



Transparency Report

FY23

PricewaterhouseCoopers Consultores,
Audidores y Compañía Limitada



Contents



Message from leadership

03



Our approach to quality

09



Cultures and values

13



Our people

22



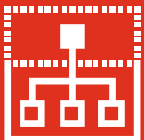
Our approach

26



Monitoring

31



PwC Network

35



Legal and governance structure

38





Message from leadership



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Message from leadership

Welcome to our 2023 Transparency report

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.

Percentage of Assurance professionals surveyed who report



Receiving consistent messages about the importance of audit quality from both local and firm leadership

77%

FY23

98%

FY22

98%

FY21

Understanding the firm's audit quality objectives

77%

FY23

88%

FY22

Message from leadership

On behalf of the partners of PricewaterhouseCoopers Consultores Auditores Ltda. (PwC Chile) I present the Transparency Report 2023, a document that allows us to measure the scope of our actions and reinforce our permanent commitment to quality.

In very demanding times, PwC Chile develops its functions with a high standard, always analyzing the different contingencies that can generate changing and challenging scenarios. Having a first class team has undoubtedly allowed us to overcome recent times in an efficient manner, demonstrating sustainable results and generating confidence in our stakeholders.

Build trust in society and solve important problems is our purpose in all the territories in which the PwC network of firms is present, with 364.000 people who every day add value to our clients in Assurance, Tax and Advisory services. At the local level, all the organizations, companies and individuals who rely on our experience and human and professional capacity, oblige us to act with a permanent responsibility to provide an excellent and ethical service.

For just over two years we have been implementing The New Equation, a PwC's global strategy that responds to very relevant changes worldwide, technological disruption, the effects of climate change, geopolitical changes, and social tension, in addition to the urgency of achieving the trust of the environment in an increasingly challenging present. Our actions are aimed at achieving measurable progress in these areas and strengthening The New Equation within the Firm.

On a fundamental issue, our ESG impact strategy involves responding to priority issues such as Net Zero transformation and its value chain, climate risk and resilience, reporting and assurance, and sustainable finance. Together with our teams, we will continue to reinforce this approach, actively participating in the debate and solutions.

Our contribution to society goes far beyond the fulfillment of our purpose. We seek to be relevant actors that help to give the country a boost that allows it to grow in a comprehensive and sustained way, to make companies a focus of progress, employment and innovation, and that PwC Chile can be an ally of all of them, contributing to create a positive climate for development, as we have done in almost 110 years of continuous functions in the country.

I invite you to review this document to learn in depth about our progress in people and talent management, our strategy to constantly modernize our audit services with new technology and processes, our governance and organizational structure, among other relevant topics.

This report is prepared in accordance with the relevant EU regulatory requirements, in particular Article 13 of Regulation (EU) No. 537/2014 which covers our financial year.



Renzo Corona
Territory Senior partner

A message from our Assurance Leader

We are pleased to present our Transparency Report 2023, elaborated in a period marked by international geopolitical contingency, local uncertainty caused by social demands and political changes, as well as by the challenges of our firm in Chile.

In this complex scenario, our report shows the systems, processes and policies we have implemented to maintain the quality of our work, as well as the results of the year. Among other subjects we present in this document the main Audit Quality Indicators (AQIs), which monitor aspects ranging from hiring talent to compliance with required training.

We have also decided to incorporate the results of the inspection process conducted on the audit work, convinced that a good internal quality management system, together with independent monitoring of compliance, are key to moving our organization in the right direction.

In line with our purpose of generating trust in society, our evaluations have contributed to meet these challenges in the best possible way, providing assurance on financial information and facilitating the proper functioning of the financial market.

At the same time, we have made efforts to orient our practice towards assurance on non-financial information and ESG (environmental, social and governance) indicators, advancing hand in hand with changes in local and international regulation on the subject. We know that these issues are an important part of our clients' current concerns and will shape the audit profession for the foreseeable future.

Aware of the importance of the audit business for the definition of our brand in Chile, we continue to invest in multidisciplinary knowledge, in the digital capabilities of our teams, in distinctive international experiences that contribute to the growth of our professionals and in new operating models that allow us to better meet the needs of the modern business world.

We are very proud of our role in the financial market and in Chilean society in general, and we hope that this report shows both our commitment to that purpose and our efforts to honor it fully.



