



PwC Singapore Transparency Report

For the financial year ended 30 June 2023





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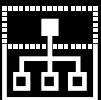
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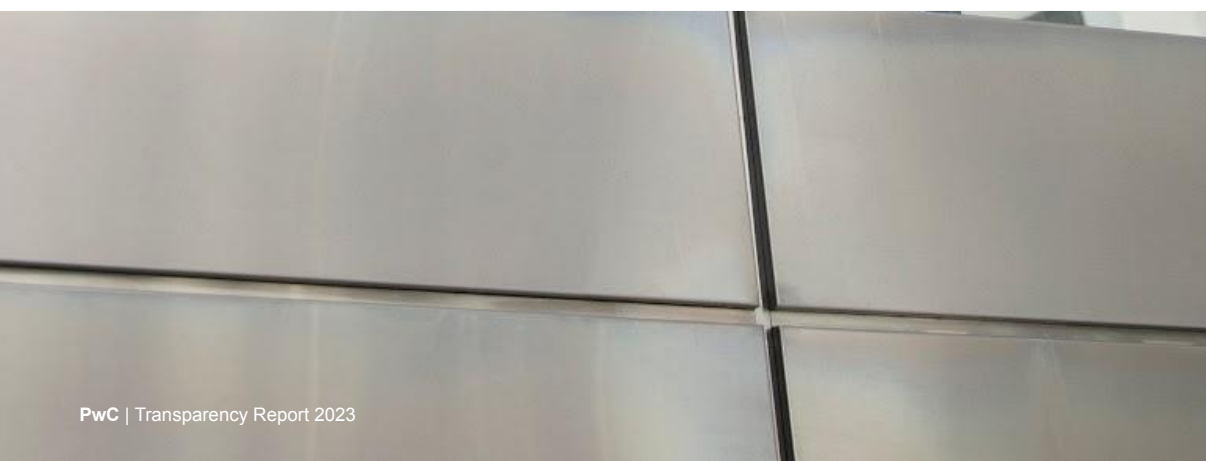


Legal and governance structure

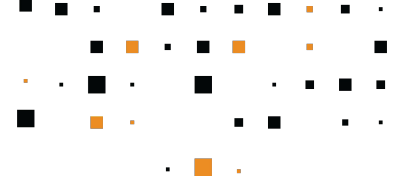
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Message from leadership



Message from leadership



Message from the Executive Chairman



Welcome to our 2023 Transparency Report

As a profession, our approach to building trust and delivering sustained outcomes is designed to meet rising expectations of transparency, accountability and stakeholder engagement. Ensuring that we have the capabilities to deliver high quality services that can meet heightened expectations is an ongoing journey. This is why it is important for us to cultivate a culture built around trust, with quality as the common thread binding our people, processes and technology. We know that cultivating and rebuilding trust requires constant effort. Underpinned by our commitment to continuous improvement and to uphold integrity and high standards of ethical behaviour through all our actions, the latest updates made to [PwC's Code of Conduct](#) further sets out what is expected from us and holds us accountable to always give our best.

To drive sustained outcomes in an increasingly complex business and financial world, we are scaling up our capabilities in areas such as cyber security, data analytics, ESG and AI. Across the PwC network, we are investing heavily to accelerate ongoing innovation. Our approach leverages synergies between these solutions and our established expertise in assurance, tax and other subject matter areas to help our clients build greater trust with their own stakeholders. Protecting the quality and reliability of information in the financial reporting ecosystem is vital, thus we are taking bold steps to build our next generation audit - one that's people-led, AI-powered, and data-driven. The result: a transformed audit experience that puts continuous quality enhancement at its core.

Quality teams deliver quality outcomes. Adopting an integrated workforce model helps ensure that our people have the needed capacity to focus on complex areas that demand increased judgement and deeper technical expertise - this is especially the case against the backdrop of a constantly-evolving regulatory and reporting environment. Our tech-enabled virtual client engagement teams based in the PwC Acceleration Centre in Manila gives us access to a readily available pool of qualified/well-trained talent to leverage for greater support and to ensure timely delivery of outcomes to our clients. Simultaneously, our independent Audit Advisory Board continues to provide objective input to further advance our commitment to people and culture as well as to enhance audit quality and transparency.

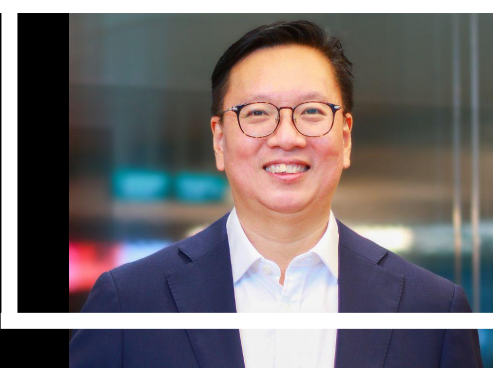
Empowering our talent lies at the heart of our people's value proposition - PwC and Me. We seek to develop future-ready talent by providing them with meaningful work opportunities, mentorship and memorable experiences. We are investing in upskilling our people, elevating their digital acumen so they can deliver quality outcomes in a world that is increasingly transformed by AI.

Employee wellbeing has always been a key priority. We foster a diverse, inclusive workplace that recognises our people's strengths and perspectives so they can be their authentic selves and reach their full potential. According to our [Global People Survey](#), we are proud that 78% of our employees say they can reach out to their team leader about their well-being and any support they need.

Building on The New Equation strategy, we are ushering in a new era of audit where people and technology combine to deliver impactful and quality outcomes. Greater levels of reliability, efficiency and insight will allow us to unlock the full value of audit. Fuelled by our purpose to build trust and solve problems, our PwC values will continue to serve as our compass, aligning our decisions with our ongoing commitment to advance quality.

Marcus Lam
Executive Chairman
PwC Singapore

Message from our Assurance Leader



At PwC, we are reimagining the audit experience. Our human-led, tech-powered approach is our answer to a changed world - one that is defined by increasing levels of complexity and risk. This intersection of skilled talent and innovative technology is what will enable us to deliver insightful, impactful and intelligent audits.

Our 2023 Transparency Report presents the actions we are taking to invest in our profession so we can strengthen the quality of audit. We are not just keeping pace, but taking the lead, to elevate our capabilities so we can enable investors and stakeholders to make well-informed decisions.

Driven by our purpose to build trust, we foster a culture that puts quality at front and centre of everything that we do. Our PwC values anchor us, forming the basis for our every action and decision. To further strengthen our workplace culture, we introduced a peer-to-peer recognition app - "Achieve at PwC" - to acknowledge and reward behaviours that align with our values.

