



PwC Singapore Transparency Report 2020

For the financial year ended 30 June 2020

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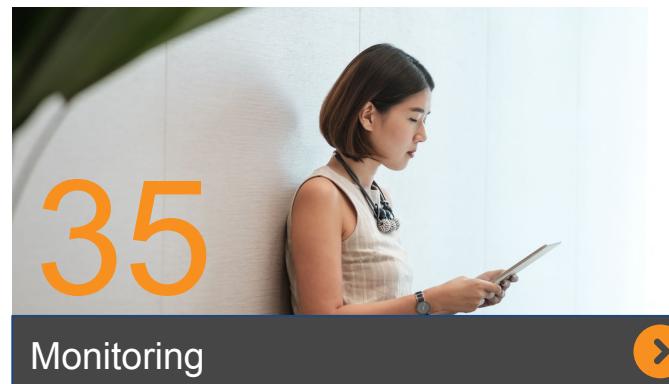
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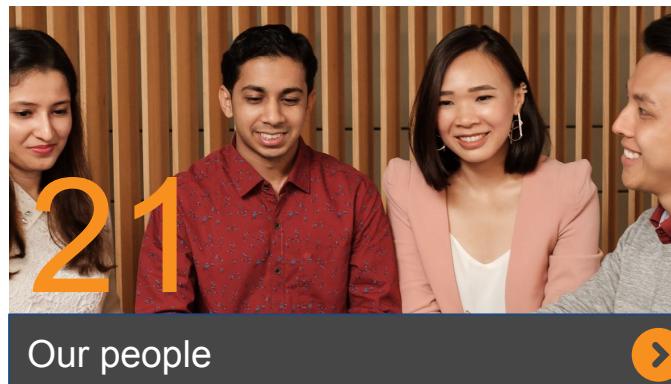
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Message from our leadership

Welcome to our Transparency Report 2020



The year 2020 started off well until the COVID-19 pandemic struck us and disrupted our daily lives, both at work and home. Ever since the crisis occurred, our priorities have been the safety and wellbeing of our people, protecting and preserving jobs and helping our clients to cope with the impact of COVID-19.

Our Transparency Report 2020 gives us a good opportunity to assess our resilience and responsiveness towards the unprecedented challenges posed by the pandemic. It also showcases our continuous commitment to maintaining quality standards, even during one of the toughest times our firm has faced in recent years.

At PwC, our purpose is to build trust in society and solve important problems. We are committed to drive a strong culture of quality and excellence that is core to our purpose. Quality forms the foundation of trust – the trust that our clients, our communities and our people have placed on us. We believe trust is an enabler to accelerate innovation and growth, so that we remain relevant in an increasingly complex and highly competitive world.

While PwC is a multidisciplinary firm, this report is primarily focused on our audit practice and related assurance services. We believe our people are key to performing high quality audits and we draw upon a wide range of specialist skills across our multidisciplinary practice to support our audits. We maintain a consistent emphasis on our purpose and values that address integrity and objectivity. We continue to invest in our people by providing ongoing professional and personal development that are relevant not just for today, but for tomorrow and the future.

We recognise that markets are now more dynamic and uncertain than ever. We have put in considerable efforts to evolve our core businesses and revolutionize through innovation. Over the past few years, we have invested heavily on technology, equipping our people with the right digital skills and nurturing a forward-looking growth mindset. As we reflect, these investments have paid off well. During the peak of the COVID-19 pandemic, our clients and market activities were significantly hampered. Nevertheless with the agility of our people and the right technology, we were quick to find new creative ways to engage our clients and maintain our quality service delivery despite the challenging conditions.

We believe that every crisis presents an opportunity for us to strive for greater heights. As an agile firm, we embrace and thrive on new changes. We have emerged as a stronger firm than before and will continue to uphold the quality that forms the bedrock of our firm's success.

A handwritten signature in black ink, appearing to read "Yeoh Oon Jin".

Yeoh Oon Jin
Executive Chairman
PwC Singapore



Our commitment to audit quality



The audit profession around the world continues to be under significant public attention and scrutiny. We understand the concerns and are committed to making changes that will improve audit quality and public trust. With that in mind, we are pleased to present our Transparency Report 2020, showcasing our commitment to maintaining quality in our audit work.

This report describes our policies, systems and processes for ensuring quality, the results of key quality monitoring programmes and reviews, and the way we foster a culture of quality at every level of the firm.

The Assurance business continues to be our core focus and forms a substantial portion of our overall firm's revenue. We have managed to secure a strong and stable assurance practice in the market. In 2020, we clinched a number of significant new audit wins and raised our market share of SGX's Top 50 companies (by market capitalisation) to 46.7% from 41.8% in the previous year.

Delivering audit quality during the COVID-19 pandemic was an unprecedented challenge. We recognised that it was very challenging for our people to align with the new ways of working, while maintaining client service delivery expectations. We have accelerated the use of technology-based tools, which supported our audit teams to carry out their work more efficiently. We are glad that our people have adapted well, and found new ways to connect amongst themselves and with our clients remotely.

Our staff retention rates have been relatively stable in the last two years. We will continue to invest in our people, and equip them with the right skills, knowledge and mindset. We took steps to engage with our people more frequently even as we are unable to meet them physically. Their safety and wellbeing remained our utmost priority.

We are also proud of our achievements in 2020. We continue to perform well in our quality reviews. We had a 100% passing rate in the last two annual inspections by Singapore's Accounting and Corporate Regulatory Authority (ACRA). There were no restatements of financial statements post the regulator's inspection. We achieved 100% compliance rate for our internal engagement reviews in 2019 and 2020.

We believe that quality and innovation are critical to bringing value to our clients, as well as serving our public interest responsibilities. We will continue to invest in new technologies amid the changing audit landscape, with clear focus on enhancing our audit service quality in today's digital world. Together with our commitment to upskill our people, these measures will enable us to revolutionise audit services, and deliver **tomorrow's audit, today**.

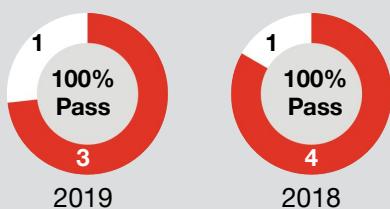


Marcus Lam
Assurance Leader
PwC Singapore

Year in review

Audit quality reviews - External

Results from ACRA's inspections - number of audit engagements reviewed



2017 PCAOB Inspection

Number of audit engagements reviewed by the PCAOB

3 **100% pass**

Audit quality reviews - Internal

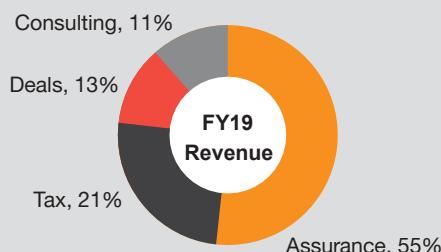
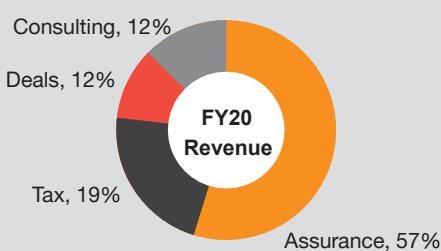
Internal engagement review	2020	2019
Total audit engagements review	15	13
Compliance rate	100%	100%
% partners/directors reviewed	24%	23%