Fernando Orihuela
Assurance Leader

Year in review

Partner and staff survey

80%

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

89%

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

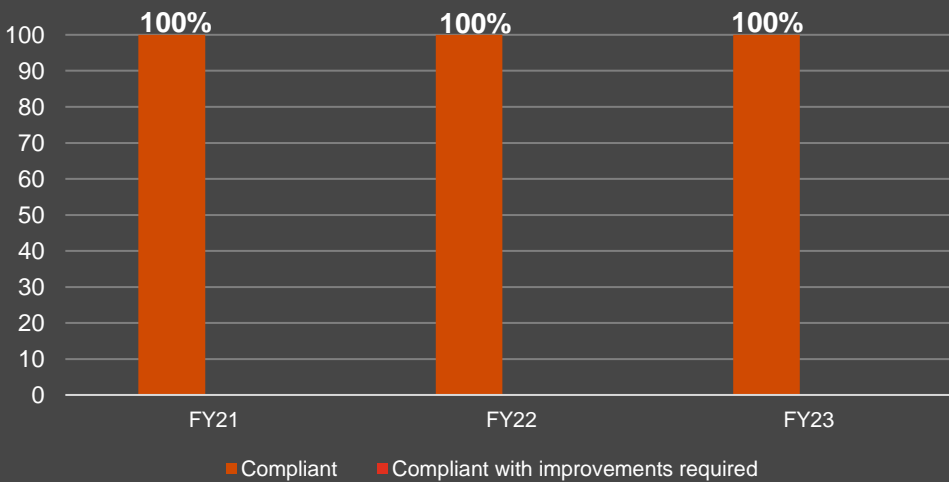
2023 PCAOB inspection report

Number of audit quality reviews performed by the PCAOB and results

FY23: No PCAOB reviews performed.

FY22: No PCAOB reviews performed

Audit quality reviews - internal inspections



Restatements

0

Number of financial statement restatements involving PIE* audits due to material errors

0%

Percentage of restatements of financial statement for issuer audit clients

** Please consider our firm did not perform any PIE audit engagement, according to Article 13 of the EU Regulation 537/2014's definition of PIE*

Our system of quality management

Number of hours spent on monitoring

1.550 hours

32 findings in total

24 Quality findings identified and remediated;

7 QFs – actions in progress

1 QMD – actions in progress

Real time reviews

Number of audit engagements included in the real time review program

23 audit engagements

With over **5.750** hours spent by a fully dedicated team

Assurance Training FY23

Average hours achieved by partners and staff

72 online | **27** classroom | **99** total

Total hours completed
61.599

Assurance Training FY22

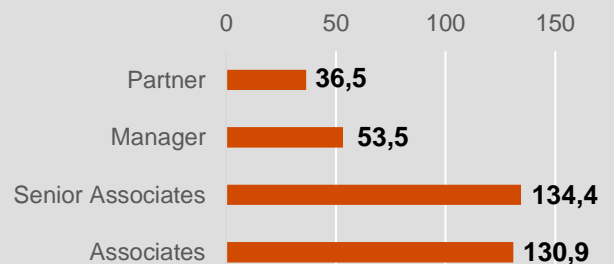
Average hours achieved by partners and staff

66 online | **75** classroom | **141** total

Total hours completed
79.070

Auditing and accounting training hours

Number of hours of auditing and accounting training mandated by PwC annually



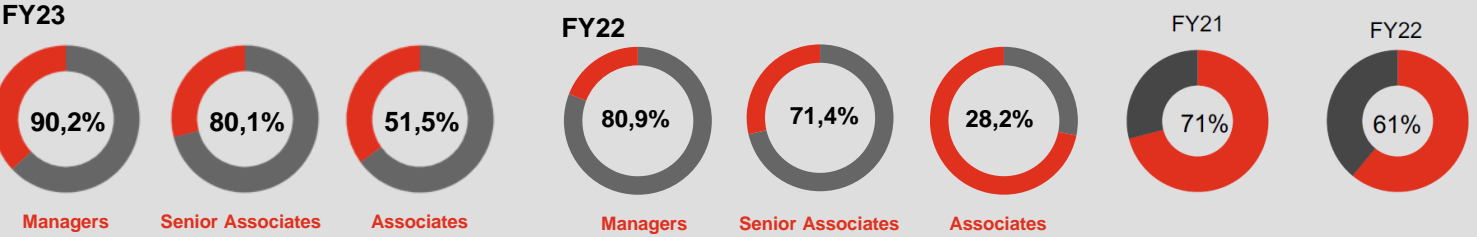
Please see the full report for additional information regarding the data points shown. [Electronic users may click on the data points to navigate to additional information.](#)

Year in review

Leveraged ratio of audit-related hours for audit team members

		FY23				FY22				FY21			
Partners	to	Manager	1	To	4	1	To	4	1	to	4		
Manager	to	Staff	1	To	4	1	To	4	1	to	4		
Partners	to	Staff	1	To	16	1	To	14	1	to	14		

Average retention rate by staff level



Average retention rate by Fiscal Year

Technical support

1 to 9

Ratio of partners serving in technical support roles to the total number of audit partners