Building fit-for-the-future talent is essential. To unlock the true potential of a tech-enabled audit process, we have embedded digital upskilling as an important element of our people development strategy. We train our people in the PwC audit approach to equip them with the technical skills and knowledge to provide quality assurance services. As part of their continuous education, our assurance partners and staff devoted an average of 133 hours to training in the 2023 financial year, an increase of 20 hours from the year before.

Prioritising the professional and personal development and wellbeing of our people has helped us create a workplace where our employees feel valued, motivated and driven to achieve shared goals. In 2023, the average retention rate for our managers and staff rose to 68% (vs 61% in 2022) and 76% (vs 62% in 2022) respectively.

Quality is an integral part of the DNA of an audit. This is best achieved when we have the right blend of people, expertise, tools, technologies and processes. That is why, as a network, we have embarked on a multi-year effort to develop a new global audit ecosystem that will power our Next Generation Audit. We are investing in cutting-edge technologies and redefining underlying audit processes so we can streamline and automate our work while supporting our ability to provide robust and independent assurance.

To improve efficiency and productivity, we have increased the utilisation of offshore services in our PwC Acceleration Centre in Manila. The seamless integration of both our remote and on-site client engagement teams will give us greater flexibility to provide value-driven, strategic solutions.

We are going the extra mile to bring innovation to audit and to create a compelling people experience. This powerful human-tech synergy will position us to execute industry-leading audits by enabling us to deliver high-quality services, rich insights and in-depth expertise to our clients.

Choo Eng Beng
Assurance Leader
PwC Singapore

Year in review

Audit quality review - ACRA [↗](#)

Number of audit engagements reviewed



2022

3 Passes

No ACRA engagement file review conducted in 2023

Audit quality review - Internal (EQR) [↗](#)

Internal engagement review	2023	2022
Total audit engagements reviewed	18	14
Compliance rate	100%	100%
% partners/directors reviewed	27%	23%

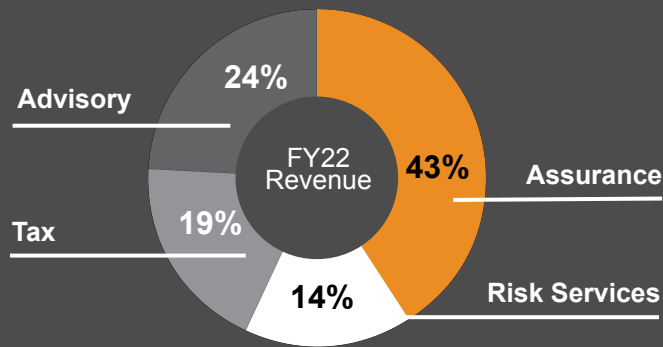
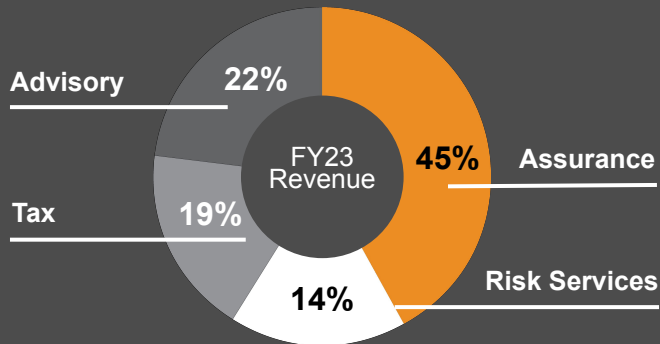
Audit quality review - PCAOB [↗](#)

Number of audit engagements reviewed

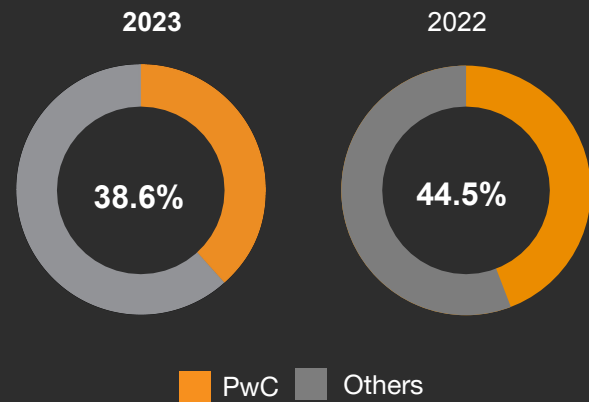
3 2020: 100% Pass
[2017: 100% Pass]

No PCAOB inspection conducted since 2020

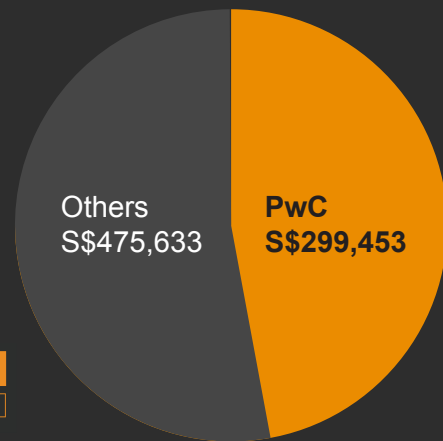
Revenue by service lines



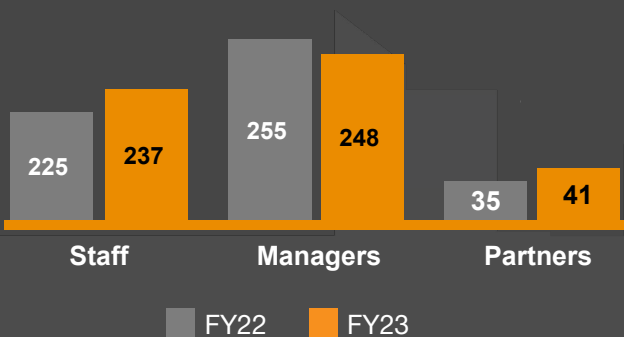
Top 50 SGX market share



Sum of market capitalisation (S\$m)



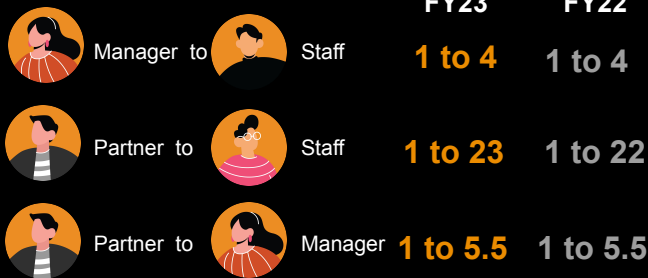
Number of individuals tested for independence compliance [↗](#)



Please click on the data points to navigate to additional information within this report.

