



# Transparency report

PricewaterhouseCoopers Ltd (Bermuda)

Year ended 30 June 2023



**pwc**



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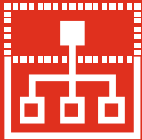
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# Message from leadership



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# Message from leadership

## Welcome to our 2023 Transparency report

We have prepared this Transparency Report, in respect of the financial year ended 30 June 2023, in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with more than 364,000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

PwC's global strategy, The New Equation, responds to fundamental changes in the world, including technological disruption, climate change and fractured geopolitics. The New Equation focuses on two interconnected needs that clients face: to build trust, which has never been more important, nor more difficult, and to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater.

As part of The New Equation strategy, the PwC network is making an incremental US \$3bn investment in quality. This includes a \$1bn investment in a five-year programme to deliver a next generation audit ecosystem - human-led, tech-powered and data-driven. It will enable us to make continuous improvements to audit quality by further standardising, simplifying, centralising and automating our audit work, transforming the experience for our stakeholders and our people.

PwC's approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It recognises the importance of quality - and that reporting and compliance represent just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance.

Similar to building trust, delivering sustained outcomes requires us to work in an integrated way. Instead of taking a traditional technology-driven approach to transformation, PwC focuses on the outcomes that our efforts are seeking to achieve. Our new strategy builds on our ongoing commitment to quality.



A handwritten signature in blue ink, appearing to read 'A. Wightman', with a stylized flourish at the end.

**Arthur Wightman**  
Territory Leader



# A message from our Assurance Leader

With the New Equation, our Assurance strategy continues to focus on four key pillars - our people, quality and independence, growth, and technology.

At a time of geopolitical and economic uncertainty, it has never been more important to build trust, which is why trust is at the heart of our global strategy, the New Equation. We need to earn trust with our clients, stakeholders and the people that work within our organisation. It's something you earn through every interaction, every experience and every relationship.

We are working towards a future that is human-led and tech-powered. It is as important as ever that we attract and retain our top talent and that we utilise the technology available to us to work efficiently and effectively. I am always conscious that we remain current and it is imperative that we maintain quality and embrace new technology, whilst also looking to realise the benefits for all of our stakeholders.

We remain committed to delivering consistently high quality audits that meet the needs of investors, stakeholders and the organisations we audit.

We are pleased to present our Transparency Report for 2023, which shows how we maintain quality in our audit work. The report describes our policies, systems and processes for ensuring quality, the results of key quality monitoring programs and reviews, and the way we foster a culture of quality at every level of our firm.

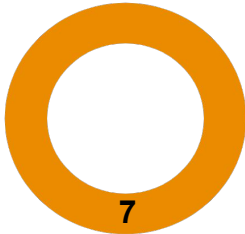


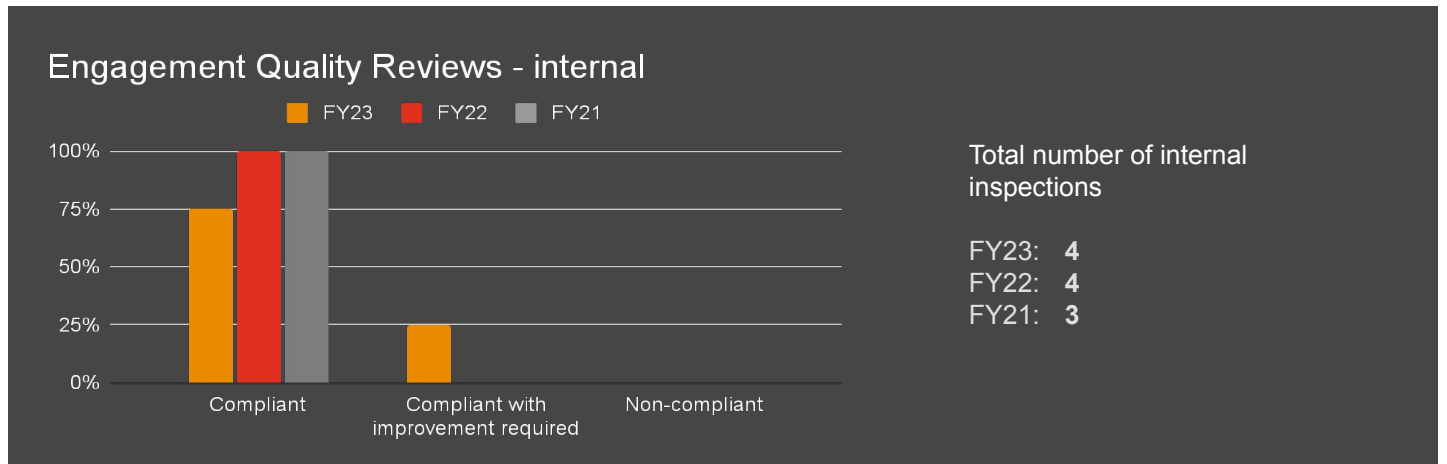
A handwritten signature in black ink, appearing to read 'D Gibbons'.

