot reviews

**24 audit engagements**

With approximately 1,800 hours spent

### Assurance Training FY24

Average hours achieved by partners and staff

**51** online + **62** classroom = **113** total

Total hours completed: **136,940**

### Assurance Training FY23

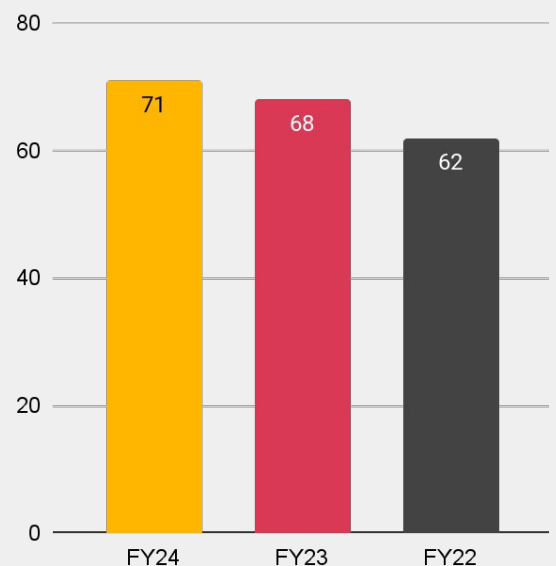
Average hours achieved by partners and staff

**36** online + **54** classroom = **90** total

Total hours completed: **88,091**

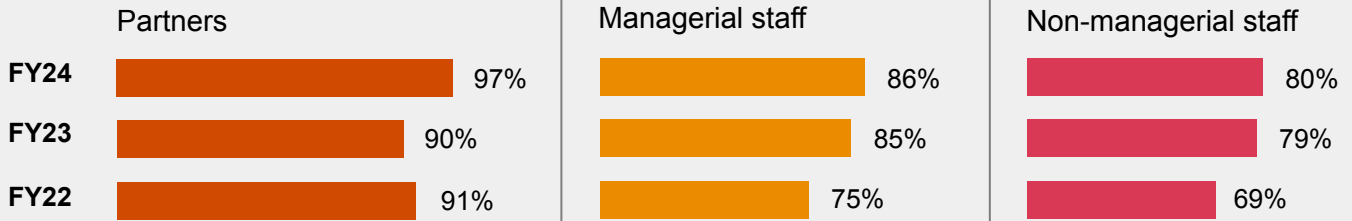
## Quality Control (QC) function

Headcount in a QC role



# Year in review

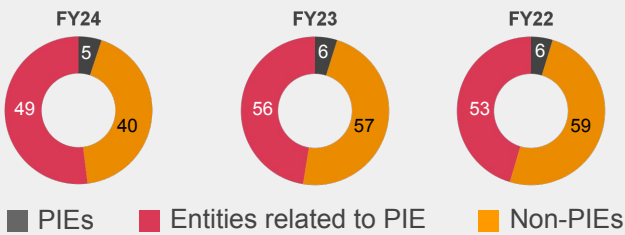
## Average retention rate by staff level



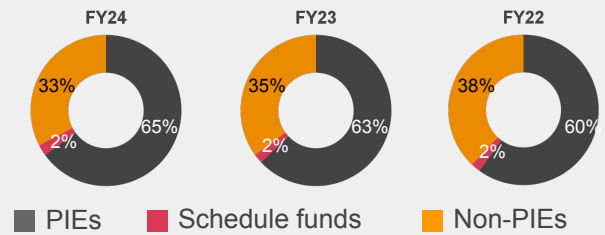
Note: FY24 Partner movement due to retirement of one partner

## Audit Partner workload

### Ratio of average number of engagements per Partner\*



### Average portfolio audit fees per Partner\*



\* Partner auditing PIEs engagements

## Audit staff headcount

			FY24		FY23		FY22	
Partners	to	Manager	1	to	5	1	to	6
Manager	to	Staff	1	to	7	1	to	6
Partners	to	Staff	1	to	42	1	to	41



## Diversity and inclusivity

**48F : 52M** (Partners and Directors)

**65F : 35M** (Senior Managers and below)



### Experience of our partners

Partners' average years of experience at PwC

**26 years**



### Leadership in Quality Survey

Of all the partners who received feedback from the staff, they achieved an average score

**4.4** out of 5.0 in FY24





# Our approach

# to quality



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# Our approach to quality



## International Standard on Quality Management 1 (ISQM 1)

In December 2020, the International Auditing and Assurance Standards Board (IAASB), approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including ISQM 1. This standard which became effective 15 December 2022 required all firms to have designed and implemented the requirements of the standard and evaluated their SoQM under the new standard by 15 December 2023.

ISQM 1 is an objectives-based approach that expects firms to have a SoQM that operates in a continuous and iterative manner, taking into consideration the conditions, events, circumstances, actions and inactions that impact a firm. It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

ISQM 1 states that the objective of the firm is to design, implement and operate a SoQM that provides the firm with reasonable assurance that:

- The firm and its personnel fulfil 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.

The standard goes on to say that the public interest is served by the consistent performance of quality engagements and that this is enabled by an effective SoQM.



## A specific focus on audit quality across the network

### The PwC Network's Assurance QMSE framework

Delivering high quality work is at the heart of what we do at PwC; it 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.

The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC firms that integrates quality management into business processes and the firm-wide risk management process. Under QMSE, our overall quality objective is supported by a series of underlying quality management objectives and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, is achieved with reasonable assurance.



### Overall quality objective under the QMSE framework

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



### Integrated and aligned in the right way

Our SoQM includes quality objectives identified from the following components of ISQM 1 as well as any additional objectives the PwC Network has identified in the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

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



# Our approach to quality

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

## The Quality Management Process

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

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of

process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance Quality Indicators

- continuously improving the SoQM 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 both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions



## Our firm's SoQM

Our SoQM must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our QMP.

Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objectives, taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

### Our risk assessment process

The past several years have seen unprecedented challenges and our firm's SoQM has helped us navigate and respond to the impact that identified factors had on our ability to achieve the overall assurance quality objective - to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result in:

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

A quality risk is one that has a reasonable possibility of occurring and individually, or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.

### 2024 key factors impacting our SoQM

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

#### Reliability of data and technology

Significant investment was put in place during the financial year to improve the effectiveness of the firm's controls and monitoring in addressing quality risks arising from the use of technological resources and underlying data in supporting the firm's SoQM.

#### Direction, coaching, and supervision

The great resignation during the COVID-19 pandemic resulted in us hiring extensively in past years to organically replenish capacity and loss of experience. As such, direction, coaching, and supervision is critical in ensuring quality at the engagement level. Various quality initiatives were undertaken to address the post-pandemic impact, which includes proper phasing of the audit, upfront active coaching and ongoing monitoring of workload to form an ecosystem to ensure sufficient direction, supervision, and review in our engagements.

#### Ethics and culture

In addition to delivering high quality audit, we are also committed to drive a high quality culture. We aim to promote the right quality culture by focusing on three critical behaviours - courage, respect and co-create in delivering our engagement.

We also recognise the increased regulatory focus on unethical behaviours and have implemented ongoing monitoring activities surrounding training integrity and continuously reinforce a speak up culture.



# Our firm's System of Quality Management

## 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 SoQM, 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 firm has identified AQIs across the relevant Quality Objectives to be used as a monitoring tool of both the firm's SoQM and engagement level quality. The AQIs are reported at various frequencies to leadership on a monthly basis.

Throughout this Transparency Report, we have provided insight into the policies and procedures we have designed, implemented and are operating to reduce the quality risks we have identified to an acceptable level and help us achieve reasonable assurance over the firm's SoQM.

The following sections of the report cover the following ISQM 1 quality objectives:

- Cultures and values – Governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements
- Our people – Human resources
- Our approach – Intellectual and technological resources, engagement performance, information and communication

## Our monitoring and remediation process

In the section, Monitoring, found on page 40, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and are operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies so that we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and are operating a root cause analysis programme that is described further on page 43.

The information gathered from our monitoring and remediation process along with other sources of information, such as external reviews, is used to help us evaluate our SoQM.

## Statement on the effectiveness of the firm's SoQM

During the year, we completed our evaluation of the firm's SoQM under ISQM 1. On behalf of PwC Malaysia, the Managing Partner and Assurance Leader have evaluated whether our firm's SoQM provides us reasonable assurance that:

- The firm and its personnel fulfil 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 of ISQM 1 noted above have been achieved.



# How we embed sustainability as part of our Assurance practice

## Sustainability reporting in Malaysia

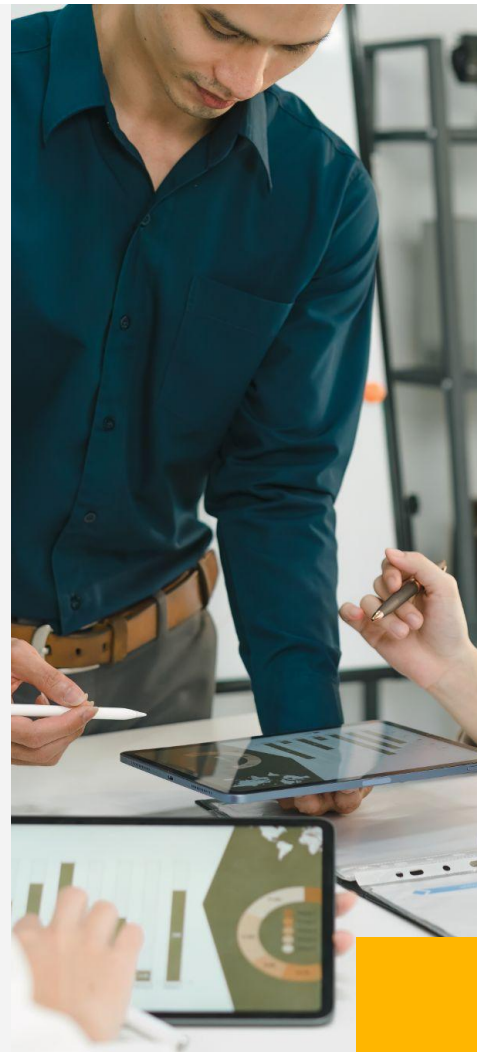
Sustainability reporting continues to be an area of development globally. Here in Malaysia, Bursa Malaysia's Enhanced Sustainability Reporting Requirements and the National Sustainability Reporting Framework aim to improve sustainability-related financial disclosures made by companies in Malaysia, including requiring disclosure on whether the Sustainability Statement has been assured.