Restatements

2019 & 2018

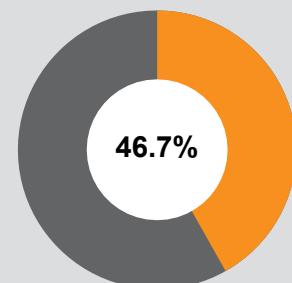
No financial statement restatement post regulator inspection

Revenue by service lines

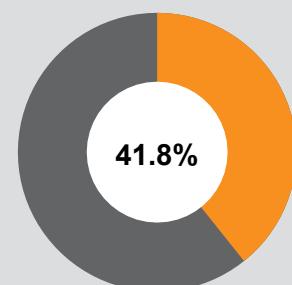


Top 50: SGX market share by market capitalisation

30 June 2020

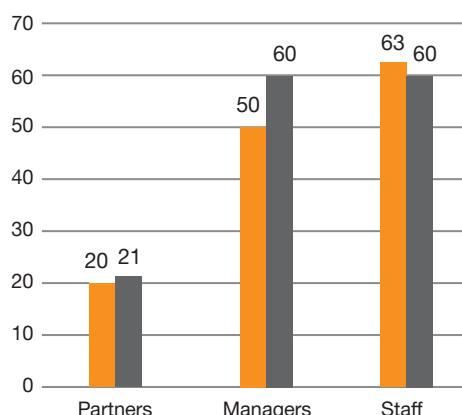


30 June 2019



PwC
Others

Number of individuals tested for independence compliance



FY20 & FY19

No external independence rule breaches

FY20 **FY19**

Year in review

Leveraged ratio of audit team members		FY20		FY19	
Manager	to	Staff	1	to	3.9
Manager	to	Staff	1	to	3.9
Partner	to	Staff	1	to	22.3

Years of audit experience

Average years of experience of audit team members



5 years

FY19: 4.8 years

Quality control support

Ratio of partners and managers in the quality control functions to the total number of audit partners and managers.

1 to 13

Digital upskilling

2,400

partners and staff trained on data analytics, visualisation, and automation across the firm.

Singapore Chartered Accountant Qualification

Professional exam	FY20	FY19
Number of candidates	182	147
Passing rate	83%	80%
Number of top scorer	2	3

Our training investment

Assurance training FY20

Average hours achieved by partners and staff

36

online

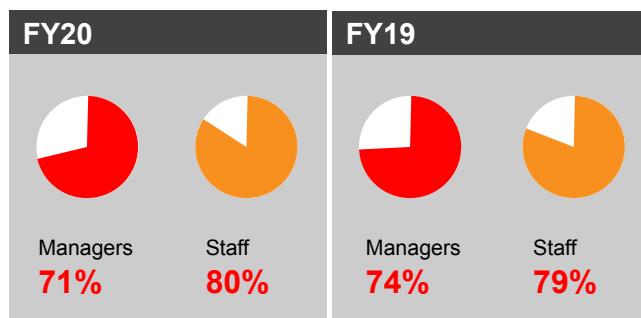
52

classroom

88

total

Average assurance retention rate



Assurance training FY19

Average hours achieved by partners and staff

24

online

52

classroom

76

total

A photograph of a professional meeting. In the foreground, a man in a dark blue suit and a light blue tie is looking down at a white tablet device he is holding. He has short dark hair and is smiling. To his left, a woman with dark hair pulled back is also looking at the tablet. She is wearing a dark blazer over a dark top and small gold hoop earrings. In the background, another person's head and shoulders are visible, also looking towards the tablet. The setting appears to be an office or a conference room with large windows in the background.

Our approach to quality

Our approach to delivering quality services across operations and network

Focus on service quality

The quality of our work is at the heart of our organisation. We continue to invest significant resources in enhancing quality further across all of our businesses. These investments are put into many different areas, including training, methodology, adding resources in key areas and exploring new ways of delivering our work. Each investment reflects a common determination to understand the factors that drive quality and identify opportunities for enhancement.

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

As a network, we place high importance on being transparent about our efforts towards enhancing quality, and the impact of these efforts on our services.

Definition and culture

At PwC, we define quality service as one that consistently meets stakeholder expectations while being in compliance with all applicable standards and policies.

An important part of service delivery against this quality definition is building a culture that emphasises on quality as the responsibility of everyone across the network of 284,000 people. The continuity and enhancement of this culture of ensuring quality is a significant area of focus for our global and local leadership teams, that also plays a key role in measuring performance.

Measurement and transparency

Each PwC firm, as part of the agreement by which they are members of the PwC network, is required to have in place a rigorous system of quality management (SoQM). This includes completing an annual 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. If the results are not at the level expected, a remediation plan is agreed with the local leadership team.

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



Specific focus on audit quality

Specific focus on audit quality

Delivering quality audits is core to our purpose. We are committed to providing quality audit services. We take every instances of work below our own or regulatory standards very seriously. We remediate our shortcomings instantly, and strive to enhance audit quality for all our future work.

Right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides extensive support in helping us meet these objectives.

Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities – both in terms of people and technology. Hence, our quality objectives focus on having the right capabilities, both at a member firm level and across our network.

These capabilities can only be developed under the right leadership and a conducive quality culture that promotes right values and behaviours.

Right integration and alignment

The quality objectives focus on having the right people supported by effective methodologies, processes, and appropriately directed and supervised technologies. These are capabilities relevant to achieving and sustaining audit quality.

To help us achieve these objectives, there are a number of dedicated functions at the network level that develop practical tools, guidance and systems to support and monitor audit quality. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework, tailored to reflect individual circumstances.

Delivering quality end-product consistently

Central to the framework is the recognition that quality management is not a separate concept. It needs to be embedded in everything we do as individuals, teams, firms and the network.

The quality objectives are supported by designated key activities, focused mainly on building quality infrastructure within the organisation. We supplement and design those key activities as appropriate, to respond to identified risks associated with each quality objective.

Values and judgments

Performing quality audits requires more than just the right processes. Core to an auditor's role is the ability to assess with a reasonable degree of assurance whether the financial statements prepared by the company are free of material misstatements. Reaching a professional judgment on whether the financial statements present a fair picture of the company's financial performance and position is key. To carry out the assessments effectively, the auditor needs to use all capabilities built in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgment – all these supported by technology.





Delivering audit quality during the COVID-19 pandemic

Our response to COVID-19

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

At PwC Singapore, our top priority is to safeguard the health, safety and wellbeing of our people. We have stayed focused on working together as a network, with our clients and other stakeholders as we continue to deliver quality audit.

Sharing developments and experience

From the early stages of the pandemic, the PwC network has put a team in place to monitor developments globally, while highlighting areas of critical importance. This is to ensure we do not compromise on audit quality in any ways. We have leveraged the guidance developed by our network to provide consistent leadership and audit quality. We have equipped our teams to consider their clients' unique circumstances and respond accordingly.