**David Gibbons**  
Assurance Leader



# Year in review

Partner and staff survey	Audit quality reviews - local regulators	PCAOB 2021 inspection report
<p><b>88%</b> of our staff and partners participated in our Global Pulse Survey.</p> <p><b>92%</b> of the respondents believe they are challenged to deliver high quality work</p>	<p>Results from most recent audit quality reviews - number of reviews, including the total number resulting in non-compliance</p>  <p>7 Compliant Non-Compliant</p>	<p>Number of audit quality reviews performed and results</p> <p><b>3</b> Compliant engagements</p> <hr/> <p><b>FRC 2022 inspection report</b></p> <p>Number of audit quality reviews performed and results</p> <p><b>1</b> Limited improvements required</p>



### Real time assurance reviews

Number of audit engagements in our real time assurance review program

<b>5</b> FY23	<b>11</b> FY22	<b>8</b> FY21
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### Assurance Training FY23

Average structured training hours by grade

<b>40 hrs</b> Partners & directors	<b>60 hrs</b> Managers	<b>114 hrs</b> Staff
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**Total hours completed 17,000**

### Assurance Training FY22

Average structured training hours by grade

<b>55 hrs</b> Partners & directors	<b>61 hrs</b> Managers	<b>102 hrs</b> Staff
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**Total hours completed 14,000**

### Leveraged ratio of audit-related hours for audit team members

			FY23			FY22			FY21		
Partners	to	Manager	1	to	5	1	to	4	1	to	4
Managers	to	Staff	1	to	2	1	to	3	1	to	2
Partners	to	Staff	1	to	8	1	to	12	1	to	10



# Our approach to quality



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# Our approach to quality

## A specific focus on audit quality across the Network

### The QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us.

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC network has established the Quality Management for Service Excellence (QMSE) framework which integrates quality management into how each firm runs its business and manages risk.

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



# 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**

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

- Talent recruitment: additional resources were dedicated to marketing and recruitment efforts and in-person recruitment initiatives in other countries resumed to recruit staff to Bermuda (in-person recruitment ceased due to Covid-related restrictions in previous years)
- In response to ISA 315R (which became effective for periods beginning on/after Dec 15, 2021), the firm's global documentation platform, Aura, was updated to facilitate engagement teams' risk identification and risk assessment processes. Engagement partners and staff underwent an annual training session on ISA 315R and ongoing support was also provided to teams by the firm's methodology function - this support included sharing of frequently asked questions and illustrative examples of risks and responses, as well as regular "office hours" drop in-sessions for teams to attend during the year.
- Acceptance and continuance processes: in December 2023, we implemented the Network's system, Acceptance. The system change was managed by a knowledgeable project team and change management plans were put in place to facilitate a smooth transition for engagement teams. Engagement teams were provided with support in the form of role-based training, access to system 'champions' and access to a dedicated internal website for information, videos and frequently asked questions about Acceptance.

# Statement on the effectiveness of the firm's internal quality control system

We believe our quality control system for the audit practice has been suitably designed and complied with to provide us with reasonable assurance of performing and reporting in conformity with applicable professional standards.

In reaching this conclusion, we considered:

- the design and operation of the quality control systems,
- the findings from compliance programs operated by our firm (including the results of our network-wide inspections program (see Page 30) and our real time assurance review program (see Page 31).
- the findings from regulatory inspections and subsequent follow up and/or remedial actions, where relevant.