As regulation on these disclosures continues to expand, stakeholders are increasingly expecting not only reliable, but also timely sustainability data that will allow them to make informed decisions. Sustainability Committees are increasingly being set up by the Board of Directors in Corporate Malaysia to address the need to focus on sustainability initiatives within organisations.

At PwC Malaysia, we support the initiatives undertaken by the regulators, standard setters and various other bodies in improving the quality, reliability and comparability of sustainability reporting. Amongst the examples of our involvement in improving sustainability reporting and assurance in Malaysia are:

- 1** We continue to be a part of the Malaysian Accounting Standards Board "Working Group 71 ("WG71") Sustainability Reporting," tasked to review pronouncements issued by IFRS Foundation on sustainability reporting related matters, with one of our partners appointed as the Project Manager
- 2** Part of the Malaysian Institute of Accountants' Sustainability Assurance Working Group with one of our partners as the Chairman of the Working Group
- 3** Involved in various sub-committees under the Joint Committee on Climate Change ("JC3")
- 4** Release of two thought leaderships as part of the "Spotlight on sustainability" series, the first one being [Spotlight on sustainability: Gaps in sustainability reporting](#) that highlights common challenges faced by organisations in preparing their sustainability reports. We have also published [Spotlight on sustainability: National Sustainability Reporting Framework](#) that provides an overview of Malaysia's National Sustainability Reporting Framework.

In addition, we published our yearly Annual Report using the principles of the Integrated Reporting ("IR") Framework and the Global Reporting Initiative ("GRI"), which includes the relevant ESG disclosures.



# How we embed sustainability as part of our Assurance practice

## Providing assurance on sustainability reporting

We have been working with our clients in providing assurances on selected sustainability-related disclosures as part of their yearly Annual Report and/or Sustainability Statement.

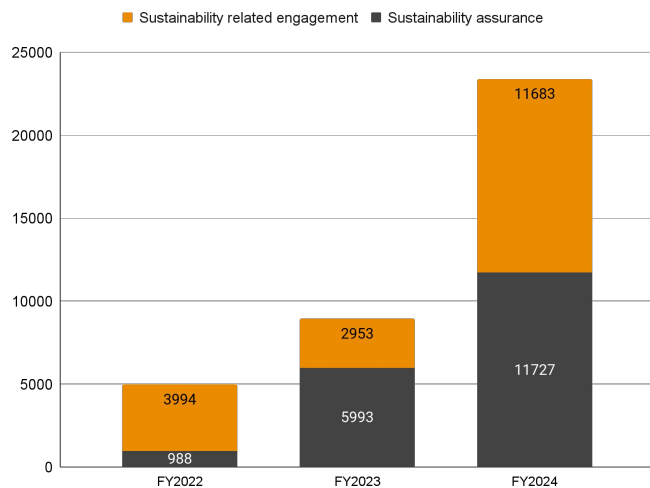
Our assurance procedures are conducted in line with the approved standard for assurance engagements in Malaysia. Similar to our assurance engagements, our sustainability assurance engagements are also subjected to our internal review processes.

In embedding quality as part of our sustainability assurance engagements, we leverage on our “PwC MY Sustainability Assurance Engagements - Policy and Guidance” which includes guidance on the following matters: acceptance procedures, assessment of subject matter for assurance, accreditation requirements and involvement of experts.

## Sustainability-related engagements by our Assurance practice

During the current financial year, we continued to see an increase in sustainability related engagements within our assurance practice, indicating upskilling needs in the near future.

### Sustainability-related engagement hours



## Upskilling our people

We continue to incorporate elements of sustainability as part of our upskilling curriculum in PwC Malaysia. Recognising the growing demand for professionals with sustainability knowledge, we have implemented a process to ensure staff involved in sustainability assurance engagements complete the sustainability curriculum. This is to ensure that they have solid foundation in performing sustainability-related engagements, including sustainability assurance.

### Assurance Sustainability Learning Curriculum

We continue to provide Assurance Sustainability Learning Curriculum to our staff. This tailored curriculum, which encompasses more than 10 training hours includes the following topics: sustainability trends, industry knowledge, sustainability assurance and sustainability reporting standards/frameworks.

Over the past 2 years, we have provided in-depth sustainability assurance trainings to more than 100 of our staffs to enable them to provide assurance on our client’s sustainability indicators.

### ESG Race

We continue to hold our yearly ESG Race programme in 2024, a one-month firmwide learning campaign featuring a mix of sustainability-focused learning sessions, hackathons and experience sharing designed to generate interest, awareness and engagement for sustainability across the firm.

### Climate-related training

With the growing emphasis on climate change and the Taskforce on Climate-related Financial Disclosures (“TCFD”) requirements, we continue to conduct a series of classroom training sessions to equip our practitioners with relevant technical knowledge and skills required to work on climate-related engagements.

During the current financial year, our people spent more than 25,000 training hours on ESG-related curriculum.





# How we embed sustainability as part of our Assurance practice

## Our commitment to ESG

As outlined in PwC's global strategy, The New Equation, we have committed to achieve net zero greenhouse gas ("GHG") emissions by 2030.

Our net zero commitment will require us to transform our business model to decarbonise our value chain, increase transparency, and support the development of robust sustainability reporting frameworks and standards. We are also committed to increase the size of our sustainability practice to support both the government and companies on their ESG response.

## Our net zero commitments involve 3 main areas

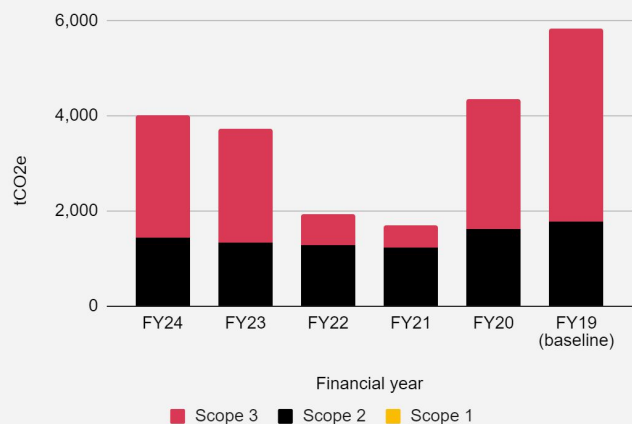
### 1 Halve our emissions

We aim to reduce our greenhouse gas emissions by 50% by FY30 (from a FY19 baseline).

We have a strategy and plans to meet our commitment, refer to our [Annual Report](#) for more information. Our commitment also involves continuous engagements with our suppliers and switching to 100% renewable energy moving forward.

As part of this commitment, we are also ensuring that our major suppliers have set their own Science Based Targets ("SBT") and are validated by the SBT initiative ("SBTi").

### Carbon emissions by Scope 1, 2 and 3 for PwC Malaysia



Reduction in emissions in FY20 and FY21 were mainly due to the government's lockdown measures and travel restrictions during the COVID-19 pandemic. There's an increase in business travel, contributing to the emissions increase in FY24. Overall, FY24 is 68% of our FY19 baseline. We have measures in place to reduce our emissions, read more in our [annual report](#).

### 2 Work with stakeholders

This involves our commitment to advance sustainability-related reporting to help stakeholders understand the impacts of ESG on business. We also embed the implications of climate change and other ESG-related factors into our client work.

### 3 Public policy discussion

We continuously involve and engage the regulators to advance thinking on how to address climate change.



# Cultures and

# values



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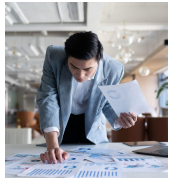
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# Our culture and values



## Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of more than 370,000 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Quality is measured not just by adherence to systems and processes, but by how our people view our commitment to quality. Building on the success of last year's Leadership in Quality Survey, we extended the survey to include manager to director levels; previously it was limited to partners only. This expansion has provided us with valuable insights from the 1,234 responses received, with an average score exceeding 4.0 out of 5.0, reflecting a good commitment to quality across all leadership levels.

To further demonstrate our dedication to quality, we have integrated the Leadership in Quality Survey results into our Recognition and Accountability Framework which aims to strengthen accountability for quality behaviours.

Our Chief Culture Officer continues to lead these efforts, ensuring it remains a top priority for all. This year, we have intensified our efforts to embed the three critical behaviours that underpin our quality culture: courage, respect, and co-create.

We have developed a comprehensive change plan with key initiatives to ensure the successful adoption of these behaviors. This plan includes a clear vision with desired outcomes and key actions. To promote these behaviors, we have identified change champions to influence their colleagues. We have also executed various communication and engagement activities in multiple forums such as town halls, newsletters and sharing of success stories to drive the change.

### Courage



### Respect



### Co-create



## Measurement and transparency

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

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

# Our firm's commitment to quality



## Leadership and tone at the top

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

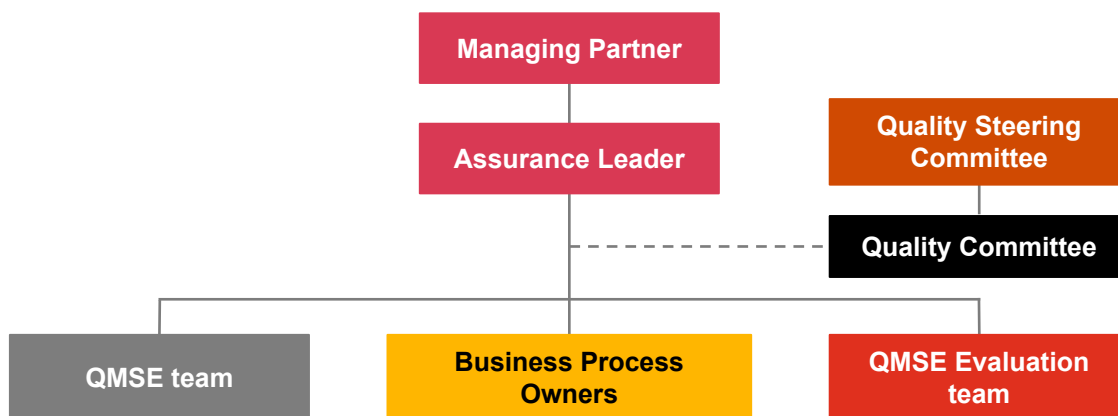
When working with our clients and our colleagues to build trust in society and solve important problems, we:



The quality agenda to drive continuous improvement relies on the firm to establish a culture that prioritises quality in everything we do. This culture is supported by a consistent 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.