Year in review

Leveraged ratio of audit-related hours for audit team members



Years of audit experience

Average years of experience of audit team members
5 years
 FY22: 5 years

Use of Acceleration Centres

12% FY22: 8%

Percentage of audit hours performed by Acceleration Centres

Experience of our partners

Partners' average years of experience
24 years
 FY22: 24 years

Quality control support

1 to 10
 FY22: 1 to 11

Ratio of partners and managers serving in quality control support roles to the total number of audit partners and managers

Digital upskilling

468

partners and staff trained on data analytics, visualisation and automation across the firm in the last year

Our training investments

Assurance training FY23

133

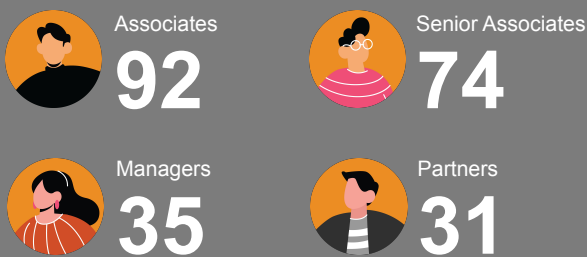
Average hours achieved by partners and staff

Assurance training FY22

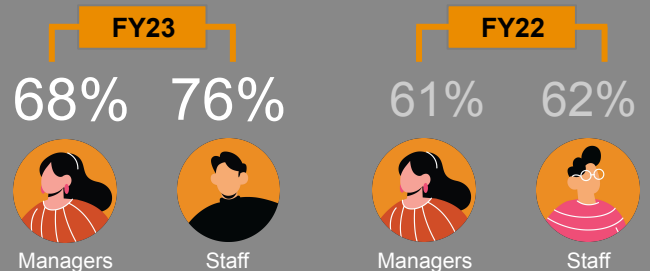
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Average hours achieved by partners and staff

Mandatory auditing and accounting training hours



Average retention rate by assurance staff level



Singapore Chartered Accountant Qualification

Professional exam	FY23		FY22	
	Jun-23	Dec-22	Jun-22	Dec-21
Number of candidates per exam sitting	238	243	306	273
Passing rate	79%	82%	85%	78%
National passing rate	75%	74%	77%	73%
Number of top scorers	2	1	3	3

Partner and staff survey

83% of our Assurance staff and partners participated in our Global People Survey

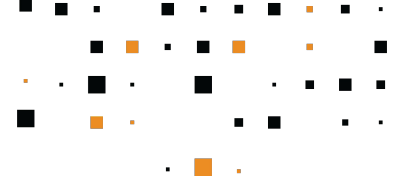
91% of the respondents believe they are encouraged to deliver high quality audits

Please click on the data points to navigate to additional information within this report.



Our approach to quality

Our approach to quality



A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

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

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

The International Standard on Quality Management 1 (ISQM 1)

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

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



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

Integrated and aligned in the right way

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

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

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

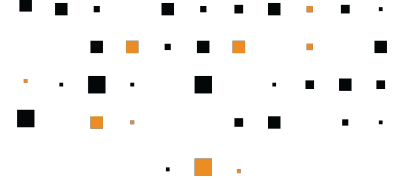
The Quality Management Process

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

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

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

The key factors that impacted our system of quality management



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

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

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

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



2023 key factors impacting our SoQM

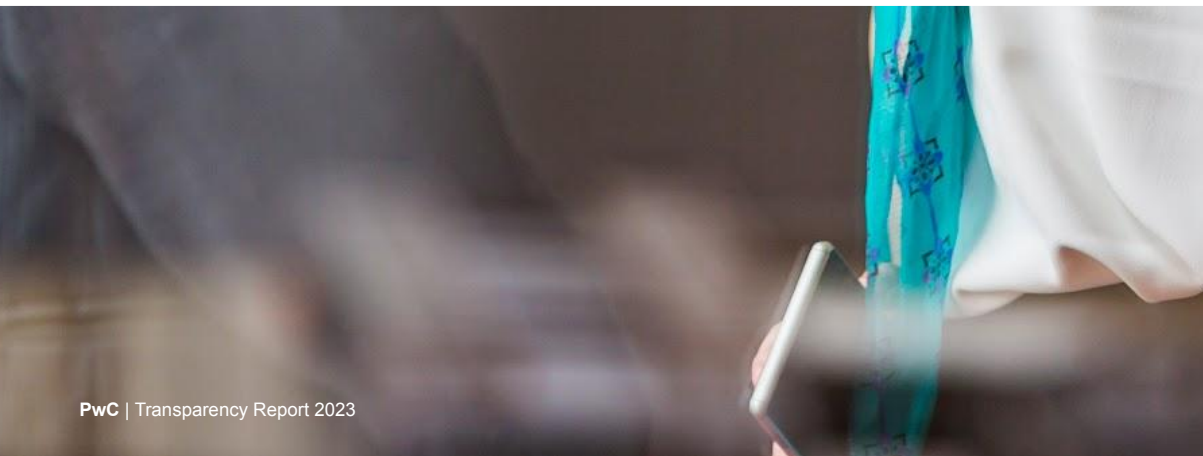
Our firm has adopted ISQM 1, in line with the effective date on 15 December 2022. This year, we have seen various factors impacting the design of our SoQM. The key factors that have necessitated changes to our SoQM include:

- **Information security and data privacy**
The risk of breaches or compromises in the firm's obligations relating to confidentiality, data protection and cyber security continues to be of key focus to our firm. Improper use of social media in the new-age, and rapidly evolving business landscape heighten the risk related to information protection. Our firm has designed and implemented procedures and controls to maintain a robust and consistent approach to managing data to reduce security and confidentiality risks in our SoQM. This is further discussed under the section "Confidentiality and Information".
- **Resourcing**
In response to the industry-wide challenge of resourcing, to support the delivery of our work, we have used the Acceleration Centre. We considered changes needed to our assessment of existing risks as well as policies and procedures on the use of team members in the Acceleration Centre in the performance of engagements.
- **Ethical behaviour**
In addition to the commitment to deliver high quality work, we are also committed to drive high quality culture. To uphold the value of integrity of our people especially on training assessments, we have established policies and procedures to embed quality culture into our SoQM including monitoring of the right behaviour that supports the right attitude to quality.
- **Covid-19**
During the early stages of the Covid-19 pandemic, it was critical for us to monitor the developments to identify risks and risk responses of the pandemic to ensure that we did not compromise on audit quality. It has become less critical with the exit from the acute phase of the pandemic.