Experience of our partners
Partners' average years of experience at PwC

17,2 years

Please see the full report for additional information regarding the data points shown. [Electronic users may click on the data points to navigate to additional information.](#)



Our approach to quality



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our approach to quality

A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

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

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

Our 4 Strategy Quality Initiatives (SQI) involves the integrated use of: 1. Assurance Quality Indicators (AQIs) to aim to predict quality issues, 2. Real Time Assurance (RTA) to aim to prevent quality issues, 3. Root Cause Analysis (RCA) to learn from quality issues and 4. a Recognition and Accountability Framework (FAF) to reinforce quality behaviors, 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:

Resourcing and attractiveness of the profession and staff rotation

In recent years, attracting talent has been a major challenge for PwC. Our practice requires having committed and motivated professionals who understand the PwC philosophy and vision to deliver quality service to our clients. To respond to this risk factor, we have promoted a strategy for hiring professionals from various universities in the country, offering an attractive career plan for new generations. Rotation has also been considered a risk factor that we have addressed by reviewing our development plans and benefits for our professionals, promoting activities that not only involve economic benefits, but also allow new professionals to have more free time for personal and family needs. These activities include among others, early departures on Fridays, hybrid work, days off for birthdays, marriage or maternity, group recreation activities, etc.



The key factors that impacted our system of quality management

Preparation for sustainability reporting and assurance standards

Climate change and ESG have been considered a risk factor that affects business continuity, and therefore a risk in audit quality. We have established a clear strategy to promote knowledge among our professionals, clients and Society, developing services that allow us to identify areas of impact on organizations and monitor them through indicators of compliance with international sustainability and environmental management standards. PwC professionals and specialists have the right training to understand and evaluate the potential audit risks associated with climate change that affect our clients. Firm's SoQM has incorporated processes and quality controls to mitigate the risk factor and deliver audit quality services.

Ethical behavior and integrity

Ethical behavior and integrity are a known risk factor that has a direct and significant impact on our SoQM. PwC has reinforced the culture of ethics and quality by emphasizing the importance of these elements in our daily behavior for the delivery of a quality audit. Our SoQM incorporates processes and quality controls that require its professionals to comply among others, with the Code of Conduct, trainings on ethical behavior, independence and risk rules, etc. All of these requirements are mandatory and are continuously monitored as part of the SoQM.

War in Ukraine

In 2022, a new risk factor associated with the war conflict caused by Russia's invasion of Ukraine was incorporated. The repercussions of the War have had significant consequences mainly in the loss of human lives. The macroeconomic and geopolitical environment impacting negatively international markets, mainly increasing fuels and food prices, product shortages and maritime transport logistics, among others. To respond to this risk factor, Firm's SoQM includes procedures in audits to measure the impacts and consequences on our clients. An example is performing risk assessment process resulting in termination of commitments with clients that have operations with Russia.

All risk factors and responses identified as part of the firm's SoQM include a risk assessment process, periodic and ongoing monitoring and remediation actions as described in ISQM 1.





Cultures and values



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

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 behaviors. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in what matters - how we do business, with each other and in our communities.

Trust in what matters

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

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

We call this 'trust in what matters.' This includes issues that are important to a company and its wider stakeholders. We apply rigorous standards to analyze companies' performance on issues such as climate and diversity. This helps companies demonstrate their progress, enabling these firms to build trust, enhance their corporate reputations, and grow enterprise value.

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

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

- 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.



Audit Quality Measures

- People Engagement Index scores: 82%
- Quality Behaviour Index scores: 77%



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.

PwC Chile maintains the monitoring of the 22 AQIs as part of the quality initiatives. Each AQI, due to its nature and quality objective, has a monitoring frequency, which may be monthly, quarterly, semi-annually or annually.



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

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Chile has adopted the PwC network standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, all staff and partners of PwC Chile 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>.

PwC Chile 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.

The Global People Survey contains a few questions related to Ethics and the content in the abovementioned paragraphs, for example:

The people I work with demonstrate conduct consistent with PwC's Global Code of Conduct (88% of favorable answers in GPS FY23).

At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences (71% of favorable answers in GPS FY23).





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 behavior. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

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

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

PwC Chile has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to the Territory Senior Partner.

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.

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

Independence-related systems and tools

As a member of the PwC network, PwC Chile 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.

PwC Chile also has a number of Chile-specific systems which include:

- A rotation tracking system which monitors compliance with PwC Chile audit rotation policies for engagement leaders, other key audit partners involved in an audit; and
- A database that records all approved close business relationships entered into by The PwC Chile. These relationships are reviewed on a six month basis to ensure their ongoing permissibility



Independence training and confirmations

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





Independence monitoring and disciplinary policy

PwC Chile 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 PwC Chile'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.