Leadership and engagement partners take the lead in role modelling the expected quality behaviours in interactions with clients and teams. We measure 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.

### Leadership's role in the System of Quality Management



The firm's leadership is integral in ensuring the effectiveness of the firm's System of Quality Management (SoQM). The ultimate responsibility of SoQM is with the Managing Partner and Assurance Leader. They are supported by the QMSE team, headed by the Quality Leader who has operational responsibility for the SoQM, and the Business Process Owners who take on operational responsibility for their respective quality objectives.

Monitoring of the SoQM is performed by the respective Business Process Owners on an ongoing basis. The results are reported to the Quality Committee, who in turn reports to the Quality Steering Committee. The Quality Steering Committee, which includes the Managing Partner and Chief Risk Officer, ensures that firm-wide strategies are aligned with quality objectives and provide strategic input into the quality agenda. The SoQM is also tested periodically by the QMSE evaluation team, an objective team of reviewers, and the results are directly reported to leadership.



## Audit Quality Indicators

- Employee survey results or Global People Survey: People Engagement Index scores
- Global People Survey: Quality Behaviour Index scores



# Our firm's commitment to quality



## 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. Our RAF has been designed to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations by holding partners and staff accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC Network 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 objectives
- **Interventions/recognition:** We have put in place interventions and recognition that promote and reinforce positive behaviours and drives a culture of quality
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate with outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives

Each year, the Assurance Leader sets the tone from the top in communicating the RAF and expectations on the partners and staff to demonstrate mindset and behaviour that are consistent with PwC Values and adhere to our risk management policies, quality standards, firm policies, independence policies, and Code of Conduct. During the year, the RAF was refined to enforce further accountability on personal independence, engagement reviews, and ethics and code of conduct. In FY24, we have also refined the rewards and sanctions policy for all partners and staff.








# Ethics, Independence and Objectivity



## Ethics

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

-  **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 skills at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
-  **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.

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 submit annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC Network, and leadership in PwC Malaysia 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 Malaysia has adopted PwC's Global Code of Conduct, Network Standards 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, PwC Malaysia provides an overview of the PwC Global Code of Conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and 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. PwC Malaysia has multiple channels for speaking up i.e. the Speak Up box, via a designated email address, speaking face to face to a Human Resource Business Partner (HRBP) or reporting superior or trusted colleagues, as well as the PwC online ethics helpline. The online 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. PwC expects third parties to report in good faith any concerns that may arise in connection with PwC's business (including the provision of goods or services to PwC) and potential violations of this Code, laws, regulations or ethical or professional standards. Unless prohibited by law or regulation, PwC expects third parties to raise concerns related to this Code via any of the following channels:

1

With those designated as responsible for the Third Party's service(s) for or with PwC

2

By logging on to PwC's Global Ethics and Compliance website at <https://www.pwc.com/ethics> and report through the PwC Ethics helpline



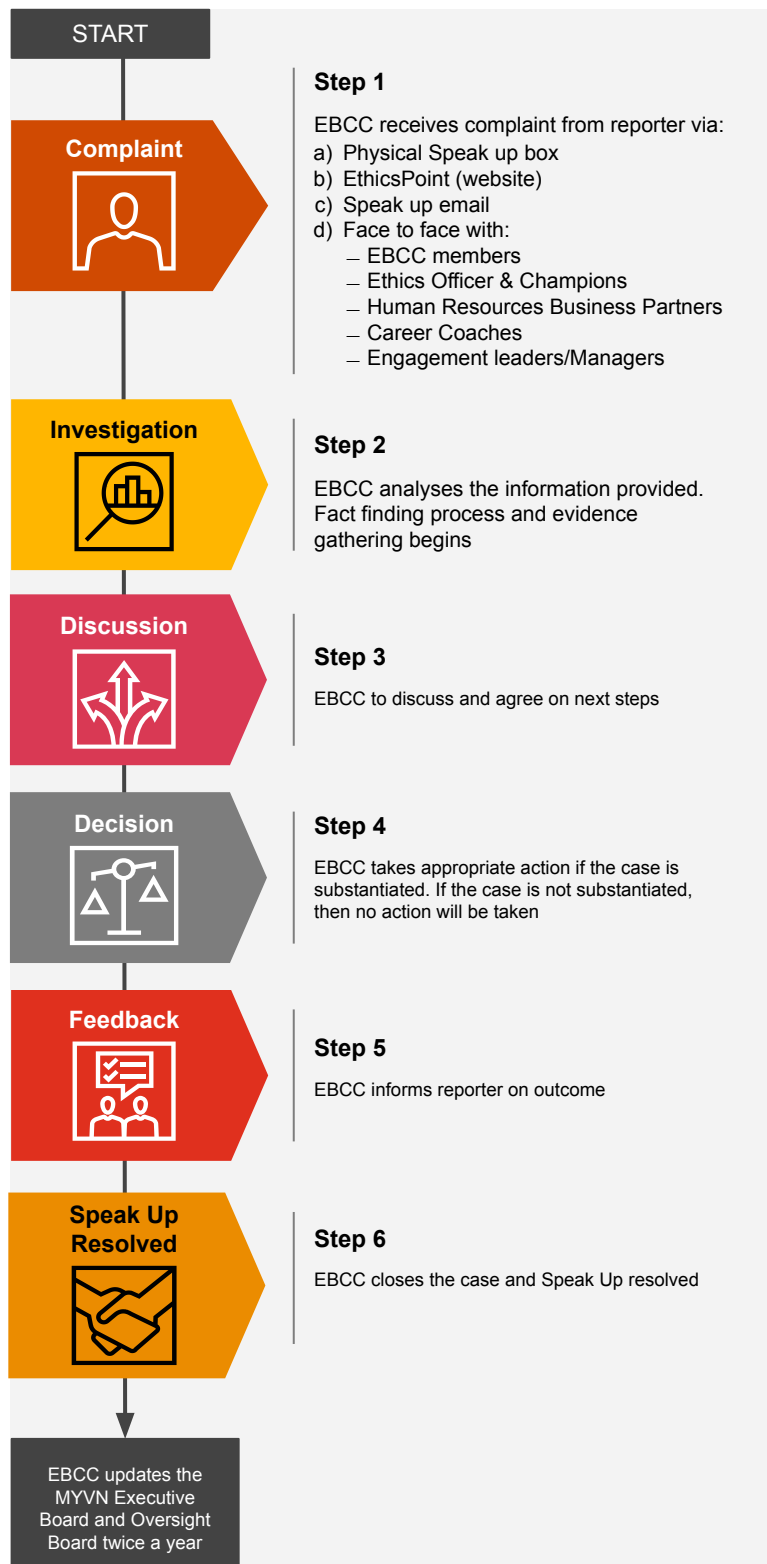
# Ethics, Independence and Objectivity



## Ethics (cont'd)

### PwC Malaysia Ethics And Business Conduct Committee (EBCC) roles and responsibilities

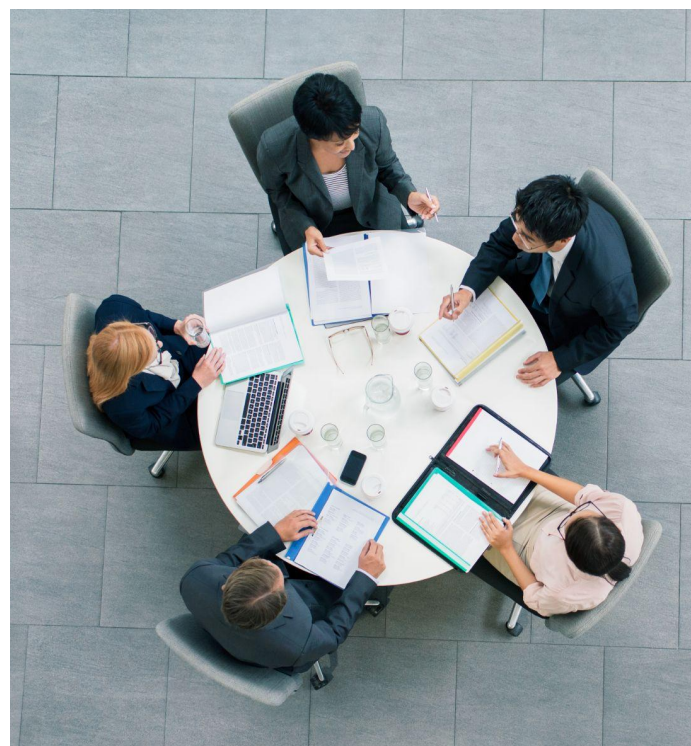
We provide guidance and advice on the firm's business ethics and also act as the sounding body for any concerns or issues on ethics that come to our attention. The process flow of the Speak Up is shown below:



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 Malaysia has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the PwC 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.





# Ethics, Independence and Objectivity



## 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.

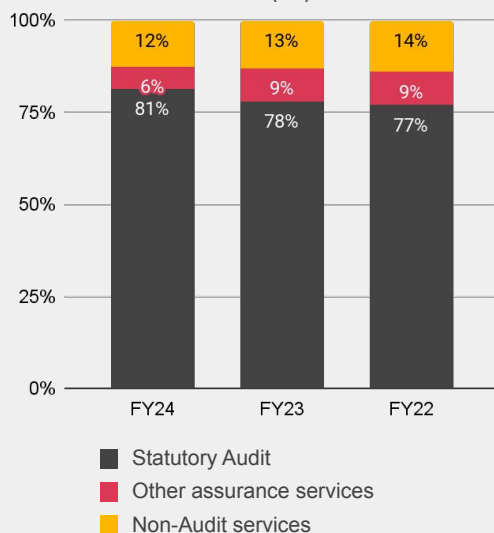
The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC 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 Malaysia 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 Chief Risk Officer, a member of the firm's management board.