We continue to monitor factors that will impact our SoQM to ensure compliance with ISQM 1.



Cultures and values



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 over 364,000 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.



Measurement and transparency

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

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



Our firm's commitment to quality



Cultures and values

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

Trust in what matters

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

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

We call this 'trust in what matters.' This includes issues that are important to a company and its wider stakeholders.

We encourage our clients to understand what matters to their stakeholders, and we deliver assured information about the company's performance on these measures. We believe that if it needs to be trusted, it needs to be assured. High-quality assurance heightens accountability and trust while giving companies a robust basis for tracking and improving their performance.

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



Embedding PwC Values in our workforce

This culture is supported by appropriate tone at the top through regular engagement and communication from leadership to all partners and staff about the firm's commitment to quality. These communications focus on what we do well and actions we can take to make enhancements. We track through our annual global people survey whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. We are confident our people understand our quality objectives and in delivering service of the highest quality. This is core to our purpose and our Assurance strategy, with a focus to strengthen trust and transparency in our clients, in the capital markets and wider society.

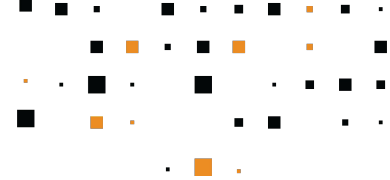
To cultivate and strengthen a positive workplace culture, we engage our employees in a range of impactful activities that resonate with our core values.

This year, we have also launched our peer-to-peer, just-in-time recognition app, "Achieve at PwC", to promote the recognition of behaviours that are aligned with our values that helps to reinforce a workforce that consistently displays our PwC culture.

The recognition categories in the app are mapped exactly to our 5 core values - "Acting with Integrity", "Work Together", "Making a Difference", "Care" and "Reimagining the Possible". Recognition through the app are made with a kudos note that is published firmwide. Points can be awarded alongside with the recognition to allow the staff to redeem rewards that best fit their needs and interests.

Since going live in September 2022, 99.7% of our people have activated their Achieve at PwC account, sending and receiving 913 and 2,556 recognitions respectively.

Our firm's commitment to quality



Leadership and tone at the top

The firm is committed to delivering high quality work and has established a culture of upholding the values of integrity, ethics, independence and professional competence. This culture is embedded throughout the detailed policies endorsed by our leadership. It is also reflected in the allocation of resources to the Risk & Quality (R&Q) function which implements the firm's system of quality management.

The R&Q function is led by an experienced partner who is also a member of the Extended Leadership Team, and has access to the Leadership Team to provide important advice on quality control matters. The R&Q Leader is supported by a group of partners, directors and highly experienced managers who are specialists in the areas of accounting, auditing, independence, quality assurance, risk management, network information security, and laws and regulations.

Leadership frequently reviews the adequacy of the resources dedicated to R&Q to ensure that engagement teams have sufficient support to continue meeting professional standards, regulatory and legal requirements.

Quality control support

1 to 10
FY22: 1 to 11

Ratio of partners and managers serving in quality control support roles to the total number of audit partners and managers

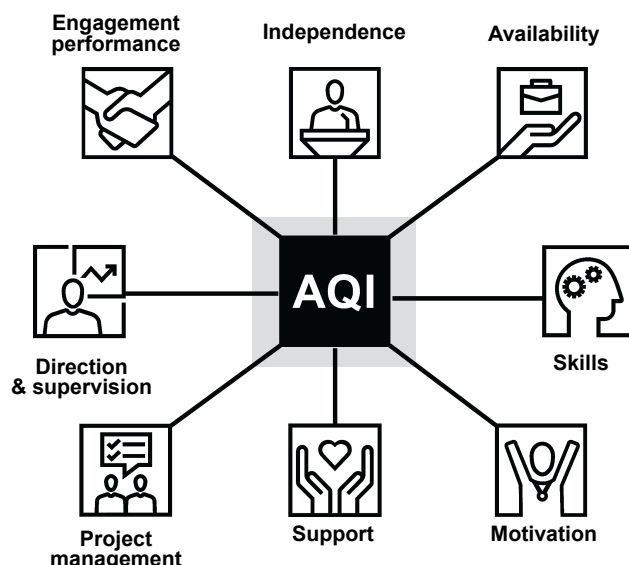


Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM. Our set of AQIs includes the quality indicators prescribed by the Accounting and Corporate Regulatory Authority (ACRA) under its AQI Disclosure Framework.

The Risk & Quality function, together with the Assurance Leadership team, monitors the firm's AQIs on a regular basis.

Our set of AQIs can be categorised into eight quality factors contributing to a quality audit





Ethics, independence and objectivity

Ethics

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

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

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



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

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

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

PwC Singapore has adopted a recognition and accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

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





Objectivity and Independence

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

The PwC Global Independence Policy, which is based on the Code (which include 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.

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 Singapore 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 and reports directly to the Risk and Quality Leader, a member of the Extended Leadership Team.



Independence policies and practices

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

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts, and loans of partners, staff and the firm;
- 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 in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of non-assurance services to be provided to those clients.

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

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

PwC Singapore supplements the PwC Global Independence Policy as required by local regulations where they are more restrictive than the network's policy.



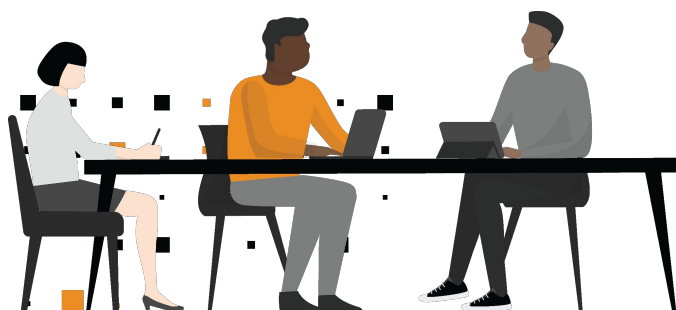


► Independence-related systems and tools

As a member of the PwC network, PwC Singapore 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 into the Independence Checkpoint and the Authorisation for Services system;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. When 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; 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.

PwC Singapore also has a Singapore-specific rotation tracking system which monitors compliance with Singapore audit rotation policies for the Singapore firm's engagement leaders and audit quality control reviewers.





Independence training and confirmations

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

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm’s independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships.