Our network response was comprehensive. It covered all aspects of audit quality, including regulatory and standard setting updates, auditor reporting, methodology, accounting and learning and education. Using the network guidance, we considered changes needed to our existing policies and procedures, and identified actions needed to be reinforced. We implemented them using appropriate communications and fortnightly training events for our staff and partners, conducted on virtual platforms.

Identifying and addressing risks related to COVID-19

The COVID-19 pandemic resulted in us facing a number of new challenges in our audits. This ranged from how we operate as a team to plan and complete the audit, to how we interact with our clients to obtain necessary audit evidences, besides executing specific audit procedures such as completing physical inventory counts.

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

We developed and issued practical guidance on audit and accounting matters. We conducted regular web-based training sessions to increase awareness on the potential focus areas in light of COVID-19. We reinforced the need for appropriate supervision and review, while tapping on specialist consultations within our firm to respond to the identified risks. We set up the COVID-19 Audit Resource eCentre or CARE.

CARE continues to bring together all accounting and auditing guidance, potential audit challenges, and disclosure examples. It consolidates all information on professional and regulatory responses to COVID-19 in Singapore and around the world, keeping our teams abreast with time-sensitive information.

Using technology to support teams

Our teams transitioned quickly and seamlessly to working remotely. The journey we had embarked on in the previous years to retain virtually all audit documentation in electronic format yielded benefits. It facilitated team collaboration when we had to work remotely.

Our network audit technology infrastructure and tools, including our Connect Suite (detailed on [page 30](#)) and collaboration through Google, enabled our people to continue with work despite the significant changes in physical work environment.

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

Our system of quality management



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 basic premise of our system of quality management. It permeates into how we operate, including guiding our leadership actions, how we build trust in our ways of doing business, and our interactions with each other and our communities.

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

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

Our Executive Chairman and our leadership team communicate the key messages across the firm. These are then reinforced by our engagement partners. These communications focus on what we do well and actions we can take to make further enhancements in our services.

The firm's leadership 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 carries out the implementation of the firm's system of quality management (SoQM).

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 and highly experienced managers who are specialist in the areas of accounting, auditing, independence, quality assurance and risk management.



Quality control support

Ratio of partners and managers in the quality control functions to the total number of audit partners and managers

1 to 13

Delivering service of the highest quality is core to our purpose and our assurance strategy, with focus on building trust and transparency in the interest of our clients, capital markets and the wider society.

PwC Singapore has established a framework for quality management, the Quality Management for Service Excellence (QMSE). It integrates quality management into business and firmwide risk management processes. The framework introduces an overall quality objective for the Assurance practice focused on having people and processes deliver services effectively and efficiently, while meeting the expectations of our clients and other stakeholders.

The overall quality objective is supported by a series of underlying quality management objectives. The achievement of these objectives is supported by a **quality management process** established by our firm and Assurance leadership, business process owners, and partners and staff.

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

These programs, by design, require ongoing monitoring and continuous improvement, in particular, Assurance Quality Indicators, which we expect will evolve significantly over time. We continue to use and learn from these measures.

The quality management process

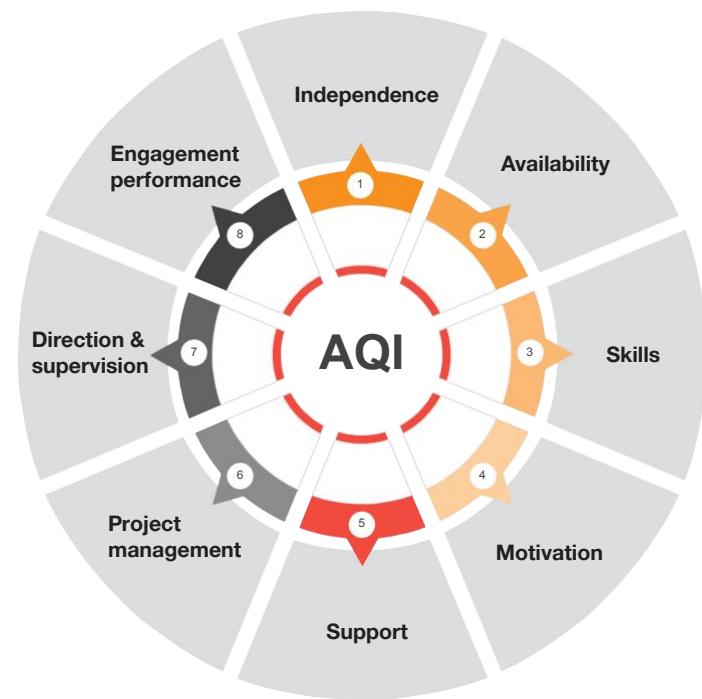
Our quality management process includes:

- 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.

Our aim to predict: Audit Quality Indicators

We have identified a set of Audit Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics aimed at predicting quality issues. This set of AQIs include the quality indicators prescribed by ACRA under its AQI Disclosure Framework.

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



The R&Q function, together with the Assurance Leader, monitors the firm's AQIs on a regular basis and the results of the AQIs are reported to the Assurance leadership.

Quality risk analysis is an essential part of our QMSE. The AQIs, in addition to the other performance measures, makes for a key tool in the ongoing monitoring and continuous improvement of our SoQM.



Our 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 in getting the right work' completed on a real-time basis during the audit.

Our reviewers comprise experienced practice and R&Q professionals, supported by our experienced directors and partners. The engagement teams are guided all along the review process. The RTA dashboard is also used to highlight specific areas of focus and optimise effectiveness of the review programme.

Thematic observations are communicated to the practice via R&Q communication channels and training modules where appropriate.

Our aim to learn: Root cause analysis

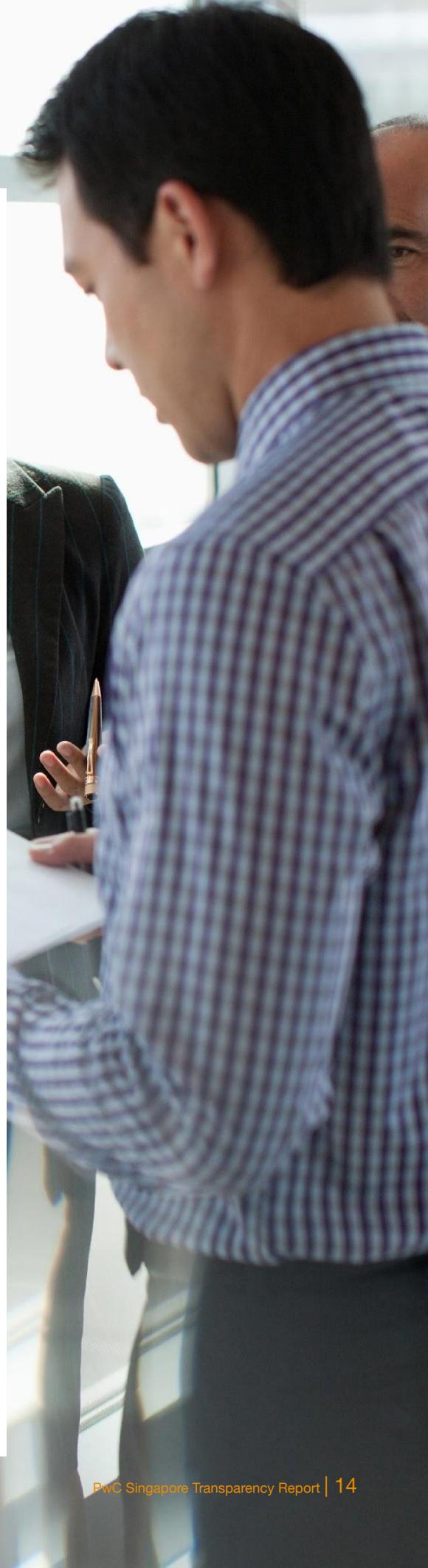
We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take the right actions to continuously improve. Our primary objectives when conducting such analyses is to understand what our findings tell us about our SoQM and identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit.

