



# Our focus on audit quality

Middle East 2025 Audit Quality Report



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# 01 Message from leadership



**Message from leadership**



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# To our stakeholders

We are delighted to bring you the 2025 Audit Quality Report for the PwC Middle East. Throughout this report, the terms “PwC ME”, “we”, “firm” and “our” refer to the PricewaterhouseCoopers Middle East.

This report is a description of how we bring together our culture, people, values and processes to meet our audit quality objectives. At PwC Middle East, quality and excellence are at the core of our purpose - building trust in society and solving important problems. With a global network (the ‘PwC network’, or ‘network’) spanning 136 countries and over 364,000 professionals, we are united in our commitment to delivering high-quality assurance, tax, legal, deals and advisory services. Quality is the foundation of our stakeholder relationships, our reputation, and our long-term success. Every decision we make is guided by a drive to exceed expectations and deliver enduring outcomes.

PwC Middle East is established in 12 countries across the region and has more than 10,000 people in 12 countries across the region – Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates.

As auditors, we play a vital role in fostering trust in the accuracy, reliability, and consistency of information that supports the capital markets. In a rapidly evolving world, our work is more critical than ever. PwC’s trust-building approach responds to rising expectations for transparency, accountability, and stakeholder engagement. We combine our core strengths in audit, tax, and compliance with growing capabilities in cybersecurity, data privacy, ESG, and AI – all underpinned by a deep commitment to quality and governance. Through continuous engagement with investors, boards, and broader stakeholders, we stay ahead of evolving expectations and deliver confidence where it matters most.

Delivering sustained outcomes requires an integrated approach. Rather than leading with technology alone, we focus on the impact we aim to achieve, drawing on expertise across strategy, digital, cloud, value creation, people, sustainability, deals, legal, and compliance.

Collaboration across our teams is key to addressing client challenges, enhancing audit quality, and delivering deeper insights. By embracing technology and working together, we’re better positioned to meet the evolving needs of the organisations we audit – and those of their stakeholders and investors.

## Elevating Audit Quality Through Culture, People, and Innovation

Maintaining high quality starts with the right culture – driven by strong leadership that sets the tone from the top and supported by a proactive, comprehensive quality management system. When we fall short, we hold ourselves accountable, learn from the experience, and continuously improve.

We are a connected regional practice grounded in trust, quality and a client-first service. With our people, tools and resources, we navigate change, collaborate across borders and deliver impact with confidence.

Our audit practice is powered by a strong culture, exceptional people, advanced technology, and robust governance – all critical to consistently delivering high-quality audits. Culture is at the heart of everything we do. While we’re proud of our progress, we know that building and sustaining a culture of excellence requires ongoing commitment. That means fostering an inclusive environment where everyone feels they belong and can reach their full potential.

Our people are specialists with deep industry expertise, and ensuring we have the right skills in the right places is essential to maintaining quality. That’s why we continue to invest in our people, our culture, and cutting-edge technologies – driving our vision for the future of audit: human-led, tech-powered, and relentlessly focused on quality.

## The Future of Audit

We are building a revolutionary audit ecosystem and equipping our auditors with new digital capabilities to deliver a Next Generation Audit and continue to build trust in what matters.

With the power to transform data, apply predictive analytics and with automation at our fingertips, we will be able to provide clients and audit teams with a panoramic view of their audit landscape and greater insights into their business. It aims at delivering high-quality, fully integrated auditing at speed, reducing burden and helping clients build trust in the things that matter most to them and their stakeholders.

Despite global challenges, we remain optimistic. We operate as One Firm – unifying leading capabilities, deep sector expertise, and a culture of insight and innovation. Challenges bring opportunities – to innovate, to build a more sustainable future, and to reimagine what’s next. Together, we are the catalyst for progress, helping reimagine and shape the future of our region.



**Hani Ashkar**

Middle East Senior Partner  
PwC Middle East



**Darrell McGraw**

Middle East Assurance Leader  
PwC Middle East



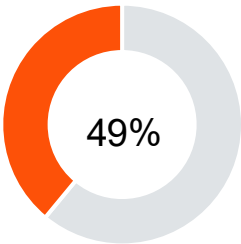
# 2025 year in review

17  
years

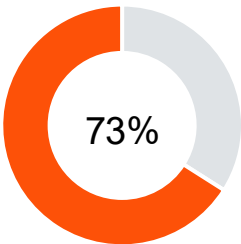
Audit Partners' average career experience at PwC

## Inclusion and Diversity

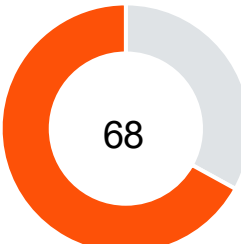
(Audit Practice Data as at 30 June 2025)