Independence monitoring and disciplinary policy

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

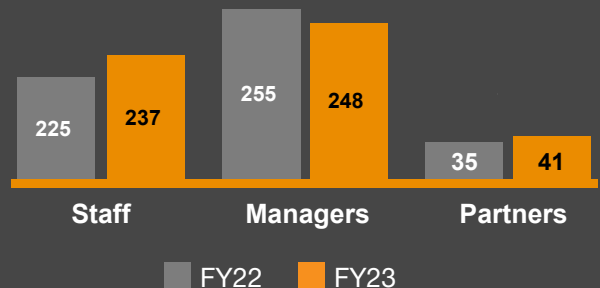
- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of partners and practice managers and staff as a means of monitoring compliance with independence policies; and
- An annual assessment of our firm’s adherence with the PwC network’s standard relating to independence.

The results of PwC Singapore monitoring and testing are reported to the firm’s management on a regular basis.

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

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

Number of individuals tested for independence compliance





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. We believe our principles go 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 take into consideration whether we are competent to perform the engagement, 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 Singapore 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). It 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.



Reinforce: Recognition and Accountability Framework

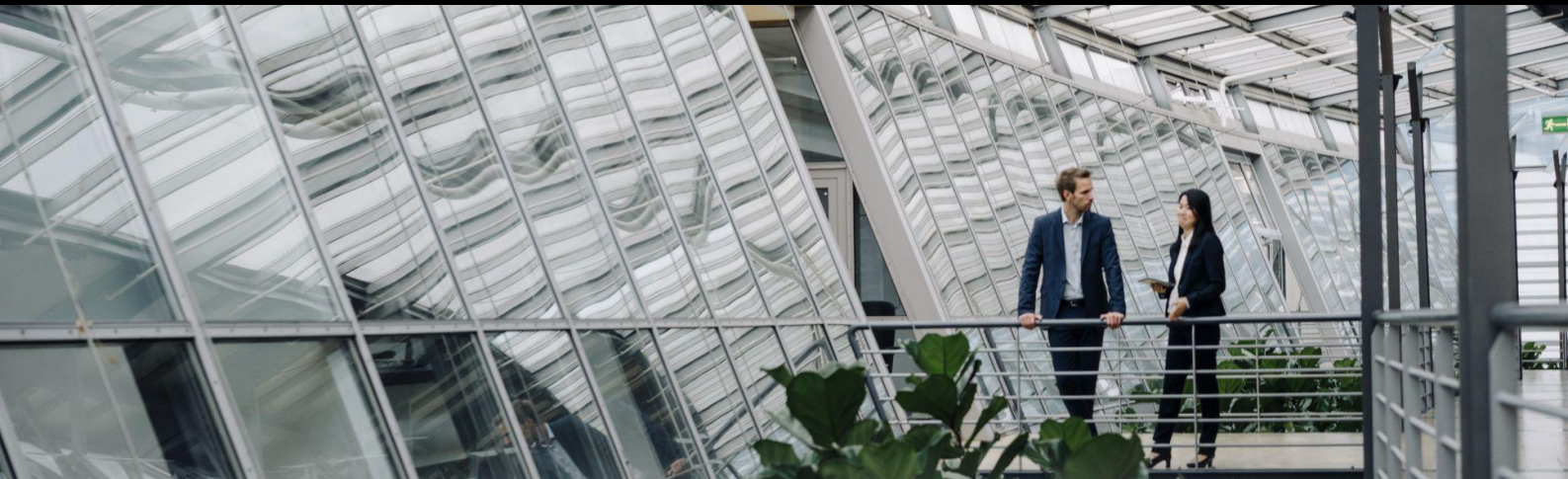
Our **Recognition and Accountability Framework (RAF)** reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and how we drive a high quality culture. It holds partners and engagement leaders accountable for quality behaviours and quality outcomes. Our RAF considers and addresses the following key elements:

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



Our people

Our people



People strategy

At PwC Singapore, our people strategy is the foundational pillar in realising 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 Value Proposition, PwC and Me, defines our shared aspirations and expectations, and enables us as a community of solvers to deliver on The New Equation: to build trust and deliver sustained outcomes. It is designed to target all aspects of an employee lifecycle, to allow us to reimagine and redefine what our people mean to us and what we mean to our people, and how we can create a meaningful career and experience for our people.

This year, our people priorities are to create a seamless and consistent experience for our people throughout their employee journey with us, and to build a strong recognition and learning culture that is supported by people analytics for insights driven decision making.

As part of our people priorities, we have implemented a peer-to-peer recognition app, Achieve at PwC, to encourage real time and regular appreciation, as well as continuously invest in the development of our people through formal and experiential learning that includes programmes on digital upskilling, ESG, leadership training and global mobility assignments. We also seek to reimagine the onboarding experience of our new hires through the adoption of an efficient and inclusive process.



Inclusion and diversity

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





Recruitment







PwC Singapore 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 FY23, we recruited over 1,295 new people, including 452 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.

Leveraged ratio of audit-related hours for audit team members

	FY23	FY22
 Manager to  Staff	1 to 4	1 to 4
 Partner to  Staff	1 to 23	1 to 22
 Partner to  Manager	1 to 5.5	1 to 5.5



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 is enabled via our mobile-enabled apps, including feedback on performance and progression collected via our Snapshot tool. We also utilise the Workday platform to give upward feedback as well as receive feedback from peers. We promote continuous conversations to facilitate the growth and accelerated development of our team, enabling them to adapt swiftly to new and complex environments, and deliver continued excellence to our clients and firm.



Career progression

PwC Singapore 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.

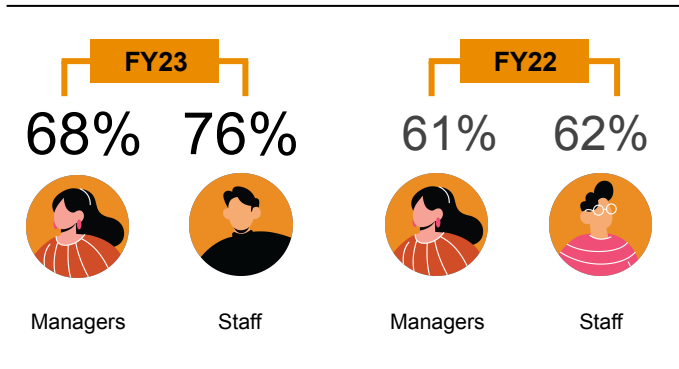


Retention

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.

Amongst our competitors, PwC Singapore is able to manage retention through a multimodal strategy that includes reimagining the way we extend our rewards and compensation programs, providing varying job opportunities and anchoring care and flexibility. These programs allow us to ensure that both our working environment and employee experience are optimised.

Average retention rate by assurance staff level



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 Singapore is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

We continue our upward trend of people engagement, with the People Engagement Index increasing over 9% in the past two years to 70%. This year, firmwide completion rate was at 81%, and a healthy Meaningful Work Index of 71% (a 5% increase vs 2022).