### Independence policies and practices

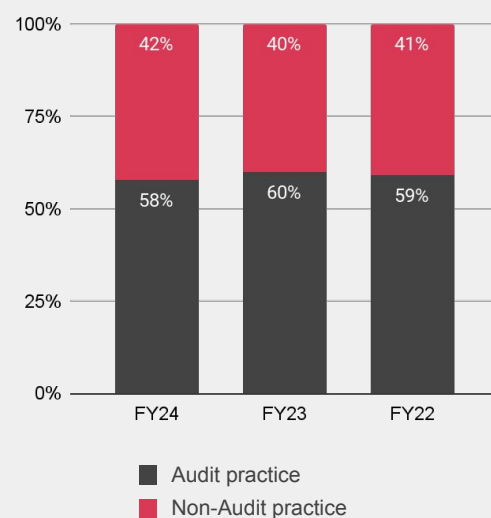
The PwC Global Independence Policy covers, among others, the following areas:

- 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.

Proportion of fee income from audit clients (%)



Proportion of total fee income (%)



During the year, there have been no instances where the total fees from a PIE audit client and its related entities represent more than 15% of the total fees received.



## Objectivity and Independence (cont'd)

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

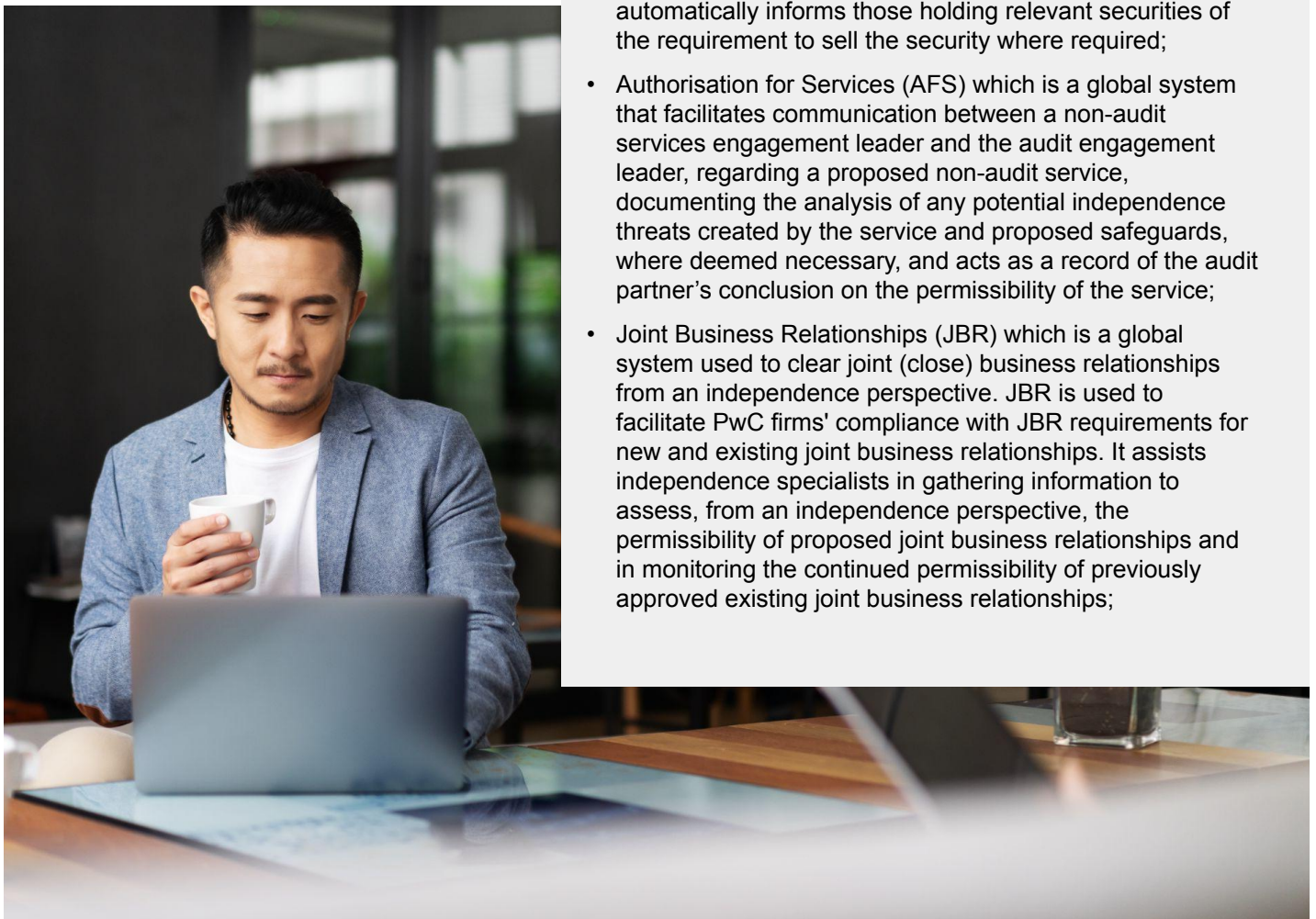
These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Malaysia supplements the PwC Global Independence Policy as required by the By-Laws on Professional Ethics, Code and Practice of the Malaysian Institute of Accountants ("MIA") and Companies Act 2016 in Malaysia where they are more restrictive than the network's policy.

### Independence-related systems and tools

As a member of the PwC Network, PwC Malaysia 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 managerial practice staff 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) which is a global system used to clear joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships;



# Ethics, Independence and Objectivity

## Independence-related systems and tools, continued

- My Compliance Dashboard (MCD) which is a global compliance system that facilitates annual compliance confirmations; and
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code or relevant independence regulations
- PwC Malaysia also has a rotation tracking system which monitors compliance with the firm's audit rotation policies for engagement leaders, quality review partners, other key audit partners, directors and senior managers involved in an audit.

In addition, PwC Malaysia utilises the network's centres of excellence which adopt standardised processes to perform monitoring of joint business relationships and approval of non-audit services for certain categories of clients.

## Independence training and confirmations

PwC Malaysia provides all partners and practice staff with annual or ongoing 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 training via eLearn on PwC Malaysia's independence policy and related topics. Additionally, virtual and physical training is delivered to members of the practice on an as-needed basis by PwC Malaysia's independence specialists.

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 and/or their related entities.

## Independence monitoring and disciplinary policy

PwC Malaysia is responsible for monitoring the effectiveness of its SoQM 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 partners and managerial practice staff as a means of monitoring compliance with independence policies; and



An annual assessment of our firm's adherence with the PwC Network standards relating to independence.

The results of PwC Malaysia's monitoring and testing are reported to the firm's leadership team on a regular basis.

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



### Engagement teams:

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





Our

people



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



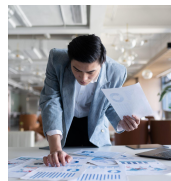
[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

# Our people



## 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.

Our people strategy is designed to take on both the challenges of today, and to anticipate and prepare for the future. Amid the increased demand for finance and accounting talent, the smaller talent pool currently addressing this demand is presenting pressing risk to the industry. The increased cost of doing business, and the rising complexity of the profession also continue to be a major contributor to the challenges of attracting and retaining the right talent.

However, these challenges push us to reimagine the value proposition of our organisation and thus enables us to rethink our ways of working. This must be enabled by facilitating mobility, flexibility, and the adoption of technology. These imperatives will be key in how we successfully build trust to attract, retain and develop the workforce of the future and remain a competitive and attractive organisation for talent.

## Audit staff headcount

### Partners

FY24

**35**

FY23: 28  
FY22: 31

### Managerial staff

FY24

**187**

FY23: 194  
FY22: 181

### Non-managerial staff

FY24

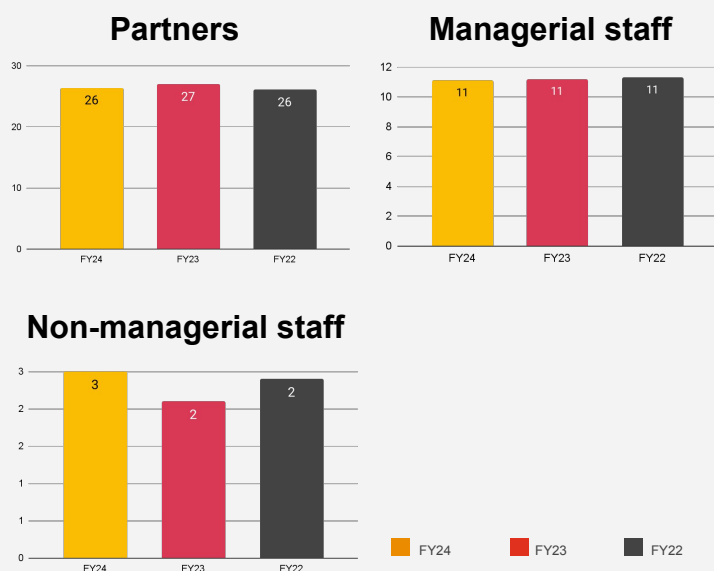
**1,271**

FY23: 1,329  
FY22: 1,105

## Years of experience in staff role

	Less than 1 year	Between 1 to 3 years	Between 3 to 5 years	More than 5 years
<b>Partners</b>				
FY24	0%	18%	9%	73%
FY23	0%	11%	18%	71%
FY22	0%	16%	19%	65%
<b>Managerial staff</b>				
FY24	11%	43%	8%	38%
FY23	24%	24%	18%	34%
FY22	31%	18%	17%	34%
<b>Non-managerial staff</b>				
FY24	21%	62%	11%	6%
FY23	42%	41%	14%	3%
FY22	46%	29%	21%	4%

## Average years of experience



## The PwC Professional

The PwC Professional is the set of behaviours we expect of all our people, at all levels, to demonstrate with each other and with our clients and other stakeholders. When we focus on the behaviours that guide our interactions, we create opportunities to build trust and empower our teams to deliver distinctive outcomes. This is how we build trust in society and solve important problems.