PwC Chile 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 PwC firm also follows supplemental local requirements relating to the reporting of breaches. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Chile systems and processes and for additional guidance and training.



Considerations in undertaking the audit

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

Client and Engagement Acceptance and Continuance

PwC Chile 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.

PwC Chile uses the RAF to appropriately reinforce the firm's quality objectives and the right quality behaviours including the key inputs and outputs of the rest of the quality management process.





Our people



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our people



Audit Quality Measures

- Average staff retention rate: 71,9%
- Measure of project Partner and manager hours in relation to total engagement hours: 25,42%
- Management/phasing of the audit, for example, actual utilisation in relation to planned and actual to budgeted hours at period end: 105%



People strategy

Our people strategy was developed in support of our broader business strategy, The New Equation. We are focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

Our objectives for FY23-24:

1. Operational Efficiency

We will assess our processes aimed to improve the quality of our services for the purpose of which the technology will be a key element.

2. Attraction and Retention of Talent

We will seek improvement opportunities in the different stages of the employee life cycle aiming to enhance their experience in the Firm.

We will constantly look for the best benefits for our people based on their preferences to update our well-being program (Be Well Work Well) focused on flexibility and diversity.

We also understand the importance of strengthening PwC Chile as an employer brand and we will make efforts towards such end, including among others, more visibility in social media, alliances with different universities.

3. Global Network Standards Alignment

Being a member of PwC network provides us an endless opportunity to count with the best practices within the market as well as the opportunity to collaborate with other firms.

We also understand our role as change agent as local support for global initiatives. We expect to have a more active presence within the global network sharing experience with LAN, APA and Global teams.





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

PwC Chile aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY23, we recruited over 705 new people, including 508 university graduates.



Team selection, experience and supervision

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



Feedback and continuous development

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



Career progression

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



Retention

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



Global People Survey

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

The FY23 GPS results were the best we have had since we take the survey. Our Engagement rate increased 6% up to 82% and our Intent to Stay rate was 80%.

In terms of Quality Behaviours, we obtained a 77% of favourable answers in the FY23 GPS.



Audit Quality Measures

- Average training hours per audit professional: 99hr
- Mandatory training attendance: 100%



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 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 also considers complementary trainings to those mandated by the Global Firm, in order to cover specific local needs. Additionally to these local technical trainings, we also include trainings on leadership, diversity and skills that promotes the development of the collaborators of our Firm. These trainings are given both by internal personnel and external providers.