The sentiments of our people reflected positively on our people strategy and priorities for the year:

- 85% of employees agree that they have opportunities to work on challenging assignments that contribute to their development.
- 78% of employees agree that they can talk to their team/relationship leader about their well-being and any support they need.
- 84% of employees agree that the people they work for trust them to work remotely without compromising the quality of their work.
- 75% of employees agree that the leaders they work with actively build a diverse and inclusive work environment.



Our training investments

133 Assurance Training FY23

Average hours achieved by partners and staff

113 Assurance Training FY22

Average hours achieved by partners and staff

100% Mandatory training attendance

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



The PwC Professional

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



Professional Development

We 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, virtual classroom and on-demand learning, and on-the-job real time coaching or 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.



Continuing education

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

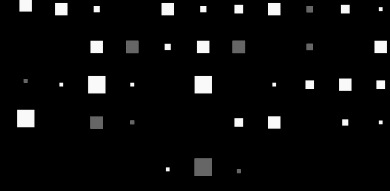
This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Development team also works closely with the Risk & Quality team and Subject Matter Experts to address any additional specific local needs — both technical and non-technical training such as Accounting Standards Update Workshops and 4 Essential Roles of Leadership respectively.



Our approach

Our approach



Our approach

At PwC, we are reimagining the audit experience. Our view of the future is that it is human-led and tech-powered.

As a member of the PwC network, PwC Singapore has access to and uses PwC Audit, a common audit methodology based on the International Standards on Auditing, with additional PwC policy and guidance provided where appropriate. Relevant additional policies and guidance are applied to ensure that each engagement is also compliant with the Singapore Standards on Auditing.



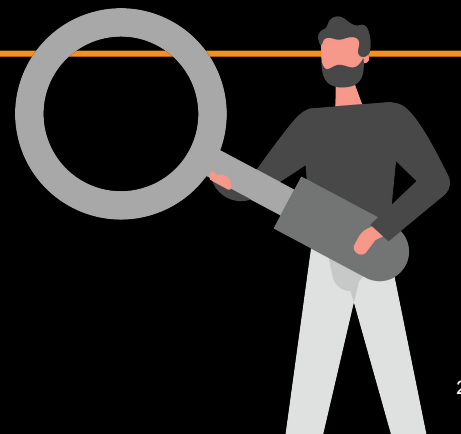
Our tools

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.

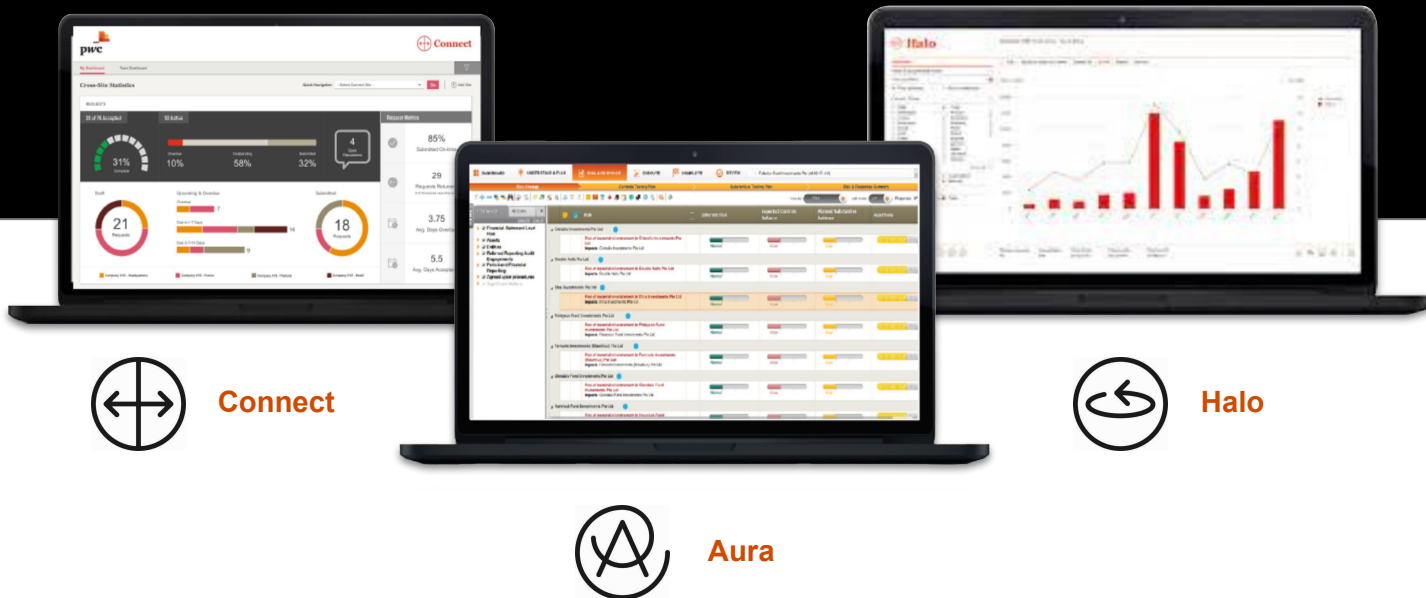
The PwC Audit Guide along with PwC's technology-based audit support tools, templates and content support engagement teams in conducting all assurance and related services engagements.



Scan or click this to visit PwC's Tomorrow's audit, today website



Tools and technologies to support our audit



Connect



Halo



Aura

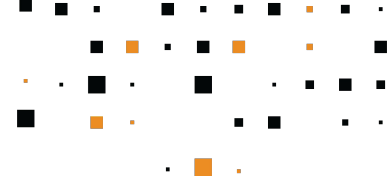
Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the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

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

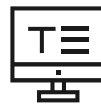
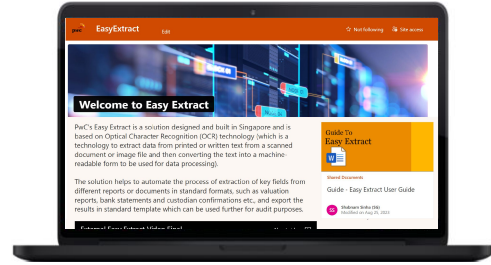
Aura, our global audit documentation platform, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to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

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

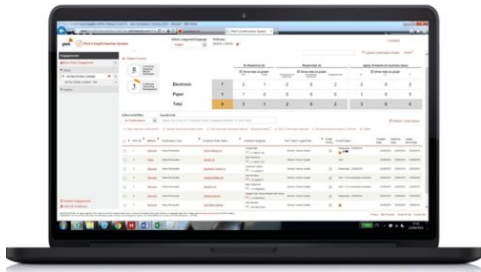
Tools and technologies to support our audit



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



Easy Extract leverages on advanced technology capabilities to extract key data fields from standard-format reports or documents intelligently. Easy Extract enhances the efficiency and quality by streamlining and standardising document review process, and delivers an automated and better experience for our people.