Women



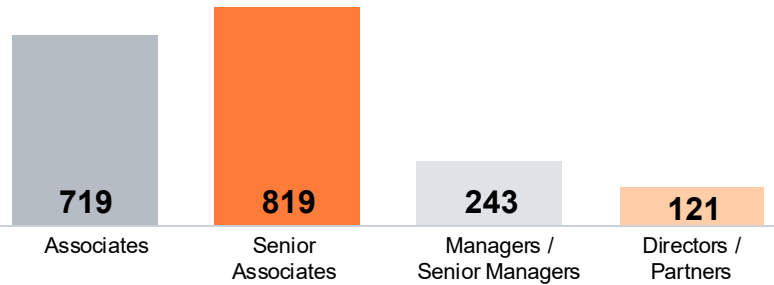
Arabic speakers



Nationalities

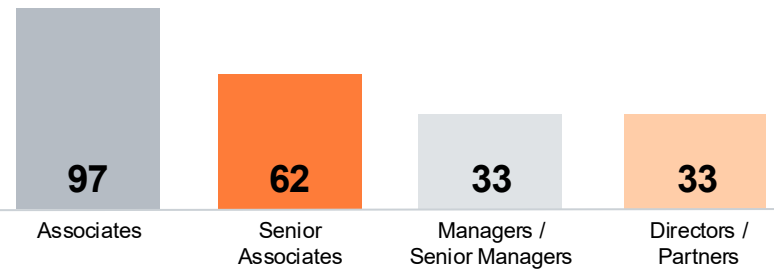
## PwC Middle East Audit practice size

Approximate number of auditors per grade as at 30 June 2025



## Learning and development

Average training hours completed per audit professional during the year ended 30 June 2025



141,509 Core Assurance total training hours completed in FY25

100% Mandatory technical training completion rate for audit staff in FY25

**Recruitment**  
613 new people recruited across PwC Middle East Core Assurance in FY25, including 166 new university graduates



## 02 Our approach to quality



**Message from leadership**



**Our approach to quality**



**Culture and values**



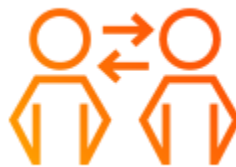
**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**

# Our approach to quality

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

In December 2020, the International Auditing and Assurance Standards Board (IAASB), approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including ISQM 1, which applies to all firms performing audits or reviews of financial statements or other assurance or related services engagements.

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

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

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

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

## A specific focus on audit quality across the Network

### The PwC network's Assurance QMSE framework

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

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

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



## Overall quality objective under the QMSE framework

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

### Integrated and aligned in the right way

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

- Firm's risk assessment process
- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication
- Monitoring and remediation process

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 its individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of its efforts to deliver quality to meet the expectations of our stakeholders.





## The Quality Management Process

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

- identifying risks to achieving the quality objectives.
- designing and implementing responses to the assessed quality risks.
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities, such as real-time assurance as well as appropriate Assurance quality indicators.
- continuously improving the SoQM when areas for improvement are identified by performing root cause analyses and implementing remedial actions.
- establishing a quality-related recognition and accountability framework to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions.



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.

## Values, judgements, objectivity and professional scepticism

Performing quality assurance engagements requires more than just the right tools and processes. In the context of a financial statements audit, the auditor's role is to reach a professional judgement based on reasonable assurance about whether the financial statements prepared by the entity's management are, as a whole, free of material misstatement and present a fair picture of the entity's financial performance and position. To carry out this assessment effectively, PwC auditors apply professional scepticism, objectivity, specialist skills and judgement. PwC's values guide our people in making their assessments, behaving ethically and building a strong culture to deliver trust.

## Our firm's SoQM

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

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

## Our risk assessment process

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

Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result in:

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

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

## 2025 key factors impacting our SoQM

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

- Accountability measures of the Recognition and Accountability Framework have been strengthened and aligned with our enhanced culture and values initiatives.
- Enhancing the procedures around completion activities including the wrap up and archival procedures of audit evidence.
- Technological resources continue to be an area of focus in our SoQM with respect to the assessment of the requirements of Network Resources used to perform engagements.

The QMSE framework has helped us navigate the changes in our firm's environment, by assessing the completeness and effectiveness of our responses, including any additional monitoring put in place, and identifying any gaps to address new or emerging quality risks.





## 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 or detect quality issues. This quality risk analysis is an essential part of our SoQM, and the AQIs also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

The AQIs are used by the leadership to measure the achievement of quality objectives quarterly, in areas including independence, engagement performance, people-related matters, quality matters, direction, supervision and review. This is monitored through appropriate periodic reporting by the relevant functional teams to the leadership. Trends in areas with indicators of quality within these measures are considered quarterly and actions implemented, as appropriate. Quality outcomes within these quality indicators are used to determine appropriate actions.

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

As mentioned above, some of our policies and procedures are provided by the PwC network which we have assessed to determine that these resources are appropriate for use as part of our SoQM and in the performance of engagements. The following sections of the report cover the following ISQM 1 quality objectives:

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

### Our monitoring and remediation process

In the section, Monitoring, on page 28, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and are operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and is operating a root cause analysis program that is described further on page 30.

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

### Statement on the effectiveness of the PwC ME's SoQM

During the year, we completed our evaluation of the PwC ME's system of quality management under ISQM 1. On behalf of PwC ME, the Regional Assurance Leader has evaluated whether our firm's SoQM provides us reasonable assurance that:

- PwC ME and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the PwC ME firms or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the PwC ME's SoQM, as at 30 June 2025, we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM 1 noted above have been achieved.