Further, we confirm that an internal review of independence compliance within our firm has been conducted.

We believe that ongoing quality monitoring is an integral part of the firm's continuous improvement programme. We constantly seek to improve policies, procedures and the consistency of the quality of our work.





# Cultures and values



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# Our culture and values



## Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of 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



## Leadership and tone at the top

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

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

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

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



## 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 AQIs include measures relating to multiple areas across the SoQM: independence; training; staff availability and utilisations; timeliness of acceptance and continuance assessments and engagement planning; higher risk engagements; supervision and review by partners, engagement quality reviewers and managers; Global People Survey and Client feedback; results from internal and external inspection results at the engagement level and firm level.

The AQI measures are evaluated on a quarterly basis by Assurance leadership to proactively manage any concerns within the SoQM.



## 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 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 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, antitrust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network and leadership in PricewaterhouseCoopers Ltd (Bermuda) 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, PricewaterhouseCoopers Ltd (Bermuda) 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 PricewaterhouseCoopers Ltd (Bermuda) 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 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. 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>.

PricewaterhouseCoopers Ltd (Bermuda) has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

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





## Objectivity and Independence

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

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph.

PricewaterhouseCoopers Ltd (Bermuda) 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 small team of independence specialists. The PRI reports directly to the Risk Management Partner and Territory Leader.

### Independence policies and practices

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

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

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.

PricewaterhouseCoopers Ltd (Bermuda) supplements the PwC network Independence Policy as required by ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules), the independence requirements of the United States SEC and those of the Public Accounting Oversight Board (PCAOB) of the United States, UK Financial Reporting Council Ethical Standard (UK FRC ES) and of the EU Audit Regulation (EU AR) where they are more restrictive than the network's policy.

PricewaterhouseCoopers Ltd (Bermuda) complies with the audit engagement partner rotation requirements of the Code as well as the US SEC, the UK FRC ES and EU AR where applicable.

### Independence-related systems and tools

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

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required;

### Independence-related systems and tools, continued

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.
- PricewaterhouseCoopers Ltd (Bermuda) also has a local rotation tracking system which monitors compliance with audit rotation policies for the firm, engagement leaders, other key audit partners and senior staff involved in an audit.



### Independence training and confirmations

PricewaterhouseCoopers Ltd (Bermuda) 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, personal independence requirements, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on independence policy and related topics. Additionally, face-to-face training is delivered to members of the practice on an as-needed basis by PricewaterhouseCoopers Ltd (Bermuda)'s independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for certain other clients including listed audit clients and audit clients expected to have an initial public offering within the next 12 months.







## Independence monitoring and disciplinary policy

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

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

The results of PricewaterhouseCoopers Ltd (Bermuda)'s monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

PricewaterhouseCoopers Ltd (Bermuda) has an Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

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



## Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

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

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

#### **Engagement teams:**

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

#### **PwC firms (including PwC firm leadership and risk management):**

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.



## Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partners, including non-Partner Engagement Leaders, accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

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







# Our people



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# Our people



## People strategy

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.



### Inclusion and diversity

At PwC, we're 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

PricewaterhouseCoopers Ltd (Bermuda) 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.



### Team selection, experience and supervision

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



### Feedback and continuous development

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



### Career progression

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



### Retention

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



### Global People Survey

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



## 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/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 & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.