PwC Confirmations, our global, secure, web-based confirmation platform that provides a guided experience to the preparation, sending, monitoring and receipt of, electronic responses for our auditors and third-party confirmers. It also provides a dashboard view to assist in status updates. The Confirmer portal allows confirmers to easily navigate and provide responses.

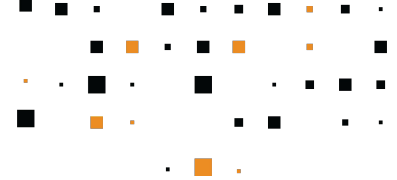


PwC's Data Transformer (DT) is a cloud-based, web-enabled audit tool, designed and built to simplify and automate our audit processes, whilst improving quality and efficiency across our audit engagements. DT extracts data from various client source documents in multiple formats, aggregates the data in a consistent format in the data hub, integrates it with independent sources, and transforms it into valuable information through a designed framework and tailored workflows. This enables testing results to be generated with just a few clicks. Apart from providing more insights to our audit, it offers our clients tailored solutions that can optimise their operations and grow their businesses. With the information being uploaded into the data hub, DT is able to deliver benchmarking, compliance monitoring (the ability to view metrics from multiple funds at once) and management reporting functions.



FS Review Suite is based on cutting-edge machine learning and automation technology to streamline testing over the mathematical accuracy, checking of prior year comparatives and internal consistency of financial statement documents.

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 (NGA), ultimately replacing our legacy technologies such as Aura and Connect.

By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, providing a transformed audit experience focusing on continuous quality enhancement.

PwC's vision for NGA is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders. As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.

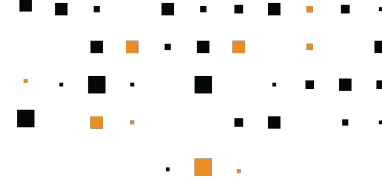


Reliability and auditability of audit technologies

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



Confidentiality and information security



Information Security

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

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

The PwC Information Security Policy (ISP) is aligned with ISO/IEC 27001, and other reputable frameworks (COBIT, NIST, etc.) as benchmarks for security effectiveness across the network of member firms. The PwC ISP directly supports the firm's strategic direction of cyber readiness to proactively safeguard our assets and client information. The PwC ISP is reviewed, at a minimum, on an annual basis.

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

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

The firm's R&Q Leader oversees information security and is supported by the Cyber Committee and the Risk Council, which are responsible for providing oversight, policy and strategic direction on information risk and cyber security matters. Members of the committees comprise representatives from R&Q, Office of General Counsel, Network Information Security, Information Technology and Data Protection Office.

The firm also provides information security training upon recruitment, annual update training for all partners and staff thereafter, and training to various departments on an ad-hoc basis throughout the year.



Data privacy

The PwC network and each of the individual PwC firms are strongly committed to protecting the privacy of personal data that they maintain about PwC clients, employees and other individuals. As part of this commitment to privacy, PwC regularly reviews its data protection practices to comply with applicable laws, industry standards and good practices.

Our data protection policy governs the collection, use, retention and disclosure of personal data by PwC Singapore, and explains how we collect and handle personal data of individuals and comply with the requirements of the Personal Data Protection Act 2012 of Singapore (PDPA) and its regulations.

To meet the rapid change in the market demands and regulatory forces related to the use of personal data, the PwC Network has implemented a Network Data Protection Program ("NDPP") aiming to deliver a common, consistent data protection framework across the Network. This effort also aligns with requirements in recent regulatory developments, including:

1. EU General Data Protection Regulation which regulates the processing of personal data in the European Economic Area and has extra territorial application outside the European Union in certain circumstances.
2. UK General Data Protection Regulation which regulates the processing of personal data in the UK and has extra territorial application outside the UK.

An overarching goal of the NDPP is to promote a common vision and standards across the PwC network in order to achieve a robust level of protection and appropriate use of the personal data of our people, clients, vendors and other stakeholders. PwC Singapore has implemented the requirements of the NDPP, building upon existing confidentiality and security processes and standards. These new programme requirements are extensive and cover multiple functional areas and aspects of our business, all in pursuit of accountability and transparency in how PwC collects, processes, protects and disposes of personal data.



Supporting engagement performance



Evolving delivery model

Our delivery model includes diverse talent pools in our Acceleration Centre who perform assurance services and leverage automation and specifically designed tools to support quality and efficiency, freeing up time for the onshore team members to focus on client-facing, and more complex or judgmental matters.



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit, supervising the work completed by junior members of the team and maintaining audit quality.



Consultation culture

We have formal protocols on mandatory consultation in the pursuit of quality. For example, the firm requires a consultation panel to review any assurance client matter identified as being of technical significance, heightened public interest or risk to the firm.



Risk & Quality function

The firm's Risk & Quality function comprises highly experienced partners and specialists, organised in units, in the areas of accounting, auditing, independence, risk management, network information security, and laws and regulations to assist engagement teams with complex issues in these areas.



Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the firm's system of quality management. The QRP has sufficient stature, technical knowledge, appropriate experience and expertise, time and authority to make an objective evaluation of the engagement team's significant judgments and the conclusions reached in the engagement.



Differences of opinion

Protocols exist to resolve the situations where a difference in opinion arises between the engagement leader and either the QRP or another Assurance partner. These include the use of technical or consultation panels consisting of partners independent of the engagement.



Monitoring



Monitoring



Monitoring of Assurance quality

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

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

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

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

The objectives of the cold file review programme are to assess whether the engagements selected for review were performed in compliance with applicable professional standards, with PwC Audit and with Network, Member firm risk management policies and to evaluate the performance of partners, directors and managers on selected individual engagements. The programme is administered by the quality assurance team.



Aim to Prevent: Real Time Assurance

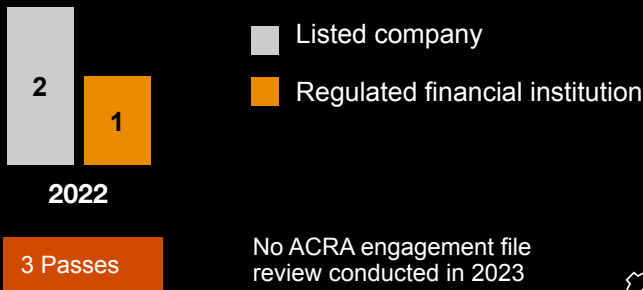


We have developed a Real Time Quality Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

Our reviewers comprise experienced practice and R&Q professionals, supported by our experienced directors and partners. Reviews are carried out as jobs progress. Thematic observations are communicated to the practice via R&Q communication channels and training modules where appropriate.