We look at quality findings from all sources including our own ongoing monitoring of our SoQM, as well as network and external inspections of our SoQM to help identify possible learning opportunities.

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

In addition, the data compiled for audits is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include hours incurred on the audit, number of years of experience of the key engagement team members, distribution by industries/business units and size of engagements by fees.

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.





Our aim to reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do. This includes the way our people delivers our strategy, with a focus on the provision of services to our clients, how we work with our people and drive a high quality culture. It holds Partners and Engagement Leaders accountable for 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 recognitions 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 behavior. We ensure they are sufficient enough to incentivise the right behaviours in achieving the quality objectives.



Ethics, independence and objectivity

Ethics

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

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

In addition, our network standards applicable to all network firms cover a variety of areas. These include 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. It is 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. The 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 our purpose, PwC Singapore has adopted the PwC network standards. It includes a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals. Our behaviour must enable us to build public trust.

Our standards provide guidance for a broad range of circumstances, with a common goal-to do the right thing. At PwC Singapore, staff are encouraged to speak up. There are complaints and allegations policies in place to ensure right avenues for staff to raise issues concerning Code of Conduct. Timely investigation of all issues raised are undertaken by the Code of Conduct central team, and confidentiality is appropriately maintained. Feedback is shared with the party who raises the concern while certain findings and the conclusion may be shared with the Leadership Team or Line of Service or Business Unit Leaders where appropriate.

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 in the course of their professional careers. They have a responsibility to report and express concerns, and do so fairly, honestly, and professionally when dealing with a difficult situation or when observing behaviours inconsistent with the Code.

Each firm in the PwC network provides a mechanism to report issues. There is also a confidential global reporting option on <https://www.pwc.com/codeofconduct>. PwC Singapore has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

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

Objectivity and independence

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

The PwC Global Independence Policy, which is based on the IESBA International Code of Ethics for Professional Accountants, including International Independence Standards, contains minimum standards with which PwC member firms have agreed to comply. It includes processes to be followed in maintaining independence from clients, as and when necessary.

PwC Singapore has a designated partner (known as the 'Partner Responsible for Independence' or PRI) with appropriate seniority and standing. The PRI is responsible for the implementation of PwC Global Independence Policy, including managing the related independence processes and providing support to the business. The partner is supported by a team of independent specialists, and reports directly to R&Q 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 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; and
- 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.
- acceptance of new audit and assurance clients, and the subsequent acceptance of non-assurance services for those clients

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

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

The PwC Global Independence Policy includes independence requirements of the United States Securities and Exchange Commission, those of the Public Accounting Oversight Board of the United States and of the EU Audit Regulation where they are more restrictive than the Network's policy. PwC Singapore further supplements the PwC Global Independence Policy with locally more restrictive independence requirements under the Accounting and Corporate Regulatory Authority's Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities set out in the Fourth Schedule of the Accountants (Public Accountants) Rules.



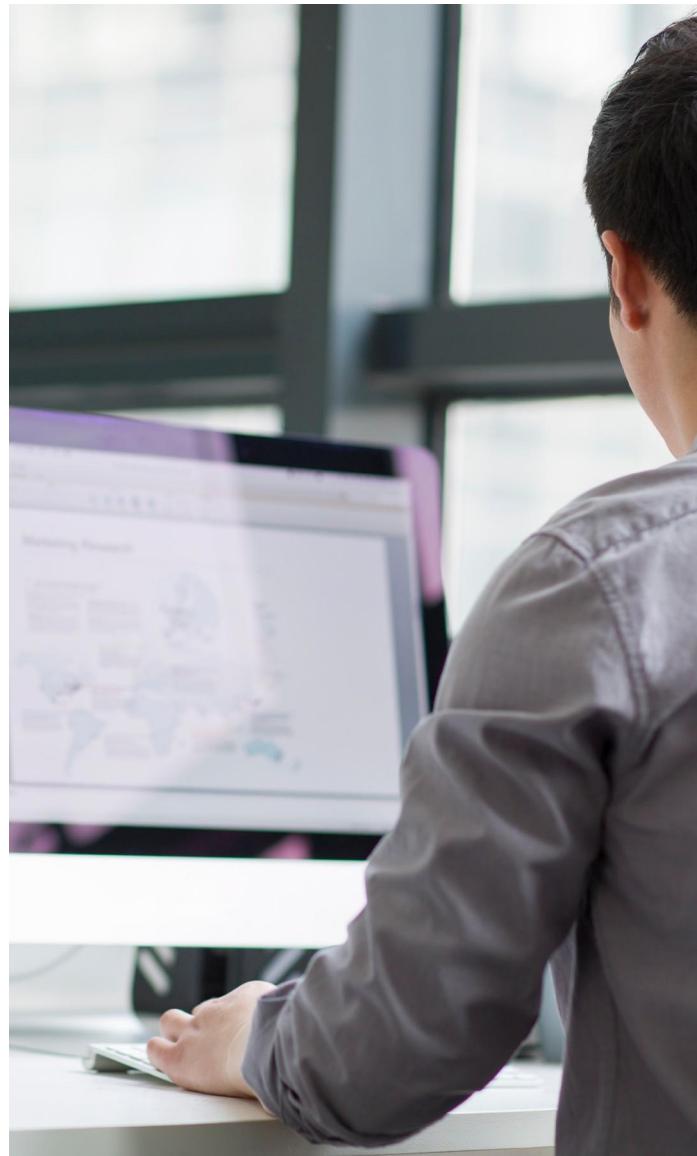
Independence related systems and tools

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

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

We also have a number of Singapore-specific systems including:

- A rotation tracking system, which monitors compliance with PwC Singapore audit rotation policies for the Singapore firm's engagement leaders and audit quality control reviewers.
- A database that records all approved business relationships entered into by PwC Singapore. These relationships are reviewed on a six-month basis to ensure their ongoing permissibility.