## Audit Quality Measures

- Average training hours per audit professional



## Our training investment in people

### Assurance Training FY23

Average structured training hours by grade

Average structured training hours by grade

**40 hrs**

Partners & directors

**60 hrs**

Managers

**114 hrs**

Staff

**55 hrs**

Partners & directors

**61 hrs**

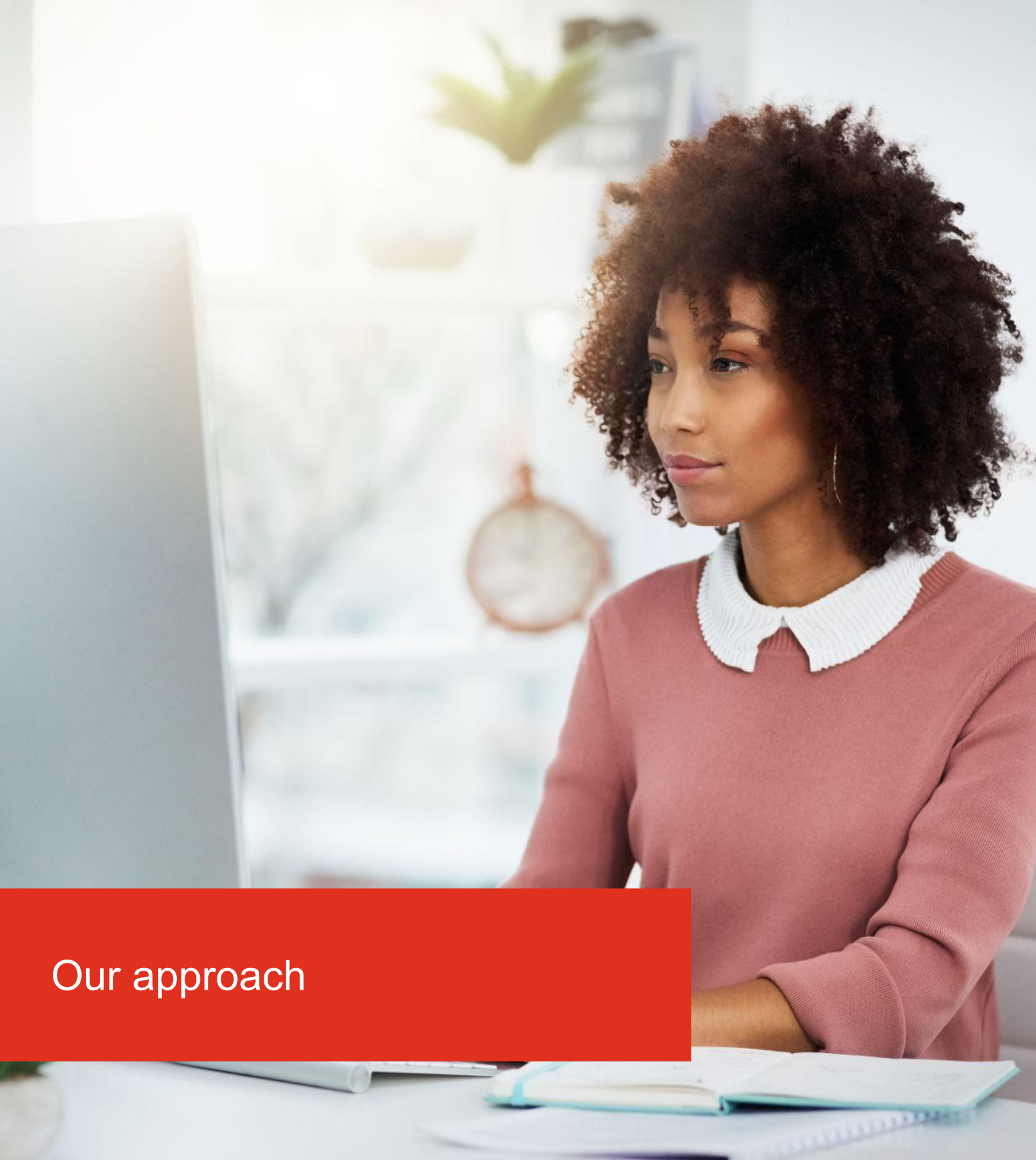
Managers

**102 hrs**

Staff

Total hours completed  
**17,000**

Total hours completed  
**14,000**



# Our approach



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# Our approach



## Our approach

PricewaterhouseCoopers Ltd (Bermuda) uses a range of cutting-edge methods, processes, technologies, and approaches to ensure continuous improvement in the performance and quality of our audit engagements.

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

For audit engagements performed in accordance with US GAAS, or PCAOB auditing standards, PricewaterhouseCoopers Ltd (Bermuda) has access to and uses US PwC Audit, which outlines the methodology under these standards.



# Tools and technologies to support our audit



## Our technology

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

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

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

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

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

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

**Halo Platform** enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired client data for multiple applications during the audit.



## Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, providing a transformed audit experience focusing on continuous quality enhancement. PwC's vision for 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



## **Data Privacy**

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We are committed to embedding good data management practices across our business.

## **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.

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.





## Supporting engagement performance



### **Evolving delivery model**

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future. We use resources from a Network Acceleration Center to streamline and standardise portions of the audit.



### **Direction, coaching and supervision**

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team (including Network Acceleration Center team members), coach the team and maintain audit quality. Engagement teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate 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 risk, valuation, actuarial and taxation.



### **Quality Review Partners (QRP)**

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.



### **Differences of opinion**

Protocols exist to resolve the situations where a difference of opinion arises between the engagement leader and either the QRP, another Assurance partner or risk management.





# Monitoring



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# Monitoring



## Audit Quality Measures

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



## Monitoring of Assurance quality

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

Responsibility for appropriate quality management lies with the leadership of PricewaterhouseCoopers Ltd (Bermuda). 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.

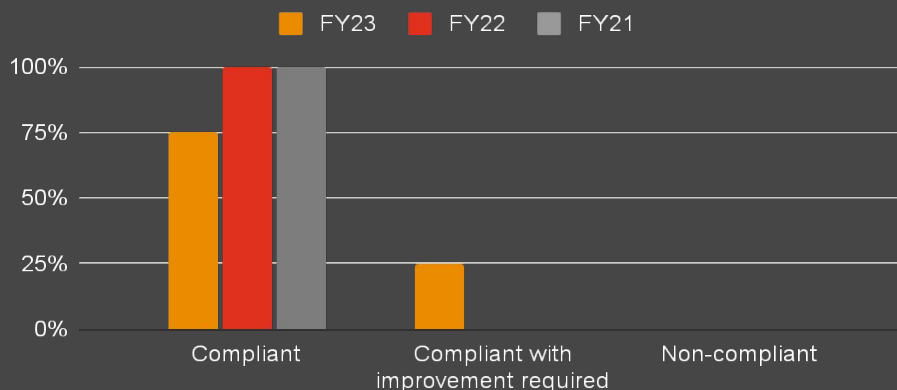
The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations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

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.

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

## Engagement Quality Reviews - internal



Total number of internal inspections

FY23: 4  
 FY22: 4  
 FY21: 3



Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. EQR reviewers may be sourced from other PwC firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities, and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

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

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

PricewaterhouseCoopers Ltd (Bermuda) is subject to local regulatory oversight by Chartered Professional Accountants (CPA) Bermuda and the Bermuda Public Accountability Board (BPAB).

For CPA Bermuda, the normal frequency of inspection visits is once every 3 years. The last inspection took place in October 2021. Six audit engagements were reviewed and the outcome was satisfactory.

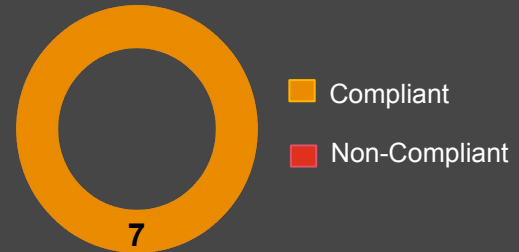
For BPAB, the normal frequency of inspection visits is once every 3 years. The last inspection took place in November 2020. One PIE engagement was reviewed and the outcome was satisfactory.

In addition, the firm is registered with the PCAOB and is subject to PCAOB inspections with respect to work as auditors of SEC registrants and their affiliates. The PCAOB inspection report for inspections conducted in 2021 was issued in August 2022 and is available on the PCAOB website at [www.pcaobus.org](http://www.pcaobus.org). Three audit engagements were reviewed and the outcome was satisfactory.

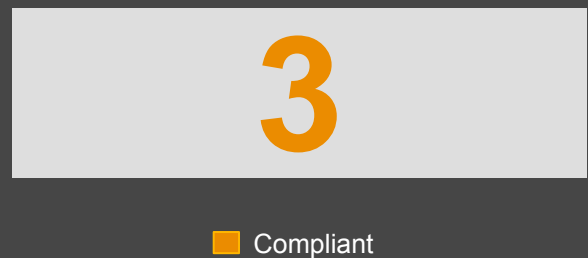
The firm is also subject to inspections by the UK FRC. The FRC inspection took place in 2022. One audit engagement was reviewed and the outcome was "limited improvements required".