## Audit Quality Indicators

- Average staff retention rate



# Our people

## Our People Value Proposition ('PVP') - My+

People are our priority. Our people strategy is centered around fostering a supportive, inclusive, and growth-focused working environment through our People Value Proposition ("PVP"), My+, built on the four pillars of wellbeing, total rewards, development and always a PwCer.

Through My+, we aim to create a holistic culture that supports personal and professional growth, providing diverse benefits, and fostering meaningful connections within our diverse community. By empowering our people to thrive, we are dedicated to creating an environment where diverse talents are supported, and can succeed at PwC.

### Wellbeing

Be supported by a holistic wellbeing culture that facilitates sustainable performance and personal success. You will have the flexibility to choose ways of working that aligns with your needs at work and beyond.

### Total Rewards

Gain from a comprehensive range of benefits that meet your needs in every stage of your life and career - including real-time recognition and benefits that go beyond monetary rewards.

### Development

Experience greater opportunities and challenging assignments for diversified growth. Enhance your professional and personal skill-set through PwC's world class curriculum and flexible career pathways that build differentiated capabilities.

### Always a PwCer

Connect, collaborate and create meaningful experiences through PwC's inclusive and diverse community. You will be able to contribute knowledge of your work or learn from others both internally and externally with our wider communities.

When we create our campaigns, initiatives, and plans that are focused on our people, it is usually based on our PVP. Its effectiveness can be measured through our annual Global People Survey\* (GPS). Some of the results for 2024's GPS in line with our PVP are as below:



### Wellbeing

**64%** Agree that 'The people I work for make wellbeing a priority for our team(s)'



### Total Rewards

**63%** Agree that 'I am recognised for my contributions in a way that is personally motivating'



### Development

**89%** Agree that 'I am encouraged to try new things and learn from failure'



### Always a PwCer

**84%** Proud to work at PwC



### \*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 Malaysia is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

# Our people



## Inclusion and diversity

At PwC, we're an organisation that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centred on action, accountability and advocacy, in each of our member firms, across the PwC Network.

We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion, and social inclusion. Underpinning this is ensuring our systems and behaviours are inclusive.



## Recruitment

PwC Malaysia aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY24, we recruited over 815 new people, including 456 university graduates.



## Team selection, experience and supervision

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



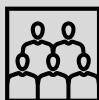
## Feedback and continuous development

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



## Career progression

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



## Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent.



## Global People Survey

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

**Response Rate**

**80%**

**People Engagement Index**

**71%**

**Quality Behaviour Index**

**76%**

# Our people

## Our commitment to wellbeing

The overall wellbeing of our people continue to remain a critical component of our people strategy and is evident through our holistic view and approach to wellbeing in PwC. In PwC, wellbeing encompasses six dimensions - physical, emotional, mental, spiritual, financial and social.

We champion flexible policies and arrangements that empower our people to find and decide the balance between work and life that best suit their personal and professional needs, across the different phases of their lives.

In 2024, we reinforced our commitment to our people's mental health by enhancing our leave policy to include mental health leave, where employees can decide to take the day off to recharge mentally, without the need for a medical chit/certification. We also introduced a new employee benefit which provides subsidies of up to 10 hours per employee for professional counselling with our Employee Assistance Programme (EAP). Employees can choose to consult a range of professionals (e.g. clinical psychologist, counsellor, dietitian, fitness coach, medical advisor, pharmacist) and can use their claim entitlement to claim for costs beyond the 10 allotted counselling hours.

We also started a pilot flexFriday every Friday programme, an enhancement of our existing flexFriday every second Friday of the month programme, which encourages our people to leave work early on Fridays if their schedule and commitment permit. The enhanced pilot programme has crossed over to FY25 and its effectiveness will be studied once the pilot period ends.

In other areas of wellbeing, we continued to provide and develop different resources, initiatives, and support systems to cater to the diverse wellbeing needs of our people.

<b>Naluri Health App</b>	Besides offering webinars on a monthly basis, our EAP continues to provide our people easy access to a range of resources on-the-go be it 24/7 hotline and chatline, health assessments, and learning materials.
<b>World Mental Health day</b>	We had a dedicated day of firmwide initiatives to increase understanding of mental health among employees, encouraging open conversations about mental health with professional coaches and breaking down stigmas.
<b>KakiJalan</b>	A step challenge throughout a period of a few months to promote a fit and active lifestyle among our people. We also partnered with PwC Vietnam, encouraging social connections and camaraderie cross-territory.
<b>Kelab Sosial PwC (KSP)</b>	KSP, organised by the people for the people had wellbeing classes (fitness like yoga and spin to others like baking, painting etc.), KSP Night and Inter-departmental Games and Inter Accounting Firm Games
<b>Away Days</b>	All Assurance Business Units continued to organise their individual getaways to not only take a break, but also build stronger relationships and celebrate milestones together.
<b>#reachout-series</b>	Engagement sessions targeted at Associates and Senior Associates across Assurance to connect with leaders, hearing them share their experiences on working sustainably.

These efforts in our wellbeing initiatives have resulted in an increase in our Global People Survey results for the relevant wellbeing items

**4% increase**

I am able to find balance between work and my personal life that works for me

**1% increase**

I can talk to my Career Coach and/or Relationship/Team Leader about my wellbeing and any support I need



# Learning and education



## Professional development

We are committed to putting the right people in the right place at the right time.

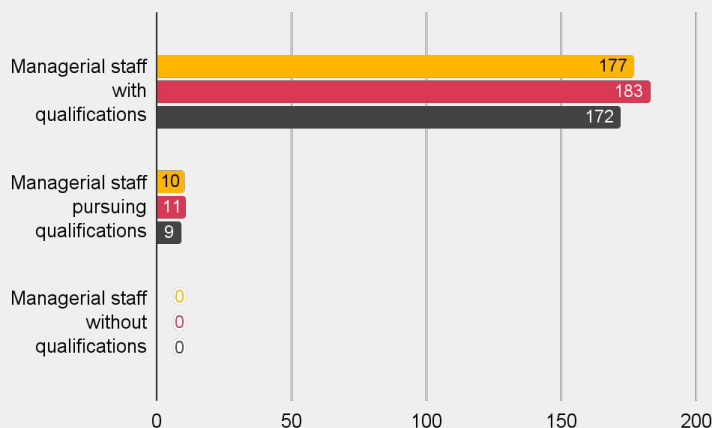
Throughout our people's careers, they are presented with career development opportunities, classroom (physical and virtual), on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials 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 for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

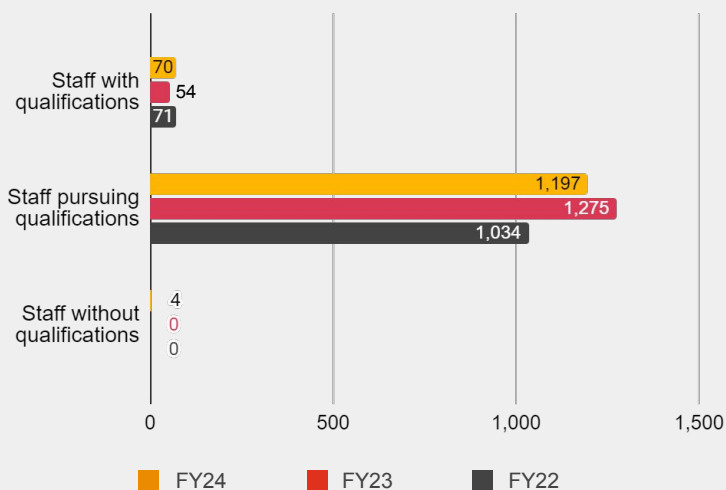


### Professional qualifications

#### Managerial staff



#### Non-managerial staff



\* Staff without professional qualifications comprises our Data Centre Of Excellence (COE) team with digital skills supporting teams in data auditing.

# Learning and education



## 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 curricula, developed at the network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of 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. In PwC Malaysia, the Assurance Development Committee (“ADC”) is set up to steer the development of PwC Assurance partners and staff. The ADC then considers what additional training is appropriate, be it formal or informal, to address any additional specific local needs. For example, accounting updates on Malaysian Financial Reporting Standards (“MFRS”) / International Financial Reporting Standards (“IFRS”), industry specific training as well as other externally sourced training, covering both technical and non-technical training.

The training hours in FY24 has increased as a result of incremental technical and digital training for our non-managerial staff and also an increase in elective learning focused around sustainability and diversity & inclusion for both managerial and non-managerial staff.



## Our training investment in people

### Assurance training FY24

Average hours achieved by partners and staff

<b>51</b> online	<b>62</b> classroom	<b>113</b> total
---------------------	------------------------	---------------------

### FY24 Total hours completed

**136,940**

### Assurance training FY23

Average hours achieved by partners and staff

<b>36</b> online	<b>54</b> classroom	<b>90</b> total
---------------------	------------------------	--------------------

### FY23 Total hours completed

**88,091**

**Mandatory training attendance**

**99%\***

of partners and staff have completed all mandatory training in FY24

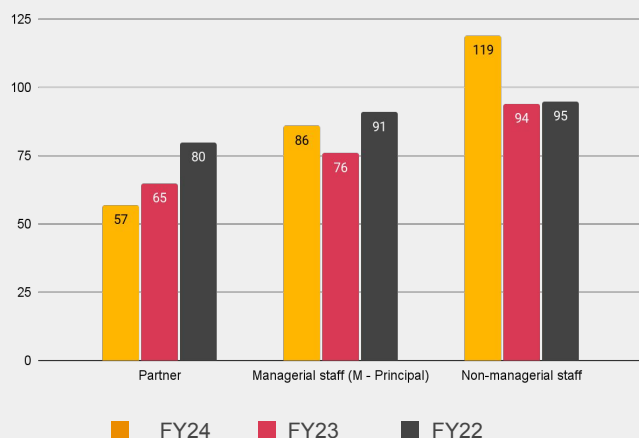
\*Non-attendees consists of partners and staff who completed the mandatory training after financial year end.