Our training investment in people

Assurance Training FY23

Average hours achieved by partners and staff

72 online	27 classroom	99 total
--------------	-----------------	-------------

FY23 Total hours completed

61.599

Assurance Training FY22

Average hours achieved by partners and staff

66 online	75 classroom	141 total
--------------	-----------------	--------------

FY22 Total hours completed

79.070

Mandatory training attendance

100%

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



Our approach



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Our approach



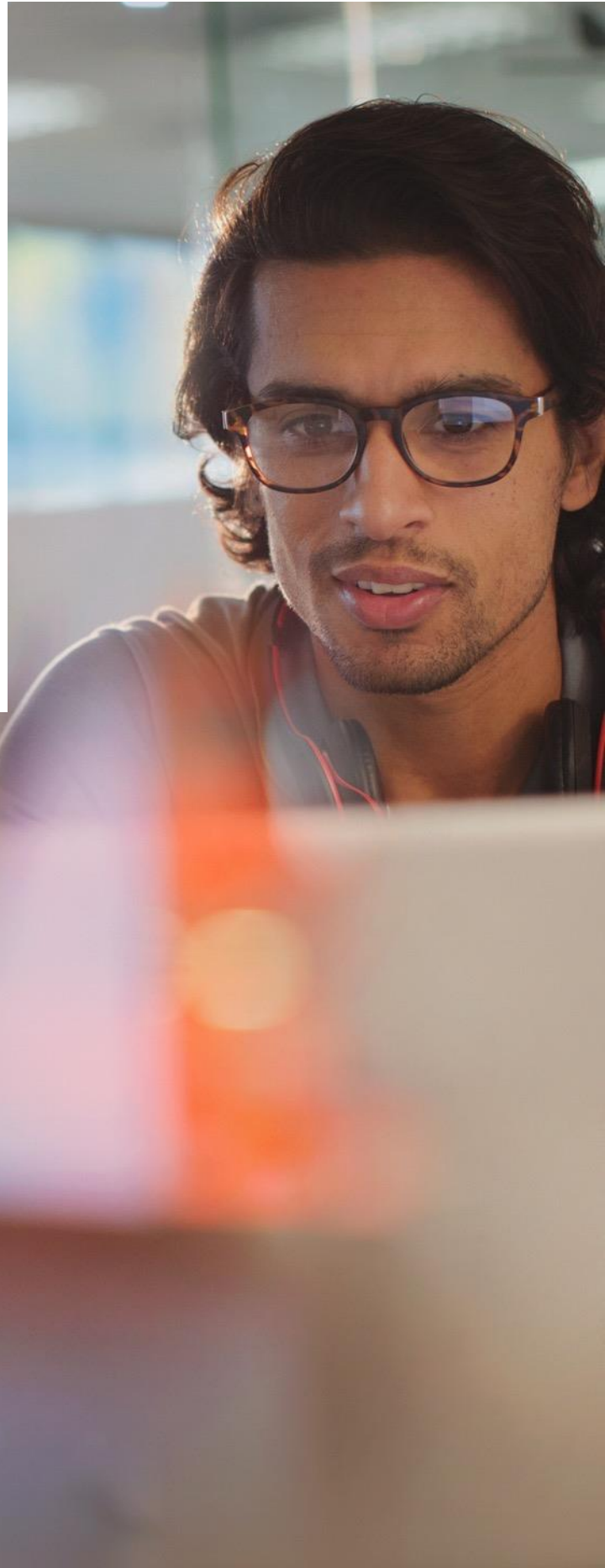
Our approach

We are investing heavily in people and technology to increase the quality of your audit, making it more efficient and consistent. Our technology and methodology are intertwined. Our powerful combination of tech-savvy people with state-of-the-art tools will save you time from start to finish.



Our tools

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



Tools and technologies to support our audit



Our technology

Aura, 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



PwC Chile is aligned with PwC Network's information security policies, which allow us to establish the standards required to comply with our obligations to clients, suppliers and third parties, as well as regulatory frameworks. Confidentiality and information security are key elements of our professional responsibilities as a firm to comply with quality management for excellence in service. The elements related to the security and confidentiality of information are evaluated annually as part of the SoQM, allowing the identification of any risk that may be relevant to the member firm and its quality management in the provision of services. Our focus on protecting the security and confidentiality of our clients, suppliers and third parties requires a holistic and collaborative approach to reduce risks, which we evaluate annually through compliance with the controls of PwC's information security policy. This model has allowed us to strengthen our information security organization, align with industry best practices, and improve our internal control frameworks

Data Privacy

The firm maintains a robust and consistent approach to data privacy management. Everyone in our organization has a role to play in safeguarding personal data to comply with the regulatory framework, client requirements and information protection PwC network standard. We have continued to build on our extensive data protection programme that's aligned with GDPR and Network Data Protection Policy, and are committed to embedding an appropriate data management practices across our business. To achieve this, the member firm performs an annual information protection risks assessment and our partners and staff receive regular refreshment training, along with communications related to the Network policies regarding the correct handling of personal data, in order to keep building a strong protection and privacy culture for our firm data and client data.



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

The Assurance Tasking Team (ATT) is a project that aims at formalizing the structure of remote work or teleworking that our assistants have been doing since the beginning of the pandemic (COVID-19). Through the use of available technological and methodological tools, with a high focus on quality and efficiency, ATT seeks that the Audit teams in the field focus their efforts on tasks that are perceived with added value by our clients, centralizing all those activities that involve a low level of risk, do not require a high level of professional judgment and are highly routine, in a team of assistants specialized in this type of tasks (Audit Assistants B). ATT has improved the way we efficiently manage our resources.



Direction, coaching and supervision

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

Although we are confident that our members use the appropriate skills, methodologies and experience to deliver distinctive quality, to find specialized assistance when appropriate is essential to our firm

Our firm has significant policies to empower our members to speak up to raise any disagreement relating to significant accounting matters. Whether there might be ignorance, doubts or interpretation needs, at PwC Chile, good risk management involves consultation with experts by sharing our doubts with others.

Our firm also has an open doors policy: all partners and professionals from a superior position must maintain the predisposition to resolve doubts from any member of PwC Chile. Actually, the first source in consultation processes happens inside of each team by the understanding that no one should take decisions on their own.

In order to facilitate the consultation processes, the Technical Committee uses a system to manage and control the technical consultation process, in which the query is initiated with the required background information and assigned for review. Once the Technical Committee has reviewed the consultation, it is approved by the Partner and sent back to the audit team for its implementation. Subsequently, the team must attach on the same basis the evidence that the guide has been implemented.



National Technical function

PwC Chile provides to the engagement teams use expert knowledge and specialists in the performance of engagements.

Perform an ongoing assessment of risks to achieving the expert knowledge objective and develop appropriate responses to address those risks.

All of the above is the responsibility of the Assurance consultation system team (ACS).



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

If there are differences of opinions, these are reviewed with the ACS team. In more complex situations, the assurance and risk leader could participate.

As a firm we have obtained few cases regarding difference of opinion, but if situations of this nature exist, we have formal protocols to address these situations.