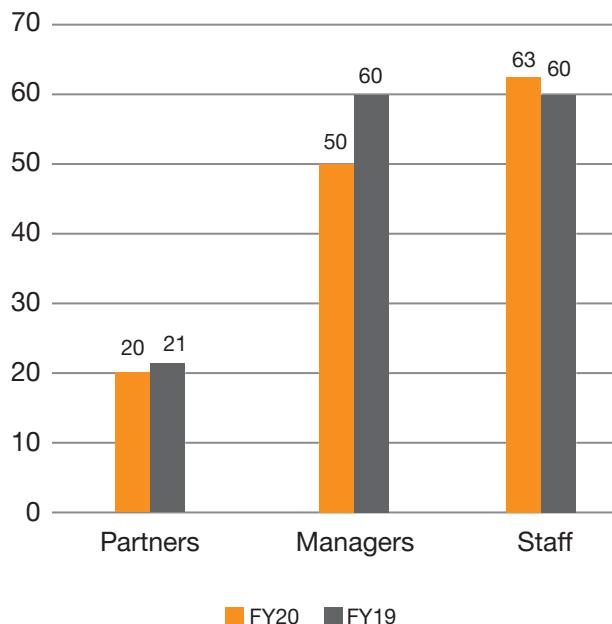
Independence training and confirmations

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 online 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 the Singapore firm's independence specialists.

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

Number of individuals tested for independence compliance



FY20 & FY19

No external independence rule breaches.

Independence monitoring and disciplinary policy

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

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

The results of PwC Singapore's monitoring and testing are reported to the firm's Leadership Team on a regular basis.

PwC Singapore has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes. This requires any breaches of independence requirements to be reported and addressed.

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



Considerations in undertaking an audit service

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality. We believe it 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. It takes into consideration whether we are (i) competent to perform the engagement, (ii) have the necessary capabilities including time and resources, (iii) can comply with relevant ethical requirements, including independence, and (iv) have appropriately considered the integrity of the client. We also reassess these considerations in determining whether we should continue with a client engagement. In addition, we have in place policies and procedures related to withdrawing from an engagement or a client relationship as and when necessary.

Client and engagement acceptance and continuance

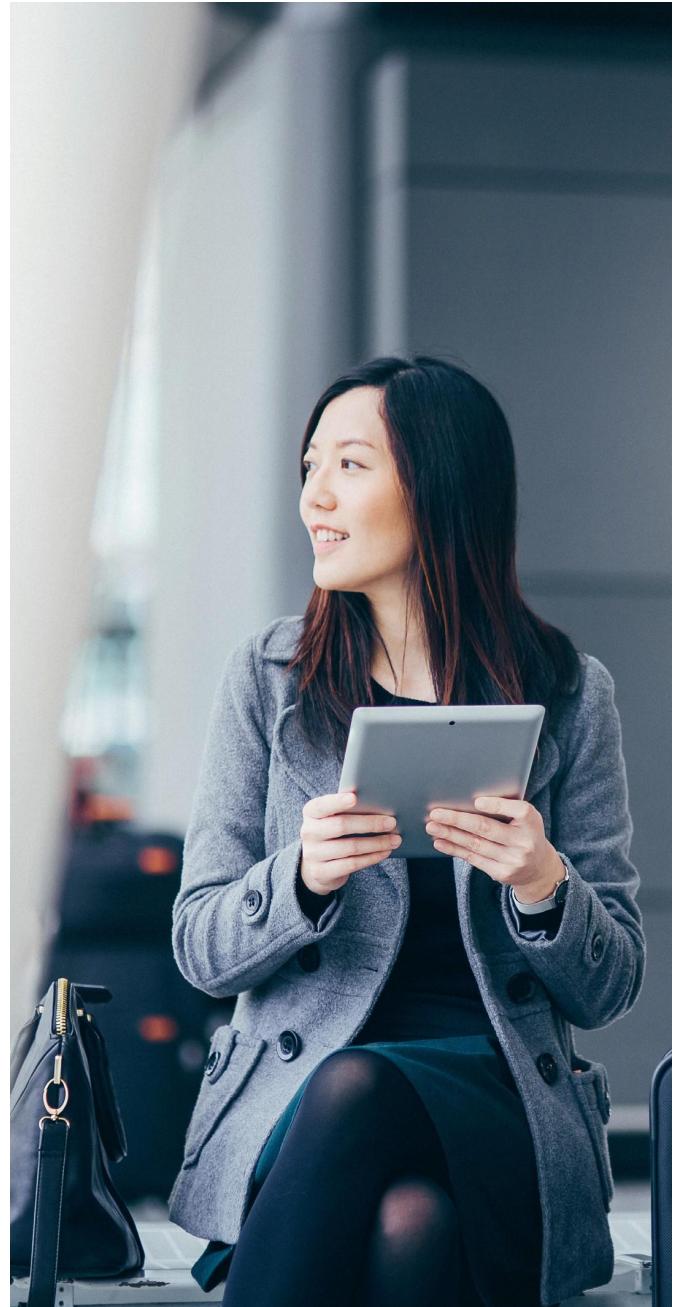
PwC Singapore implemented a process to identify acceptable clients, based on the PwC Network's proprietary decision support systems for audit client acceptance and retention. It's called Acceptance and Continuance (A&C). It facilitates a determination, by the engagement team, business management and risk management specialists, whether the risks related to an existing client or a potential clients are manageable, and should PwC be associated with the particular client and its management. Specifically, this system enables,

Engagement teams:

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

Member firms (including member firm leadership and risk management):

- to facilitate the evaluation of 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, and to ensure all other member firms in the network have applied the considerations in assessing audit acceptance and continuance.



Our people





People strategy

At PwC Singapore, people are at the heart of our business strategy and success.

Our One Firm strategy - “developing self and others”, is about how we invest in our people to prepare them to be future-ready, mentally and digitally. This is in response to creating a more productive environment for our people, while meeting the market expectations on delivering a unique, and more digital experience to our clients. The two elements of this strategy include:

1. Developing self: New world. New skills.

To secure our future in the new digital world, tools, resources and trainings have been provided to equip our staff with both critical humanistic and digital skills. The idea is to help them take charge of their personal and professional learning such as:

Humanistic skills - Curriculum for training and development workshops are built from The PwC Professional framework to ensure our people are equipped with the right humanistic skills, mindsets, and behaviours. This allows them to operate in an increasingly ambiguous and rapidly changing world through design thinking (client-centricity), critical reflection (continuous improvement), growth mindset (challenge as growth), being action-oriented (try first and be iterative); and

Digital upskilling - We provide our people with individualised learning tools to expand the use of digital solutions on their audits and empower them with a mindset of continual improvement and innovation.

Our Digital Academy leverage market-leading software and focus primarily on building three core skills: data wrangling, automation, and data visualisation. Our Digital Accelerators are embedded within our engagement teams and are dedicated to applying digital capabilities to each audit, as well as developing new digital solutions for the firm.

2. Developing your “coachee”: Be Well Work Well

The PwC Values shape our behaviour and we strive to co-create a culture of wellbeing for all of us to work and interact in. Our focus remains on driving a culture led by coaching and feedback, built from The PwC Professional framework as part of our growth journey and to build an open and trust-based environment. This includes both our people's professional and personal well-being.