## Audit Quality Indicators

- Mandatory training attendance
- Compliance with Global Learning & Education (L&E) Policies

## Average number of training hours







Our

approach



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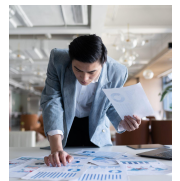
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# Our approach

## PwC Audit

At the heart of our approach to audit is a methodology known as the PwC Audit. It is built on three pillars:

1 Our people

2 Audit approach

3 Technology

We are evolving our approach to audit delivery to maximise the experience of our people and ensure high quality work for our clients.

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



# Tools and technologies to support our audit



## Our technology



### Aura

**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, 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

**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

**Connect Audit Manager** streamlines, standardises and automates group and component teams coordination for group 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

**Halo**, our data auditing tool, addresses 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.



### Halo Platform

**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 entity data for multiple applications during the audit.



### PwC Extract

**PwC Extract** enables us to seamlessly obtain and evaluate client's data directly by connecting to their Enterprise Resource Planning (ERP) systems and securely transferring data to our Express Data Path (XDP) Platform.



### PwC Confirmations

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



### Count

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





# Tools and technologies to support our audit



## Our technology (cont'd)

In addition to these globally created and supported PwC Network tools, in Malaysia we have invested in the following tools:



### Digital Lab

**Digital Lab** is a virtual space for our community of digital solutions and passionate solvers powered by technology such as Digital Accelerators from Asia Pacific to collaborate, create and share automations to help enhance the quality and efficiency in audit.



### Aura Checker

**Aura Checker**, utilising the bot to perform multiple checks of working papers in Aura (e.g., hygiene checks, predefined check, etc.) to facilitate Aura users and reviewers in driving quality documentation.



### Smart Audit Platform

**Smart Audit Platform** is a secure web-based portal with a growing suite of integrated intelligent automation tools and solutions based on cutting-edge machine learning and automation technology. These advanced solutions reduce the risk of manual error and enhance the delivery of a consistent and high-quality audit. Current modules include:

- **Financial statements tie-outs:** Checks the accuracy of totals/consistency of data and reviews comparative figures
- **Substantive Testing for Property, Plant and Equipment (PPE) & Operating Expenses (OPEX):** Extracts information from third-party supporting documents and identifies any variances to the OPEX or PPE addition listing
- **Smart Toolbox:** Intelligently extract information from documents based on user input and converts financial statements from PDF to Excel
- **Disclosure Checklist:** Uses AI recommendations to streamline the check of disclosures in financial statements





# Tools and technologies to support our audit



## 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, including generative AI, providing a transformed audit experience focusing on continuous quality enhancement.

PwC's vision for 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.

There have been significant investments across the PwC Network into generative AI as we seek to reimagine how we can further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage while supporting ongoing interest and quickly evolving potential use cases for AI, including generative AI.



# Tools and technologies to support our audit



## 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 direction, supervision and review responsibilities as part of the normal course of the audit.



## Confidentiality and Information Security

### Information Security

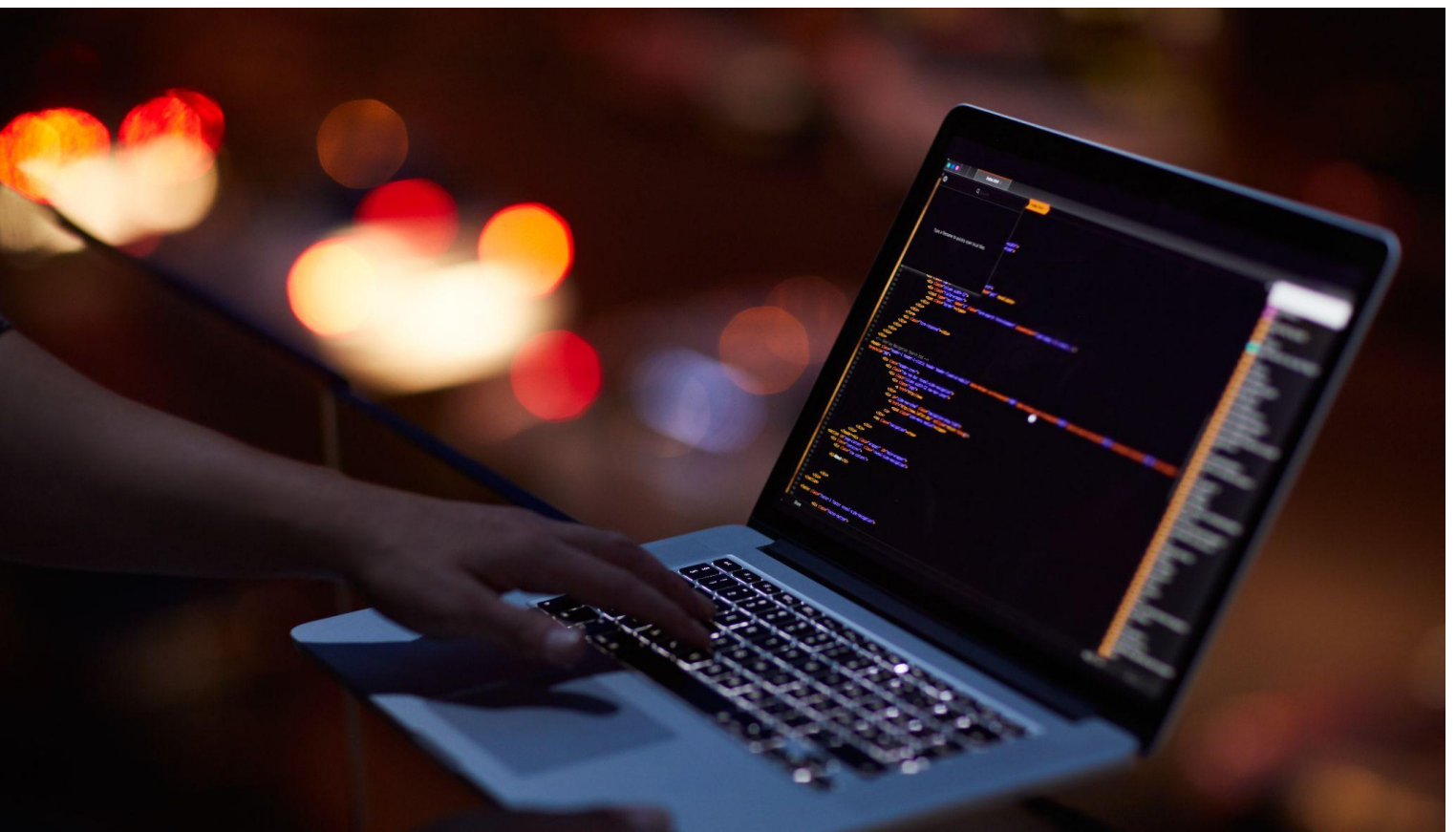
Information Security is a high priority for the PwC Network. Our firm is accountable to our people, clients, suppliers and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm holds, leading our firm to suffer regulatory sanctions or other financial losses, and impacting the PwC reputation and brand. As such, our firm complies with the Information Security Policy, which outlines the minimum security requirements for all PwC firms.

### The PwC Information Security Policy (“ISP”)

The PwC Information Security Policy (ISP) has been developed to safeguard the confidentiality, integrity and availability of the information and technology assets used by PwC Malaysia and is aligned with ISO/IEC 27002:2013 Information technology – Security techniques Code of Practice for Information Security Management industry standard.

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 resulting from the assessments are prioritised for remediation according to timelines agreed upon with firm leadership.



## Supporting engagement performance



### Evolving delivery model

Our enhanced delivery model strategy focuses on helping us be more competitive and deliver distinctive service to our clients through increased standardisation and automation through the use of remote talent hub (Nexus) and our Data Centre of Excellence.



### Direction, coaching, supervision and review

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



### Consultation culture

Consultation is key to maintaining high audit quality. While we have formal protocols for 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 and other specialities as well as individuals within our internal technical support functions.



### Technical support function

Our technical support functions 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 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. For example, they may advise on matters of firm independence, significant risks and the team's responses to those risks, as well as specific issues related to accounting, auditing, financial reporting and disclosure.



### 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 central functions such as the technical support functions. These include the use of technical panels consisting of partners independent of the engagement.



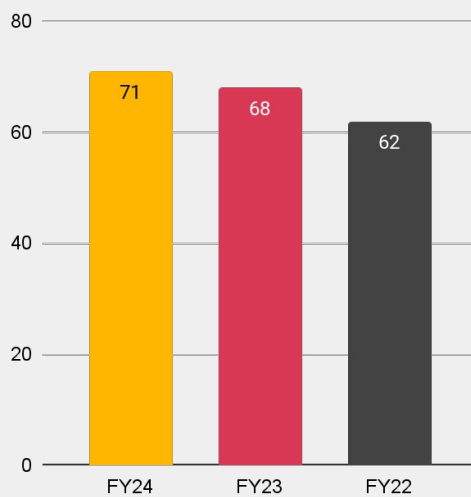
# Supporting engagement performance

The quality of our work is at the heart of the PwC Network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a continuous programme of innovation and investment in our technology. We continue to utilise Assurance practice partners, directors and managers to develop and deliver training courses. Their headcount, however, is not included in the statistics below.

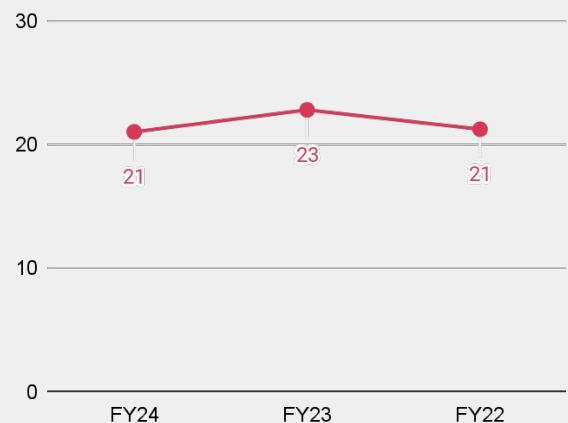
The various Quality Control (“QC”) functions are as follows:

QC component team	Support provided to audit teams
Risk, Independence, Solutions and Quality (“RISQ”)	Risk Management, Independence Office, Office of General Counsel, Regulatory & Compliance and Quality Management
PwC's Academy	Training and professional development
Corporate Reporting Services (“CRS”)	Technical accounting matters
Methodology	Technical auditing matters
Business Transformation	Audit transformation initiatives and use of tools and technology
ISA Reporting	Matters relating to reports issued by audit teams including Key Audit Matters

## Headcount in a QC role



## Average staff per QC headcount





# Monitoring



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# Monitoring



## Monitoring of Assurance quality

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

Responsibility for appropriate quality management lies with the leadership of PwC Malaysia. 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.