Monitoring



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Monitoring



Audit Quality Measures

- Total number of EQRs: 13
- Number of EQRs (10 Audits & 3 Non Audit Assurance Engagements) rated as Compliant: 13, Compliant with Improvement Required: 0, Non-Compliant: 0
- EQRs rated as Compliant:100%; Compliant with Improvement Required: 0%, Non-Compliant related to total number of EQRs: 0%.
- Financial statement restatements involving PIE audits due to material errors: 0
- Frequency and impact of accounting errors (that may not result in restatements: Low.



Monitoring of Assurance quality

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

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



Aim to Prevent: Real Time Assurance

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

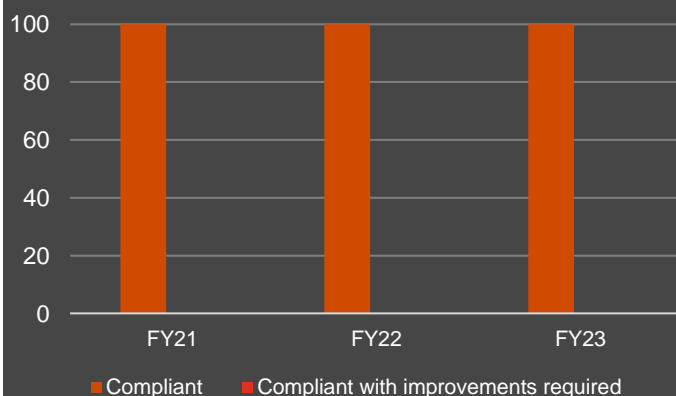
Our firm's monitoring procedures include an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards. This includes the use of Real Time Assurance (RTA). The RTA programme is designed, implemented and operating to identify potential engagement quality issues in real-time to (a) support resolution before those issues become quality findings and (b) coach engagement teams to consistently deliver quality services and is appropriately integrated with the rest of the quality management process.

RTA programme uses experienced practice or R&Q professionals as reviewers.

RTA programme provides other benefits to audit quality by providing additional coaching to engagement teams and identification of shareable practices.

Audit engagement inspections - internal

Audit quality reviews - internal inspections



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 2 years, unless a more frequent review is required based on the profile of that signer's client engagements.

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.



Audit Quality Measures

- Total number of file reviews by external regulators: 0
- Number of file reviews by PCAOB: 0
- Number of file reviews by other external regulators resulting in non-compliance: 0

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 actions in accordance with our firm's Recognition and Accountability Framework.

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



Learn: Root cause Analysis

We perform analyses to identify potential factors contributing to our firm's audit quality 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. Objective team of reviewers identifies potential factors contributing such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

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

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, whether key engagement team members are in the same geography as the client, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with engagement-level findings, 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 management.

Following a root cause analysis, PwC Chile prepares an Audit Quality Improvement Plan (QIP), which outlines the actions to address the underlined potential causal factors contributing to the review results, from both PwC Chile internal reviews and external regulators reviews.



PwC network



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

PwC network



Global network

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

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



The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 19 members. One is appointed as external, independent directors, 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..



Member State	Name of firm
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.
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

Total turnover achieved by statutory auditors and audit firms from EU/EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately 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.



Legal and governance structure



[Message from leadership](#)



[Our approach to quality](#)



[Cultures and values](#)



[Our people](#)



[Our approach](#)



[Monitoring](#)



[PwC Network](#)



[Legal and governance structure](#)

Legal and governance structure

PwC Chile is governed by the Partners through decisions taken by the General Meeting, in accordance with good corporate governance principles. These principles ensure that the decision making process is transparent, predictable and fair with the firm's partners and employees.

The General Meeting is the highest governance body in PwC Chile and has the faculties regulated in the local law and its bylaws such as agree on the amendments of the firms bylaws or admit new partners.

Other governance bodies of PwC Chile are the Country Leadership Team (CLT), the Territory Senior Partner, the Oversight Board and the Risk and Quality partner.

CLT is responsible for the overall management of our firm; Territory Senior Partner, is the head of the CLT and is in charge of ensuring the implementation and maintenance of PwC Network's global policies and procedures. Oversight Board supervises partner admissions and oversees the management of the firm, and finally, our Risk & Quality partner has the function of evaluating critically and objectively if professional standards have been strictly observed.

Country Leadership Team (CLT)

The Country Leadership Team (CLT) is an executive committee, headed by the Territory Senior Partner, responsible for adopting the strategies, guidelines and key policies of the PwC Network bringing them closer to the Chilean firm, as well as managing the local firm.

In order to include different perspectives that contribute to reduce risks and enrich the management of the firm, key position partners with different specialties form the CLT. Among it are the Lead Partners of each line of services (Assurance, Advisory and Tax Legal Services), and the partners in charge of Risk & Quality, Technology/IT, Finance, Human Capital and Marketing & Communications.