(a) Professional well-being

As part of our people's development within the firm, a structured coaching program is in place. It ensures every coachee has a coach to integrate the coachee's development within the firm and help him/her achieve his/her professional goals. This includes real time feedback where we use Snapshot to foster real-time and continuous feedback for development. There is also upward and peer feedback to allow for a 360 degrees feedback environment for everyone to develop holistically.

(b) Personal well-being

The overall well-being of our people plays an integral part of our people strategy. In addition to market-competitive health and medical benefits, PwC provides Flex at Work policies, Flex Wellness allowance to staff, flu vaccinations and subsidised health screenings. A complimentary Employee Assistance Programme, manned by professional counsellors, is also provided to all our employees and their families for independent counselling support.



Recruitment

We aim to recruit, train, develop and retain our best employees who share the firm's purpose in delivering high-quality services. At the same time, we focus on equal employment opportunities in our recruitment process, as we hire candidates from diverse backgrounds.

Our hiring standards include a structured interview process with behavior-based questions built from the PwC Professional framework, that provides a roadmap for the ideal set of competencies and behavioural attributes. This structured recruitment process ensures that PwC hires the right people, creating a positive working environment.

In addition, we also utilise a neuroscience-based gamification assessment as part of our shortlisting process for non-managerial level candidates. This ensures that we are able to hire candidates with the right fit to the role and PwC.

Graduate level candidates go through PwC Experience Day. The candidates need to work on and present a case study to a panel of assessors where they are assessed on key behaviours such as collaboration, leadership qualities, listening skills, critical thinking ability and influencing skills. This ensures that shortlisted candidates encompass whole leadership qualities.

Across the firm in FY20, we recruited over **810** new people, including **396** university graduates.



Team selection, experience and supervision

Each engagement partner is responsible, in consultation with others as appropriate, for staffing engagements with partners and staff who have the professional competence and experience required in the circumstances. Furthermore, each engagement partner is ultimately responsible for determining the extent of direction, supervision and review of the work of more junior staff to whom work is delegated to.

		Leveraged ratio of audit team members						
		FY20			FY19			
Manager	to	Staff	1	to	3.9	1	to	3.9
Partner	to	Staff	1	to	22.3	1	to	21.9



Real-time feedback

Real-time feedback is provided to our people on their performance, values and progression via our mobile-enabled Snapshot tool. Snapshot captures data on five Assurance quality dimensions: accounting and technical knowledge, auditing skills, professional scepticism, issues management, review and supervision. Staff also receive a holistic 360 degrees feedback via real-time upward and peer feedback.



Career progression

The PwC Professional is our global career progression framework. It sets out the attributes which helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. As part of the framework, individuals meet with their team leader and career coaches regularly to discuss their development, progression and performance.



Retention

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

Our managers and staff retention rates have been kept at positive rates of 71% or higher in the last 2 years, with key talent retention rates maintained at **85%** or higher. This boosts the firm's ability to continue providing quality work to clients consistently.

Average assurance retention rate



Years of audit experience

Audit team members average years of experience

 **5 years**
 **FY19: 4.8 years**



Talent management

We are invested in recognising talented individuals with high performance and potential to become future leaders of the Firm. We adopt the 9-box model approach to identify talent, track their development, progression retention and for succession planning.

With these various programmes in place as part of our talent and retention strategy, we strive to work with our group of high potentials to understand their learning needs and development plans in order to achieve their long-term career aspirations with the firm.



Diversity and inclusion

At PwC, we are committed to creating a culture of belonging. While we ensure we have a diversity of people with different perspectives and ideas, our core values of care and work together guide us to focus on fostering an inclusive environment where people can bring their whole selves to work, and feel recognised and valued as a unique individuals. To drive this culture of inclusion, we established the supporting policies, skills and behaviours. We understand 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.

We have more than **3,300** employees from over **50** countries, **59%** of whom are females.

Gender ratio of the firm's Talent List::

57% : 43%

(Male:Female)



Gender ratio of partners admitted to partnership on 1 July 2020:

20% : 80%

(Male:Female)



Gender ratio of directors promoted on 1 July 2020:

64% : 36%

(Male:Female)



The PwC Professional

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



Professional development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom and on-demand learning, and on-the-job real time coaching/development. Our on-demand learning portfolio facilitates personalised learning with access to CPE and non-CPE educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our Firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing 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.

PwC Singapore strongly advocates the Singapore Chartered Accountant (CA) Qualification. We invest in our candidates by providing them with:

- Sponsorship of the full exam and material fee.
- Examination leave and study leave.
- Sponsorship of external tuition.
- Prize awards for distinctive performance.
- Dedicated and qualified approved mentors.

Singapore Chartered Accountant Qualification

Professional exam	FY20	FY19
No of candidates	182	147
Passing rate	83%	80%
No of top scorer	2	3



Our training investment

Assurance training FY20

Average hours achieved by partners and staff

36	52	88
online	classroom	total

Assurance training FY19

Average hours achieved by partners and staff

24	52	76
online	classroom	total

Continuing education

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

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset. The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Development team works closely with the Risk & Quality team and subject matters experts to develop specialised training.

The modular content along with innovative learning approaches have led to formal recognition from the broader learning community. In 2019, PwC Singapore won the Skillsfuture Employer Awards (Non-SME category) for recognising exemplary employers who have made significant efforts in their employees' skills development and created skills-based career pathways for their employees.



Digital upskilling

Singapore is emerging as a digital economy with keen focus on new technologies and innovation. We see the trend of our clients accelerating the pace of digitisation within their businesses. They are increasingly adopting new technologies such as cloud computing, artificial intelligence, blockchain and data analytic tools.

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

Through our Digital Academy, we have trained more than 2,400 partners and staff on data analytics, visualisation, and automation. We have also launched two waves of Digital Accelerators with more than 50 participants across the firm.

To inspire curiosity around technology trends, we have also introduced a Digital Fitness Assessment application to our people. Through a self-assessment by the learners, the app generates a customised digital learning experience and learning roadmap with recommended videos, articles, podcasts, quizzes and PwC thought leadership to enhance their knowledge and capabilities. Our people are able to boost their digital fitness scores through bite-sized, tailored learning content that are contextualised against our markets' issues. We have over 2,100 registered users in Singapore, consuming 25,000 learning resources through gamification.

Digital upskilling

2,400

partners and staff trained on data analytics, visualisation, and automation across the firm.



Making a difference amidst the COVID-19 challenges

COVID-19 has posed unprecedented challenges for the Firm and our people. Our Business Resilience taskforce was mobilised in early 2020, before the onset of the pandemic, to ensure that the Firm adheres to all guidance provided by the government, safeguard the wellbeing of our people and enable timely delivery of our obligations to our clients. In addition to timely communications and numerous initiatives to help our people cope better personally and professionally, a key factor for the successful management of the challenges brought about by COVID-19 was the use of technology. We recognised the need to leverage technology and introduced a number of innovations including digitalised contact tracing through our Contact Tracer application and token, computerised travel and health declaration for our people and the use of data analytics to monitor access to office and visits to clients' premises.