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.



## Audit Quality Indicators

- Total number of ECRs
- Number of ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant
- ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant related to total number of ECRs (%)



## Aim to prevent: Real-Time Assurance

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

All partners have an audit engagement selected for review at least once every three years. Audit engagements with different year ends and complexity are selected. The RTA programme is carried out by experienced reviewers to provide coaching to engagement teams and identify shareable best practices.

The RTA programme is refined yearly for process improvement based on feedback received. One refinement made during the year relates to the involvement of other subject matter experts in addition to reviews performed by a fully dedicated team of reviewers (i.e., Methodology team). It incorporates key areas of focus for the year and quality observations that may require specific attention.

## Audit quality reviews - internal

Total number of audit engagements reviewed

FY24

11

FY23

11

FY22

11

Compliance results of network audit engagement reviews

FY24

PIEs  
**100%**

Non-PIEs  
**100%**

FY23

PIEs  
**100%**

Non-PIEs  
**67%**

FY22

PIEs  
**83%**

Non-PIEs  
**100%**



# 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 Compliance Reviews - ECR), as well as periodic monitoring of our SoQM by an objective team consisting of team members within our firm as well as other firms within the PwC Network. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. ECRs are performed under a network-wide inspection programme based on professional standards and the PwC Audit methodology.

ECRs 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 Assurance partner is reviewed at least once every five years, unless a more frequent review is required based on the profile of that Assurance partner's client engagements or due to local regulatory requirements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR 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.



## Audit quality reviews - external

Results from the **Audit Oversight Board ("AOB")**'s audit quality reviews and number of reviews of Public Interest Entity ("PIE") audit engagements.

<b>FY24</b>	2 audit engagements (No finding)
<b>FY23</b>	4 audit engagements (No finding)
<b>FY22</b>	3 audit engagements (2 findings)

The Audit Oversight Board also conducts firm level reviews in accordance with ISQM 1. We have enhanced the documentation relating to the firm's risk assessment based on AOB's observation during the latest firm level inspection.

There have been no instances where the authorities or regulators have taken action against PwC Malaysia or its audit partners during the year.

Currently, we have a pending court case in the Court of Appeal in relation to an unfair dismissal claim. The Industrial Court and High Court had earlier ruled in favour of PricewaterhouseCoopers PLT and the ex-employee is now appealing against the lower court's decision. We do not believe that the said litigation will have a material impact on our business.



## Audit Quality Indicators

- Total number of file reviews by external regulators
- Number of file reviews by other external regulators resulting in non-compliance (or equivalent)

# Monitoring

Additionally, the PwC Network undertakes periodic reviews to evaluate certain elements of PwC firms' SoQMs. 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 quality findings identified from all sources of information, for performing timely root cause analysis, and for 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 engagement leader or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Assurance engagement leaders of our firm receive information on the results of the network inspection programme, 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

### 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 are to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective 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 root cause specialists 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 the hours incurred on the audit by the key engagement team members, composition of the engagement teams and the timing of the audit work performed.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to evaluate how these learnings may be used 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.





PwC

# Network



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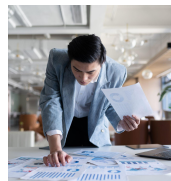
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## PricewaterhouseCoopers International Limited

### PricewaterhouseCoopers International Limited

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. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC Network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC Network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. 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 facilitate coordination between member firms in the PwC Network. Focusing on key areas such as strategy, brand and risk and quality, the Network Leadership Team and Board of PwCIL coordinate the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC Network. In addition, member firms may request 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 and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain 'PricewaterhouseCoopers,' however there is no ownership by PwCIL. 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 PwC 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.

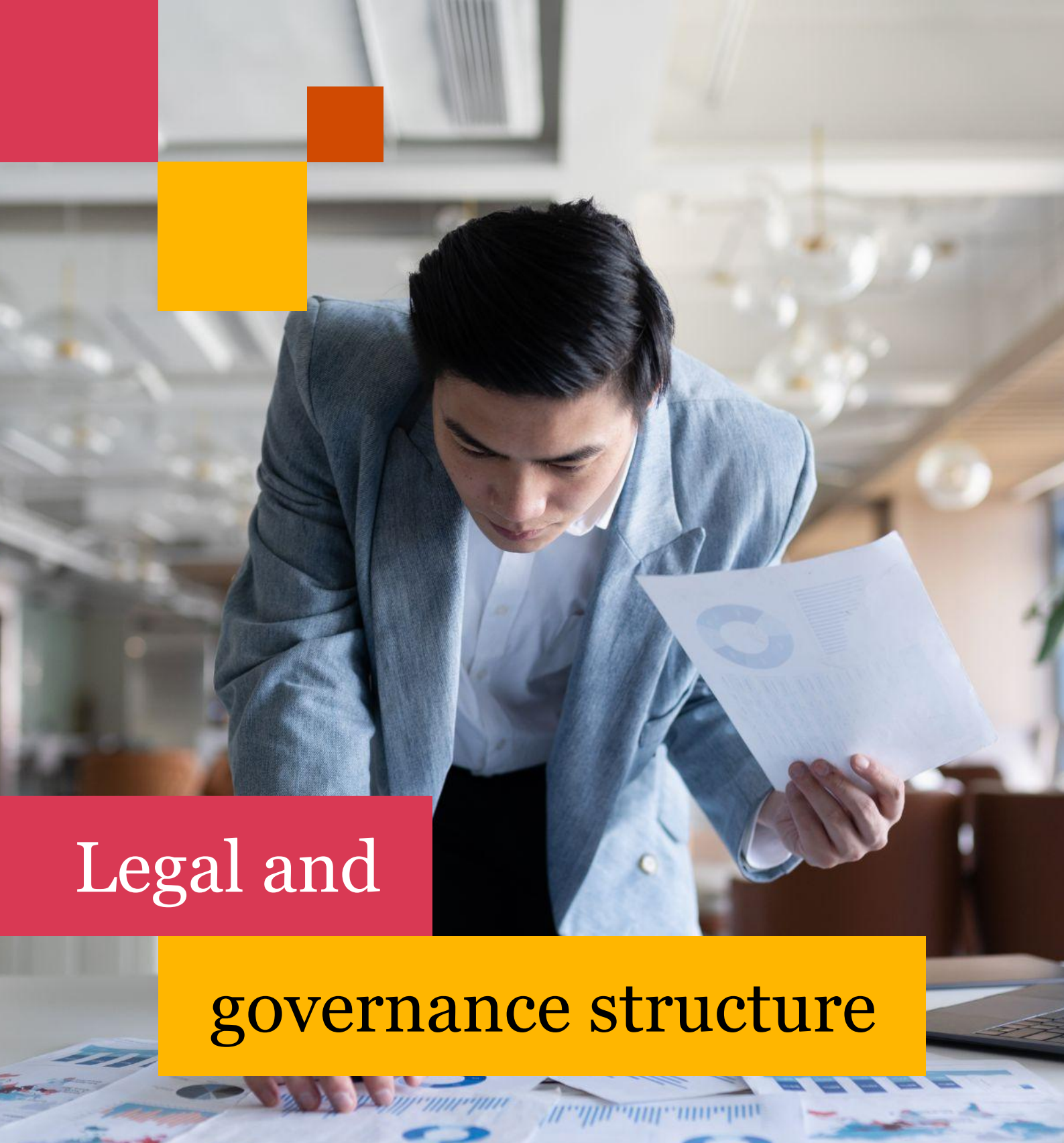


## The governance bodies of PwCIL are:

### 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 elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following [page on the PwC Global website](#) for a list of the current members of the Global Board.
- **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

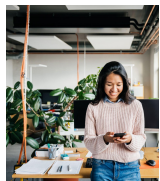
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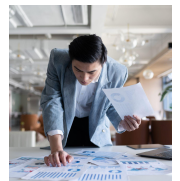
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# Legal and governance structure

## Leadership and governance structure

### Legal structure and ownership of PwC Malaysia



PricewaterhouseCoopers PLT is the audit entity for PwC in Malaysia, with 35 audit partners.

PricewaterhouseCoopers PLT and its affiliated corporate entities listed in Appendix 1 below form PwC Malaysia ("the firm"). PwC Malaysia is wholly owned by the partners of the firm. Partners have equal voting rights in all matters relating to the corporate entities.

There are no instances of partners with more than 10% share in the partnership, and there are no family relationships between partners undertaking leadership roles or holding substantial equity in the partnership of more than 10% share with other partners in the firm.

### Leadership and governance structure



Our leadership and governance structure reflects our partnership model. We have a Managing Partner who, once elected, forms the Country Management Team ("CMT") which is made up of partners. The CMT's activities are governed by the Partnership Agreement. Each member of the CMT is subject to formal, rigorous and ongoing performance evaluation.

The Oversight Board (OB) is established to independently hold the Managing Partner accountable to the Partners regarding the firm's operations. The main role of OB includes acting as a sounding board for strategic matters affecting partners and overseeing internal partnership matters such as partner admission and withdrawals. OB also oversees the personal plan of the Managing Partner. OB currently comprises four partners who were elected by the majority of the firm's partners.