The members of the CLT currently are: Renzo Corona, our Territory Senior Partner; the Lead Partners of each line of services: Fernando Orihuela, Leader of Assurance; Federico Morello, Leader of Advisory, and Francisco Selamé, Leader of Tax and Legal Services. In addition, the following partners are also members of the CLT: Sandra Benedetto, partner in charge of Human Capital (HC); Ricardo Arraño, partner in charge of Risk & Quality (R&Q); Jonathan Yeomans partner in charge of Operations (Finance).; Gonzalo Schmidt, partner in charge of Marketing & Communications (M&C) and Gonzalo Riederer Partner in charge of Technology (IT)



Renzo Corona
Territory Senior Partner



Sandra Benedetto
Partner in charge of
Human Capital (HC)



Gonzalo Schmidt
Partner in charge of
Marketing &
Communications (M&C)



Fernando Orihuela
Leader of Assurance



Ricardo Arraño
Partner in charge of
Risk & Quality (R&Q)



Jonathan Yeomans
Partner in charge of
Operations (Finance)



Federico Morello
Leader of Advisory



Gonzalo Riederer
Partner in charge of
Technology (IT)



Francisco Selamé
Leader of Tax and Legal
Services

Legal and governance structure

The CLT holds monthly meetings to oversee the day to day management of our firm. Since its members have executive positions and client portfolios, they are constantly informed about the state of the business and the main needs and concerns of both the internal staff and the clients.

In addition to the CLT, there are specific teams and partners in charge of different support functions, which are in charge of guaranteeing a proper administration of the firm.

While the Territory Senior Partner is appointed for a fixed term of four years by the General Meeting, the leader partners of each line of services and the partners in charge of R&Q, IT, HC, M&C and Finance are appointed (or removed) by the TSP.

Territory Senior Partner

The Territory Senior Partner is PwC Chile's top operational leader and is responsible for the everyday management. The General Meeting appoints the Territory Senior Partner for a fixed term of four years. The maximum number of consecutive terms is two, in accordance with the Network internal policies.

Territory Senior Partner establishes routines for monitoring and follow-up operational risks, working along with the Risk & Quality partner. Additionally, the Territory Senior Partner ensures the implementation and maintenance of PwC Network's standards and has the ultimate responsibility for establishing processes securing quality in the delivery of services across all our business areas.

The Territory Senior Partner annually evaluates and reports to the Network about the quality of the internal control.

Oversight Board

The Oversight Board is an independent non-executive body under no other authority. Among their responsibilities are the oversight of the firm and its management, including supervising partner admissions.

At PwC Chile, the Oversight Board is made up of three partner members, who are elected by partner vote for a term of 3 years. The members of the Oversight Board are currently the following partners: Sergio Tubío, Loreto Pelegrí and Luis Avello.

Risk & Quality

Risk & Quality function is crucial to perform our activities. Like any other organization, PwC may be exposed to risks that can potentially cause economic losses and damage the image and reputation of the firm. Among the main risks that the firm has identified are the possible regulatory changes, the evaluation and acceptance of clients, the commoditization of professional services, loss of independence and breaches on personal data, information security or client confidentiality.

The risks of the firm are addressed based on a set of strict policies and procedures arranged for that purpose and are evaluated permanently by the responsible partner and pertinent support team.

Prior to the execution of any work, our professionals perform comprehensive risk assessment procedures, both for potential clients and for the services to be offered. The fulfillment of the strict procedures that the administration has, along with the ethical behavior of our collaborators has allowed us to position and maintain the value of our brand.

Our commitment to quality lays on the essence of our professional actions in both Assurance, Advisory and Tax and Legal services and is the foundation upon which the prestige of PwC Chile is built.

In addition, all our activities are governed by a framework of internal standards and policies established for all PwC firms, which are constantly reviewed and improved, in line with the dynamic evolution of the professional services we provide and the growing sophistication of the markets that we serve.

For this purpose, Risk & Quality partner has the function of evaluating critically and objectively if methodology and professional standards have been complied with.

Financial information¹

The total turnover of PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada during fiscal year 2023, ending on June 30, 2023 amounted CLP 97.028.440, where assurance services represent approximately a 46%.

PwC Chile have not carried out a statutory audit, during the year ended June 30, 2023 for Public Interest Entities, according to Article 13 of the EU Regulation 537/2014's definition of PIE.