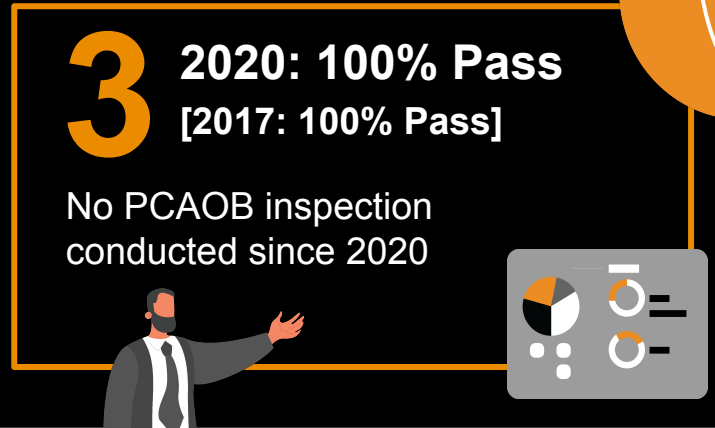
Audit quality review - ACRA

Number of audit engagements reviewed



Audit quality review - PCAOB

Number of audit engagements reviewed



External reviews

PwC Singapore and its partners are subject to review by the Accounting and Corporate Regulatory Authority (ACRA) under its Practice Monitoring Programme. The review covers both the firm-level and engagement-level reviews. The last completed review by ACRA was carried out from 1 August 2022 to 31 August 2022.

The US Public Company Accounting Oversight Board (PCAOB) performs joint inspections with ACRA. The last completed joint inspection was conducted from 2 November 2020 to 2 December 2020.

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

Internal engagement review	2023	2022
Listed entities	5	6
Non-listed entities	13	8
Total audit engagements reviewed	18	14
Compliance rate	100%	100%
% partners/directors reviewed	27%	23%

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



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

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

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



Learn: Root cause Analysis

We perform analyses to identify potential factors contributing to our firm's audit quality from all sources of quality findings, including those without concentration of findings, so that we can take the right action for continuous improvements. Our primary objective when conducting such analyses is to understand what our findings tell us about our SoQM and identify how our firm can best equip engagement teams to deliver quality audits.

We look at quality findings from multiple sources, such as ongoing and periodic monitoring of our SoQM, network and external inspections of our SoQM, to help identify possible learning opportunities.

For individual audits, an objective team identifies potential causal factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, culture and behaviours 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, we analyse the data compiled for audits, both with and without deficiencies, to identify correlation between these data and audit quality. Examples of this data include hours incurred on the audit, the number of years of experience of the key engagement team members, the number of years the key engagement team members have been on the engagement, distribution by industries/business units and whether the engagement was subject to another review previously (RTA, cold file review, the Engagement Quality Review or regulators' inspection).

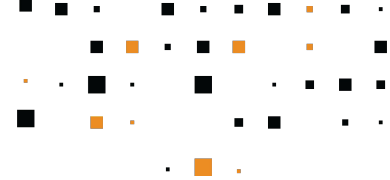
Our goal is to understand how quality audits may differ from those with deficiencies, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality controls.





PwC Network





Global network

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

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



The governance bodies of PwCIL are:

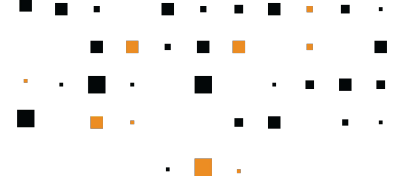
- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 19 members. One is appointed as external, independent director, and the other 18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

The Executive Chairman of PwC Singapore is a member of the Strategy Council and maintains our relationships with the Network Leadership Team.



Legal and governance structure

Legal and governance structure



Legal structure and ownership

PricewaterhouseCoopers LLP, Singapore is a limited liability partnership and is wholly owned by its members, who are commonly referred to as partners. PwC Singapore is a member of the PricewaterhouseCoopers network of firms.

Governance structure

PwC Singapore has a management team referred to as the Leadership Team (LT). Members of the LT are appointed by the Singapore Executive Chairman and are responsible for the management of the firm's operations and partnership matters. The LT is led by the Executive Chairman who is responsible for leading and managing the firm, including the setting and implementation of the overall firm's strategy. The LT members meet monthly, with additional meetings called when required.

The Extended Leadership Team (ELT) serves as a sounding board to the LT. The ELT meets up with the LT on a quarterly basis and provides important advice to the LT on management and operational matters. Members of the ELT are appointed by the Executive Chairman.

The Governance Board (GB) represents the partners with respect to the business and operations conducted. The GB is also responsible to the partners on internal partnership matters (including partnership admissions and withdrawals), acts as a sounding board for early discussions of strategic matters affecting partners, provides feedback and advice to the management on issues of concern to the partners, and advises the management on policies which may affect the rights, responsibilities, benefits and obligations of partners. The current GB comprises three partners who are elected by the firm's partners for a four-year term.

Risk Council

The Risk Council is chaired by the Executive Chairman and comprises the firm's R&Q Leader, Line of Service Leaders, Human Capital Leader, Markets Leader, Ethics Leader and Compliance Leader. The Risk Council acts on behalf of the LT in ensuring:

- the establishment and maintenance of effective systems of managing risk and opportunity throughout the business
- the compliance with obligations relating to Ethics and Business Conduct
- the coordination of information security management across the firm

The Risk Council serves to emphasise the LT's dedication and focus on risk and quality, providing a formal framework and platform to discuss firmwide risks and to satisfy itself that such risks are identified, managed and are acceptable. The Risk Council meets three times a year.

Audit Advisory Board

PwC Singapore established an independent Audit Advisory Board on 1 January 2022 to provide guidance and challenge related to transparency and audit quality at the firm.

This independent Audit Advisory Board currently consists of two independent members who advise the firm on a range of matters including PwC's audit systems and processes, learning and development programmes; the firm's investment in methodology, technology and risk management in the context of overall investments, and how the firm is responding to structural changes in the profession, amongst others.

This approach is aligned with our global strategy, **The New Equation**, which focuses on two interconnected needs - to build trust and deliver sustained outcomes that benefit the wider ecosystem.

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