### Areas of focus for the CMT

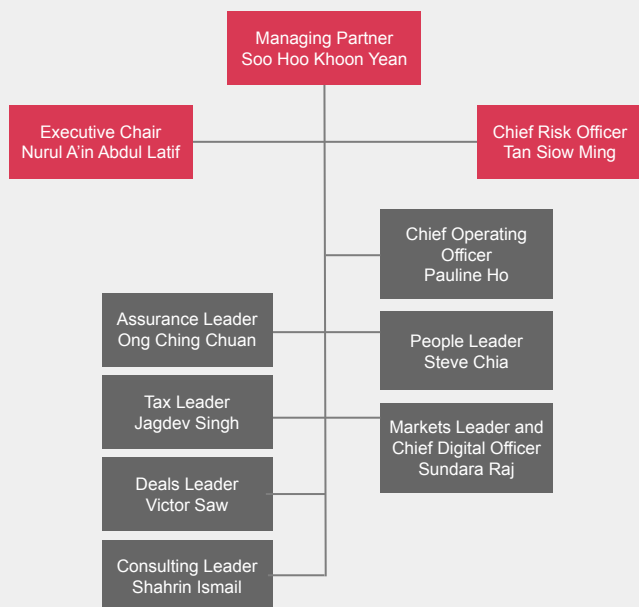


The CMT considers a wide range of issues for the firm such as risk, strategy, reputation, people matters including health and wellbeing, technology, return on investments, and culture and has supported, given guidance to and challenged the Managing Partner.

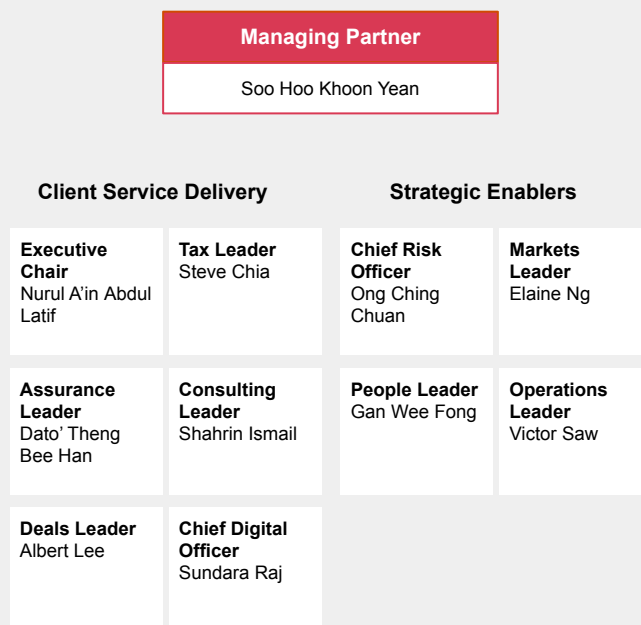
The CMT provides oversight of the long-term strategy and certain partner matters under the Partnership Agreement.

The CMT meets monthly, with additional meetings called when required.

2024



2025







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## Appendix 1:

Details of affiliated corporate entities as at 30 June 2024 that form PwC Malaysia

Name of Entity		Principal business activity	Country of incorporation
1	PricewaterhouseCoopers PLT	Providing audit and assurance services	Malaysia
2	PricewaterhouseCoopers Hldgs Malaysia PLT	Investment holding entity	Malaysia
3	PricewaterhouseCoopers Advisory Services Sdn Bhd	Providing advisory services	Malaysia
4	PricewaterhouseCoopers Taxation Services Sdn Bhd	Providing taxation and other consultancy services, including corporate secretarial services	Malaysia
5	PricewaterhouseCoopers eTax.com Sdn Bhd	Research and development of tax technology solutions	Malaysia
6	PricewaterhouseCoopers Risk Services Sdn Bhd	Risk assurance services	Malaysia
7	PricewaterhouseCoopers Capital Sdn Bhd	Provision of advisory services	Malaysia
8	PwC Consulting Services (M) Sdn Bhd #	Providing consulting services	Malaysia
9	PwC Consulting Associates (M) Sdn Bhd #	Providing consultancy services	Malaysia
10	PricewaterhouseCoopers WMS (Malaysia) Sdn Bhd #	Provision of advice and consultancy services regarding customs excise and international trade projects	Malaysia
11	PricewaterhouseCoopers Associates Sdn Bhd	Providing management services	Malaysia
12	PricewaterhouseCoopers Actuarial Services (Malaysia) Sdn Bhd *	To provide actuarial services to clients	Malaysia
13	PricewaterhouseCoopers Service Delivery Center (Malaysia) Sdn Bhd #	Provision of support services to its parent company and its network of member firms	Malaysia
14	PricewaterhouseCoopers Malaysia Holdings Sdn Bhd	Investment holding company	Malaysia
15	PwC Corporate Business Restructuring Services PLT	Providing liquidation and insolvency Services	Malaysia
16	PricewaterhouseCoopers Services Sdn Bhd	Provision of tax and accounting services using a suite of digitalisation tools and platforms	Malaysia

# entity where PwC Malaysia has a beneficial interest

\* not owned by, or part of PwC Malaysia



## Appendix 2:

### List of Public Interest Entities audited by PwC Malaysia as at 30 June 2024 (1/2)

#### Public Listed Companies (PLCs)

1. Affin Bank Berhad
2. Alliance Bank Malaysia Berhad
3. Allianz Malaysia Berhad
4. Astro Malaysia Holdings Berhad
5. Axiata Group Berhad
6. Bank Islam Malaysia Berhad
7. Bumi Armada Berhad
8. Carlsberg Brewery Malaysia Berhad
9. CelcomDigi Berhad
10. CIMB Group Holdings Berhad
11. Cnenergiz Berhad
12. CPE Technology Berhad
13. CTOS Digital Berhad
14. Deleum Berhad
15. Dutch Lady Milk Industries Berhad
16. FGV Holdings Berhad
17. Gas Malaysia Berhad
18. Genting Berhad
19. Harrisons Holdings (Malaysia) Berhad
20. Hibiscus Petroleum Berhad
21. Hong Leong Financial Group Berhad
22. Icon Offshore Berhad
23. IGB Berhad
24. IJM Corporation Berhad
25. IOI Properties Group Berhad
26. Leong Hup International Berhad
27. MBSB Berhad (fka Malaysia Building Society Berhad)
28. Malaysian Resources Corporation Berhad
29. Maxis Berhad
30. Media Prima Berhad
31. Mesiniaga Berhad
32. Metrod Holdings Berhad
33. Petra Energy Berhad
34. Petron Malaysia Refining & Marketing Bhd.
35. Pharmaniaga Berhad
36. RHB Bank Berhad
37. Scicom (MSC) Berhad
38. SD Guthrie Berhad (fka Sime Darby Plantation Berhad)
39. SFP Tech Holdings Berhad
40. Sime Darby Berhad
41. Sime Darby Property Berhad
42. Syarikat Takaful Malaysia Keluarga Berhad
43. Tenaga Nasional Berhad
44. TIME dotCom Berhad
45. Wasco Berhad
46. Wang-Zheng Berhad
47. Yinson Holdings Berhad
48. YTL Power International Berhad

#### Listed subsidiaries under PLCs

49. Genting Malaysia Berhad
50. Genting Plantations Berhad
51. Hong Leong Bank Berhad
52. Hong Leong Capital Berhad
53. MSM Malaysia Holdings Berhad
54. Teo Seng Capital Berhad

#### Financial Institutions

55. Affin Hwang Investment Bank Berhad
56. Affin Islamic Bank Berhad
57. AIA Bhd.
58. AIA General Berhad
59. AIA Public Takaful Bhd.
60. AIG Malaysia Insurance Berhad
61. Alliance Islamic Bank Berhad
62. Allianz General Insurance Company (Malaysia) Berhad
63. Allianz Life Insurance Malaysia Berhad
64. Bank Of America Malaysia Berhad
65. Bank Of China (Malaysia) Berhad
66. Chubb Insurance Malaysia Berhad
67. CIMB Bank Berhad
68. CIMB Investment Bank Berhad
69. CIMB Islamic Bank Berhad
70. Great Eastern General Insurance (Malaysia) Berhad
71. Great Eastern Life Assurance (Malaysia) Berhad
72. Great Eastern Takaful Berhad
73. Hannover Rück SE Malaysian Branch
74. Hong Leong Assurance Berhad
75. Hong Leong Investment Bank Berhad
76. Hong Leong Islamic Bank Berhad
77. Hong Leong Msig Takaful Berhad
78. HSBC Amanah Malaysia Berhad
79. HSBC Bank Malaysia Berhad
80. J.P. Morgan Chase Bank Berhad
81. KAF Investment Bank Berhad
82. MBSB Bank Berhad
83. MIDF Amanah Investment Bank Berhad
84. OCBC Al-Amin Bank Berhad
85. OCBC Bank (Malaysia) Berhad
86. QBE Insurance (Malaysia) Berhad
87. RHB Insurance Berhad
88. RHB Investment Bank Berhad
89. RHB Islamic Bank Berhad



## Appendix 2:

### List of Public Interest Entities audited by PwC Malaysia as at 30 June 2024 (2/2)

#### Financial Institutions (cont'd)

90. Syarikat Takaful Malaysia Am Berhad
91. The Pacific Insurance Berhad
92. Tokio Marine Insurans (Malaysia) Berhad
93. Tokio Marine Life Insurance Malaysia Bhd.

#### CMSL Holders

94. Affin Hwang Asset Management Berhad
95. AIA Pension And Asset Management Sdn. Bhd.
96. ALLMAN Asset Management Sdn Bhd
97. Alpha Reit Managers Sdn Bhd
98. Amundi Aalam Sdn. Bhd.
99. Amundi Malaysia Sdn. Bhd.
100. Axis Reit Managers Berhad
101. BIMB Investment Management Berhad
102. BIMB Securities Sdn
103. BOS Wealth Management Malaysia Berhad
104. CIMB Securities Sdn. Bhd (fka KAF Equities Sdn. Bhd.

#### CMSL Holders (cont'd)

105. Franklin Templeton Asset Management (Malaysia) Sdn. Bhd.
106. Franklin Templeton GSC Asset Management Sdn. Bhd.
107. GAX MD Sdn. Bhd.
108. Guidance Investments Sdn. Bhd.
109. Hong Leong Asset Management Bhd.
110. Hong Leong Islamic Asset Management Sdn. Bhd.
111. IGB Reit Management Sdn Bhd
112. JP Morgan Securities (Malaysia) Sdn Bhd
113. KAF Investment Funds Berhad
114. KIP REIT Management Sdn. Bhd.
115. Macquarie Capital Securities (Malaysia) Sdn. Bhd.
116. MIDF Amanah Asset Management Berhad
117. MTC Asset Management (M) Sdn. Bhd.
118. RHB Asset Management Sdn. Bhd.
119. RHB Islamic International Asset Management Berhad







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