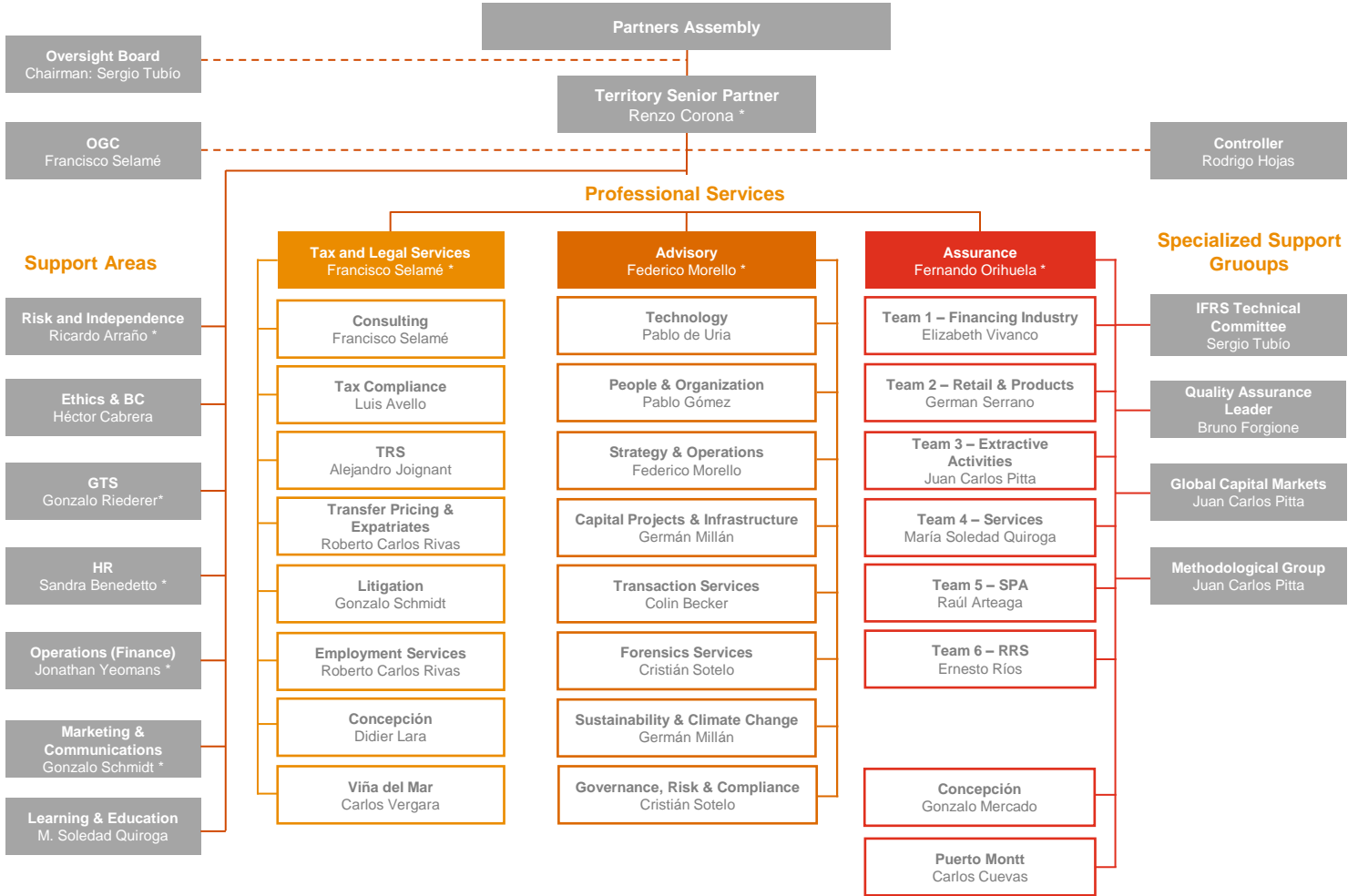
¹ *All Financial Information is expressed in thousands of Chilean pesos (CLP).*

Public Interest Entities Audited by PwC Chile

During the period covered by this report, PwC Chile has not signed an audit opinion for Public Interest Entities, according to Article 13 of the EU Regulation 537/2014's definition of PIE.

PwC Chile Chart

FY23



*Country Leadership Team: CEO, LoS Leaderships and Partners in charge of Operations, Human Resources, M&C, GTS and R&Q and Independence.

Offices in Chile



Santiago

Av. Andrés Bello 2711, piso 5
Torre Costanera, Las Condes

Viña del Mar

Av. Libertad 1405,
Oficina 1704
Edificio Coraceros
+56 32 268 4401

Puerto Montt

Benavente 550, piso 10
Edificio Torre Campanario
+56 65 2 277007/8

Concepción

Chacabuco 1085, pisos 8-9
+56 4 12129300



© 2023 PricewaterhouseCoopers. All rights reserved. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. At PwC Chile our purpose is to build trust in society and solve important problems. Find out more by visiting us at www.pwc.cl