Caring for our people

A work from home task force comprising staff and partners across different business units was put together to plan and execute initiatives to engage, support and care for our people while working from home during the pandemic. One of the initiatives include obtaining feedback from the ground to establish the concerns and challenges of our people. Taking the feedback onboard, policies and practices were adjusted accordingly, such as extending the use of flexible wellness benefits to support home working costs.

To ensure continuous engagement and coaching support, we continue to provide regular firmwide townhalls, coaching groups team bonding and communications. Weekly virtual social engagement sessions, from exercise classes to regular mindfulness sessions and targeted mental health support and skills building seminars, were organised to provide our people with a holistic support programme. Care packages were sent to inject an element of fun in caring for their physical wellbeing.

All training and training materials have also been switched to virtual so that our people could continue to learn and develop from home. Additional training was given to people managers to help them manage and coach remote teams effectively while working remotely to continue supporting our people through our coaching structure.

Caring for the vulnerable

The Firm reached out to the vulnerable groups (including those with pre-existing medical conditions, pregnant mothers, parents and secondees). We ensured that appropriate measures were put in place for their safety and wellbeing as they transitioned to working from home. Some of the measures include, encouraging them to work from home full-time before the circuit breaker and providing extended flexible work arrangements to employees with additional caregiving or other commitments.

The Firm also established a COVID-19 special care fund where employees who have faced significant financial hardship as a result of the pandemic were given special financial assistance.

For more information about our Firm's people initiatives, please refer to our [FY20 Sustainability Report](#).

Our audit approach





At PwC, we are reimaging the audit experience. Our view of the future is people-led, enhanced by powerful technology, and digitally amplified to bring you **tomorrow's audit, today**.



Quality at the heart of every PwC audit



Truly digital team with focus on **innovation** to enhance audit quality



Confidence beyond audit to bring PwC's purpose to life, to build **trust** in society and solve important problems

Quality and purpose drives our audit today and it's how we are bringing the audit into the future. It is led by people who have the passion and skills to make a difference, and enhanced by powerful technology.

The result is a people-powered audit to bring these six benefits to you:



Greater assurance

Automation at scale, processes voluminous amounts of data at high speed enabling greater coverage to provide more comfort



Customised

Automations built by our people just for your audit - eliminating busy-work and reducing the potential for errors.



Transparent

Collaborative workflow tools for real-time resolution of issues like never before.



Precise

Focus and enhanced delivery of quality through precise planning and targeted testing. Tools to better analyse data and identify where risks lie.



Efficient

Digital collaboration enabling automated exchange of data, status and findings.



Insightful

A more relevant audit for our clients that delivers deeper insights.

We are reimaging audit, with a right mix of digital and human experience. We aim to bring an experience revolution for our clients. That's tomorrow's audit, today.

Welcome to your new audit experience

Delivering exceptional quality

Saving time for our clients

Giving deeper insight to our clients



Tools and technologies to support our audit

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



Aura Platinum

The PwC audit methodology is underpinned by Aura Platinum, our audit technology application, which is used across the entire PwC network. Aura Platinum is the heart of how we build and execute our audit plans by supporting teams in applying our methodology effectively. This is achieved by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Smart dashboards show teams audit progress and the impact of scoping decisions more quickly.

Audit technology

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



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

- **Connect** monitors the status of requests and information between our clients and the engagement team in real time. Audit and client teams know where things stand at all times through a consolidated dashboard showing all sites, digitisation of engagement matters, and automated key performance indicators.
- **Connect Audit Manager** streamlines, standardises and automates group and component teams coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process so there's greater transparency, compliance and quality for complex multi-location audits.



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



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



PwC's Confirmation System makes it easy for third party confirmers to return requested information securely and provides clients an overview of confirmation status. Automated, flexible technology means it works for virtually all confirmation types-from accounts receivable to derivatives to loans to inventory.



FS Math Accuracy Test is based on cutting-edge machine learning and automation technology to help us streamline testing over the mathematical accuracy of financial statement documents.



Data Transformer (DT) is an audit tool built to automate our audit processes, improving quality and efficiency across our audit engagements. DT extracts data from various client source documents, integrates it with independent sources and transforms them into valuable information through a designed framework and tailored workflows, which enables testing results to be generated by just a few clicks.



Data Turnkey, a module within DT, provides clients with deeper insight into client data through fast data preparation and user friendly analytics, presented using highly customisable visualisations according to the clients' needs. Turnkey further provides our clients with a new industry benchmarking experience with market data sources.





Supporting engagement performance



Direction, coaching and supervision

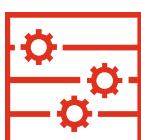
Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team to maintain audit quality. Teams utilise Aura Platinum which has capabilities to effectively monitor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



Consultation culture

Consultation is key to ensuring audit quality. While we have formal protocols about mandatory consultation, in the pursuit of quality, we regularly consult more than the minimum requirement. For example, our engagement teams routinely speak with experts in areas such as taxation, valuation, actuarial and other specialities, as well as individuals within the R&Q group.

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. The consultation panel is made up of the Assurance Leader, the Risk Management partner and other experienced partners who are independent of the engagement.



Quality champions programme

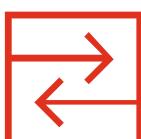
The quality champions programme focuses on getting quality right. It aims to strategically transform our teams to work smarter, have a better understanding of our clients' businesses and optimise our time. Quality champions are carefully identified from each audit operating units. Their roles and responsibilities include:

- Being the first "port-of-call" for audit methodology related queries
- Lead audit methodology related forums, group discussions and training events
- Driver of quality initiatives within operating units
- Serves as conduit for any feedback from engagement teams



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, risks of material financial statement misstatement and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP or another Assurance partner. These include the use of technical or consultation panels consisting of partners independent of the engagement. If the difference in views still cannot be reconciled, a final decision should be made by the engagement leader and the Assurance Leader in consultation with the Risk Management partner and others they deem appropriate.

Confidentiality and information security

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

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

Information security

The firm's Chief Risk Officer (CRO) is an experienced partner who is also a member of the Extended Leadership Team. The CRO is responsible for information security and is supported by the Cyber Committee and the Risk Council, who are responsible for providing oversight, policy and strategic direction on information risk and cyber security matters. Members of the committees comprise of representatives from Risk and Quality, Office of General Counsel, Network Information Security, Information Technology, Data Privacy Office and each lines of service. The objective of these committees' are to:

1. Provide overall governance and oversight of the information management programme;
2. Act as an approval body for information management policies and procedures;
3. Agree and allocate information management accountability and responsibilities;
4. Identify and initiate information management remediation projects; and
5. Monitor progress of the information management programme.

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

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

PwC Singapore is required to adhere to the ISP requirements and complete an annual, evidence based assessment to demonstrate compliance.