### Audit quality reviews - local regulators

Results from most recent audit quality reviews - number of reviews, including the total number resulting in non-compliance



Number of audit quality reviews performed by PCAOB and results



Number of audit quality reviews performed by FRC with limited improvements required



### Audit Quality Measures

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



## 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.

The RTAs are managed by a dedicated RTA team, led by an experienced R&Q director. The engagement files selected are reviewed by experienced R&Q and practice professionals. Because reviews are performed on a real-time basis, any issues identified as a result of the reviews are remediated in the files prior to the issuance of the audit reports. Overall RTA program findings and results for each year are summarised and trends and themes are further communicated to the assurance practice through training sessions.



## Learn: Root cause Analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies—whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

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

In addition, the data compiled for audits both with and without deficiencies is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, whether key engagement team members have completed mandatory training requirements, the number of years that key engagement team members have been on the engagement, industry experience, the number of other audits that engagement partners are involved in, whether the engagement was subject to a real time assurance review, and the timing of when the audit work was performed.

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







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# 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.

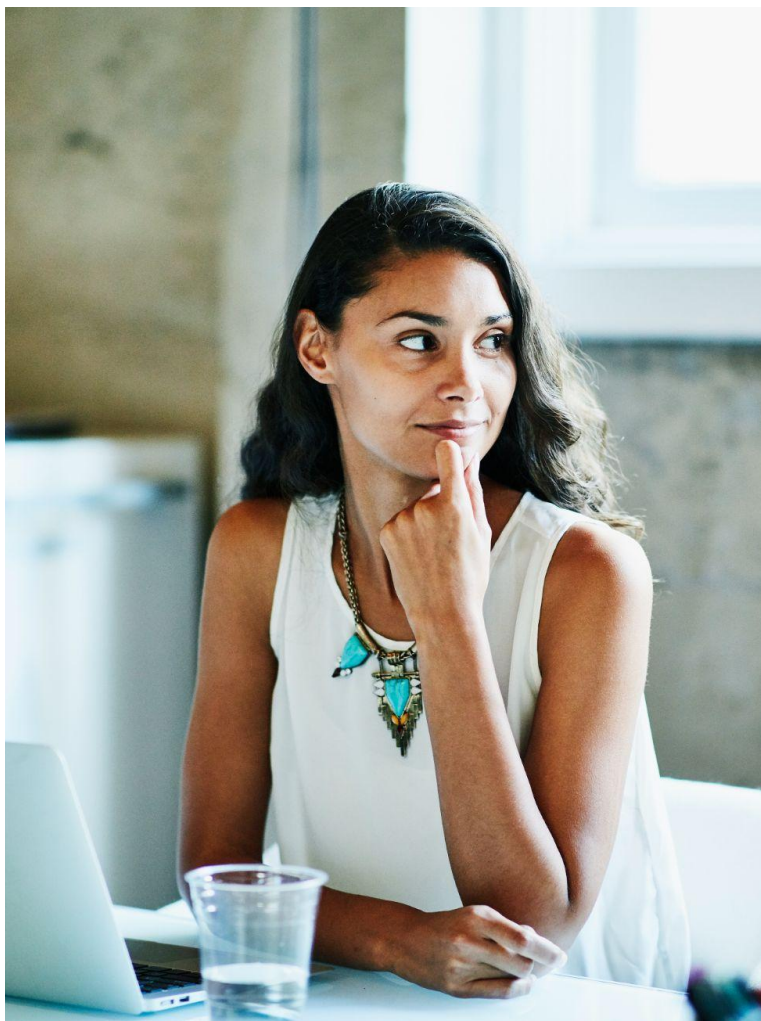
The PwC network is not one international partnership. A PwC firm cannot act as agent of PwCIL or any other PwC firm, cannot obligate PwCIL or any other PwC firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any 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.

Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately Euros 2.8 billion. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2023.