The CISO approved assessment undergoes a detailed and standardised quality assessment process performed by a centralised, objective Network Information Security Compliance team

All partners and staff are required to comply with legal and regulatory obligations about handling confidential information and personal data, and contractual terms govern the use and disclosure of information. The firm provides information security and data protection 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.



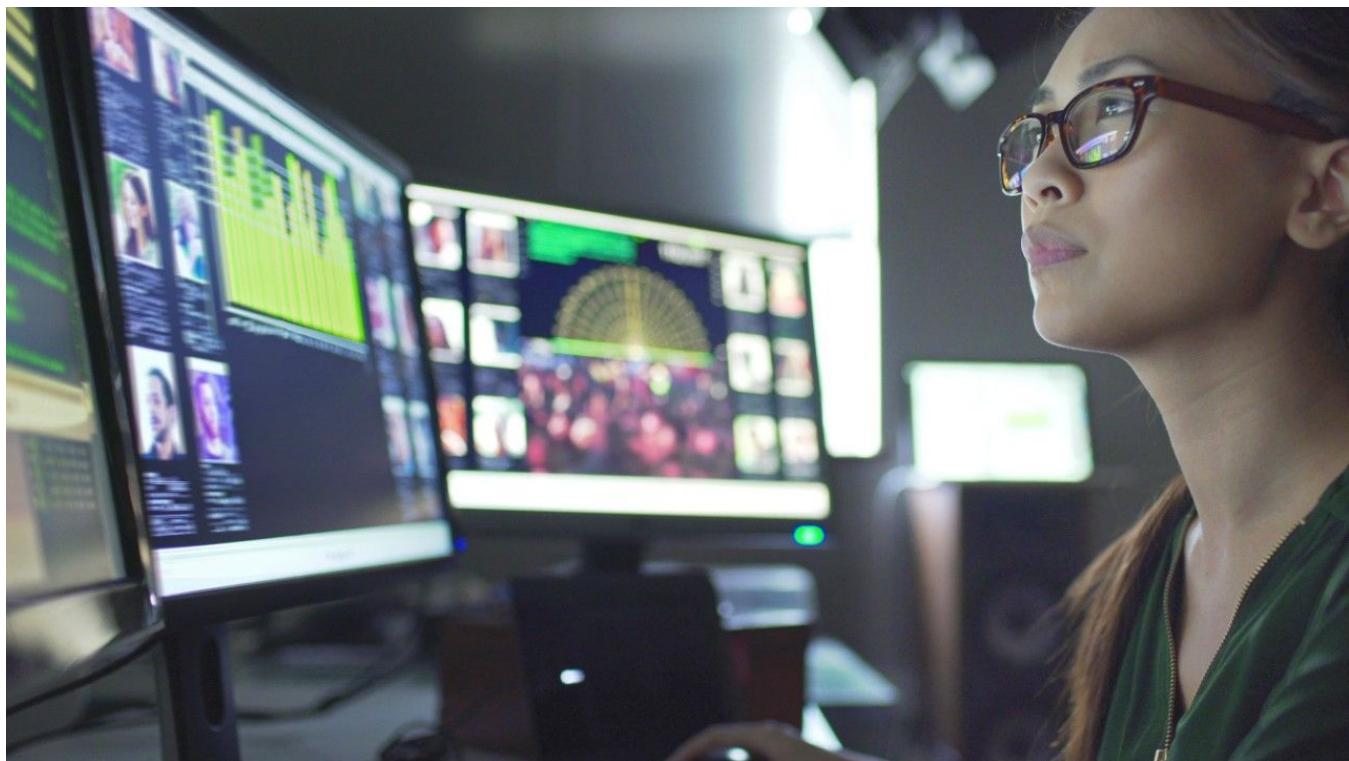
Data privacy

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 best practices.

The data protection policy which is established in Singapore, governs the collection, use 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 and its regulation(s) (PDPA).

As a result of the European Union's General Data Protection Regulation (GDPR), a comprehensive global programme – the Network Data Protection Programme or NDPP – was established to provide a basis for, and a consistent approach to, data protection compliance across the PwC network and within each member firm.

An overarching goal of the NDPP was to promote a vision, practices and standards across the PwC network that achieve a robust level of protection and appropriate use of the personal data of PwC member firms' 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.



A woman with short brown hair, wearing a white sleeveless top and dark pants, is sitting and looking at a tablet device. A stethoscope hangs around her neck. She is wearing a dark watch on her left wrist. The background is a plain, light-colored wall.

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.

The responsibility for appropriate quality management lies with the leadership of PwC Singapore - the “first line of defence”. 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.

Our firm’s monitoring procedures include an ongoing assessment. This assessment aims to evaluate whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit and non-audit assurance engagements are performed in compliance with laws, regulations and professional standards - the “second line of defence”.

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

Our firm’s monitoring program is based on a consistent network-wide inspections programme based on professional standards relating to quality control. This includes ISQC 1 as well as network policies, procedures, tools and guidance.

The objective of the cold file review programme is to monitor the application of PwC Audit and to evaluate the performance of partners, directors and managers on selected individual engagements. The programme is administered by the quality assurance team. The review covers one completed engagement for each selected assurance partner and director in each financial cycle. The review is performed throughout the year by the quality assurance team together with other selected assurance partners and managers.

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

Reviews are led by experienced Assurance partners, supported by independent teams of partners, directors, and senior managers and other specialists from the other PwC network firms. Review teams receive training to support them in fulfilling their responsibilities, and utilise a range of checklists and tools developed at the network level when conducting their review procedures.

Audit quality reviews - Internal (ECR)

Internal engagement review	2020	2019
Listed entities	6	4
Non-listed entities	9	9
Total audit engagements reviewed	15	13
Compliance rate	100%	100%
% partners/directors reviewed	24%	23%

Finally, the PwC network coordinates an inspection programme to review the design and operating effectiveness of our SoQM - the “third line of defence”. The use of a central team to monitor these inspections across the network enables a consistent view and sharing of relevant experience across the PwC network.

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

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

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 is undertaken annually, which covers both the firm-level and engagement-level reviews. The last completed review by ACRA was undertaken from 12 July 2019 to 16 August 2019. There were no significant adverse findings from the review.

The US Public Company Accounting Oversight Board (PCAOB) performs joint inspections with ACRA. The last completed joint inspection was conducted from 25 September 2017 to 6 October 2017. The PCAOB report which is dated 27 April 2018 is publicly available on their website.

Audit quality reviews - External

Results from ACRA’s inspections - number of audit engagements reviewed



2017 PCAOB Inspection

Number of audit engagements reviewed by the PCAOB in its last inspection in 2017

3
100% pass



Restatements

2019 & 2018

No financial statement restatement due to regulator inspection

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 is 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 crucial sounding board to the LT. 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 comprise of three partners who are elected by the firm's partners for a four-year term.

A professional woman with long brown hair, wearing a black blazer, is gesturing with her hands while speaking to a group of people. The background is blurred, showing other individuals in a meeting or presentation setting.

PwC network



Global network

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

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

PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for member firms in the PwC network.

Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual member firms where appropriate. Member firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, member firms may draw upon the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

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

The governance bodies of PwCIL are:

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

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

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