## 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 an 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.



# PwC network

The table below is a list of statutory audit firms/auditors by country within our network as of 30 June 2023  
(Article 13.2.(b) items (ii) and (iii))

<b>Member State</b>	<b>Name of firm</b>
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Oberösterreich Wirtschaftsprüfung und Steuerberatung GmbH, Linz
Austria	PwC Steiermark Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'entreprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.

# PwC network

The table below is a list of statutory audit firms/auditors by country within our network as of 30 June 2023  
(Article 13.2.(b) items (ii) and (iii))

<b>Member State</b>	<b>Name of firm</b>
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB





# Legal and governance structure



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# Legal and governance structure

## **Legal structure and ownership of the PricewaterhouseCoopers Ltd (Bermuda)**

PricewaterhouseCoopers Ltd (Bermuda) is a limited company, incorporated under the laws of Bermuda and is wholly owned by certain of its directors who have equal voting rights and are generally referred to as partners.

The firm is based solely in Bermuda and provides Assurance, Advisory and Tax and Legal Services (TLS). As of 30 June 2023 there were 12 partners.

## **Remuneration**

Partners are remunerated out of profits of the firm and its affiliated entities. Audit partners are not permitted to be incentivised, evaluated or remunerated for the selling of non-audit services to their audit clients. The final allocation and distribution of profit to individual partners is determined once their performance (including consideration of the results of any internal and external quality reviews and other key compliance indicators contained in the firm's recognition and accountability framework) has been assessed and the annual financial reporting process been completed.

Profits are allocated to partners based on individual personal plans which outline an individual's contribution to the firm. Each partner is required to complete a detailed plan in advance of each financial year end, and a self-assessment against plan is completed at the end of the year.

Personal plans focus on a wide range of performance criteria, including risk and quality objectives which are designed to ensure that all partners deliver quality service while maintaining both their independence and objectivity.

## **Governance structure of the PricewaterhouseCoopers Ltd (Bermuda)**

PricewaterhouseCoopers Ltd (Bermuda) has a shareholder agreement and other documents which together set out in appropriate detail the firm's governance structure.

Management and governance of the firm is exercised through the committee of directors ("the Committee") which is chaired by the Territory Leader. The Committee considers and oversees a wide range of issues for the firm such as risk, strategy, values, reputation, people matters including health and wellbeing, technology and culture. Ultimate responsibility and accountability for the system of quality management is assigned to the Territory Leader (TL) and Territory Assurance Leader (TAL), who assign operational responsibility for the system of quality management to appropriately experienced individuals who have the required knowledge, influence and authority.

The firm has also established an Assurance Risk and Quality Committee which has the responsibility for monitoring matters related to assurance quality and compliance. This committee comprises the TAL, the Territory Risk Management Partner (RMP), the Partner Responsible for Independence (PRI) and other representatives from the management team.





# EU audit clients and financial information

The EU/EEA Public Interest Entities (defined as those incorporated outside of the EU/EEA that have transferable securities listed on a EU/EEA regulated market) for which we carried out a statutory audit during the year ended 30 June 2023 are set out below:

United Kingdom:

- Hiscox Ltd.
- Hansa Investment Company Limited

Amsterdam:

- HAL Trust

Further to Article 13(2)(k), the financial information of PricewaterhouseCoopers Ltd (Bermuda) for the period ended 30 June 2023 is as follows:

	<b>FY23</b>
Audit revenues earned from clients that had securities admitted to trading on an EU regulated market	1%
Audit revenues earned from all other audit clients	61%
Non-audit services revenues earned from clients that had securities admitted to trading on an EU regulated market	0%
Non-audit services revenues earned from all other clients	38%
<b>Total revenue</b>	<b>100%</b>





[pwc.com](https://www.pwc.com)

We have prepared this Transparency Report, in respect of the financial year ended 30 June 2023, in accordance with the requirements of Article 13 of the EU regulation No. 537/2014.

PricewaterhouseCoopers Ltd is referred to throughout this report as “the firm”, “PwC”, “we”, “our” and “us”.

© 2023 PricewaterhouseCoopers Ltd. All rights reserved. PwC refers to the Bermuda member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see [www.pwc.com/structure](https://www.pwc.com/structure) for further details.