## 03 Culture and values



**Message from leadership**



**Our approach to quality**



**Culture and values**



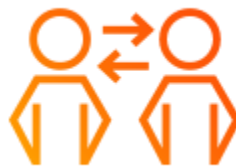
**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**

# 03

## Culture and values



### Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of more than 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 SoQM; to annually complete a SoQM performance assessment; and to communicate the results of these assessments to the global leadership. These results are then discussed in detail with the leadership of each local firm within the PwC ME and if they are not at the level expected, a remediation plan is agreed with the 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 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 deliver 'trust in what matters'.

### Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG and cyber security 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 broader impact.

We call this 'trust in what matters'. We apply rigorous standards to analyse 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 working to improve 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

The 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. Leadership and engagement partners take the lead on these actions as they role model the expected behaviours in interactions with clients and teams. We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our quality objectives. Delivering service of the highest quality is core to our purpose and our Assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.



### Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework ('RAF') reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. Our RAF has been designed to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations by holding Partners, 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 behavior and sufficient to incentivise the right behaviours to achieve the quality objectives.



## Ethics, Independence and objectivity

### Ethics

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

**Integrity:** to be straightforward and honest in all professional and business relationships.

**Objectivity:** to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.

**Professional competence and due care:** to maintain professional knowledge and 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.

**Confidentiality:** to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

**Professional behaviour:** to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas, including ethics and business conduct, independence, anti-money laundering, 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 are required to comply with the standards developed by the PwC network and the PwC ME leadership monitors compliance with these obligations.

In addition to the PwC values (Act with Integrity, Make a difference, Care, Work together and Reimagine the possible) and PwC Purpose, we have adopted PwC’s Global Code of Conduct, Network Standards and related policies that clearly describe the behaviours expected of our partners and other professionals – behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal – to do the right thing.

Upon hiring or admittance, PwC ME provides an overview of the PwC Global Code of Conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, every partner and staff is 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 the fear of retaliation.

The PwC Code of Conduct and the ethics helpline (**Global Ethics Helpline**) are available online for all internal and external stakeholders at <https://www.pwc.com/ethics>. This resource is accessible on the Middle East and Global PwC portals.

PwC ME 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) and those applicable to EU PIE audit clients 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 or EU requirement are more restrictive. Provisions that are specifically identified as applicable to SEC and EU restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph.

The PwC Middle East 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 and other local independence requirements as applicable for the PwC ME including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to the Chief Risk Officer ('CRO') who in turn reports to the Managing Partner and the Territory Senior Partner of the PwC Middle East.

### 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 co-delivery, 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 for those clients.

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

These policies and processes are designed to help PwC 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.

The local firms within the PwC ME supplement the PwC Global Independence Policy as required by local laws and regulations where they are more restrictive than the network's policy. The PwC Global Independence Policy also captures SEC and EU independence rules where they are more restrictive than the network's policy.





## Independence-related systems and tools

PwC ME has access to a number of systems and tools of the PwC network 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 clients) 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 is integrated with the Independence Checkpoint and the Authorisation for Services systems;

**Independence Checkpoint**, which facilitates the pre-clearance of publicly traded securities and other securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required;

**Authorisation for Services (AFS)** which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service;

**Global Breaches Reporting System** which is designed to be used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code or relevant independence regulations.

**Joint business Relationships (JBR) System** which is a global system used to clear joint business relationships from an independence perspective. The JBR system 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.

All approved Joint Business Relationships (JBR) entered into by PwC ME are also maintained in the JBR system. These relationships are reviewed and refreshed at least every six months to ensure their ongoing permissibility under the applicable independence rules; and

**My Compliance Dashboard (MCD)** which is global compliance system that facilitates annual compliance confirmations, engagement independence confirmations and reporting. The MCD has been implemented for the annual compliance confirmations since FY24.

In addition, PwC ME utilises a tool, Query Manager, which is used by PwC ME partners and staff to log their independence related inquiries and consultations on personal and corporate independence matters for the Independence team to review and address.

In addition, rotation requirements are tracked as applicable under the network independence policy and with reference to local rules, as applicable, for the engagement leaders and other key audit partners involved in audits.

In addition, PwC Middle East utilises and supports the Network's Centres of Excellence which adopt standardised processes for approving and monitoring of joint business relationship, assessing prospective audit engagements and approving non-audit services for certain categories of clients and in particular SEC restricted entities.



## Independence training and confirmations

We provide all partners and practice staff with annual and 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, changes in independence systems and, as relevant, provision of services. Partners and staff receive computer-based training on the firm's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practice on an as-needed basis by the firm'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 engagement level independence confirmations for all audit clients.



## Independence monitoring and disciplinary policy

The leadership of PwC in the Middle East is responsible for monitoring the effectiveness of its SoQM in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, the PwC Middle East independence team perform:

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

The results of monitoring and testing are reported to the Middle East leadership team on a regular basis with a summary reported to them on an annual basis.

The PwC Middle East 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 timely 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 the firm's independence 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 annually 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

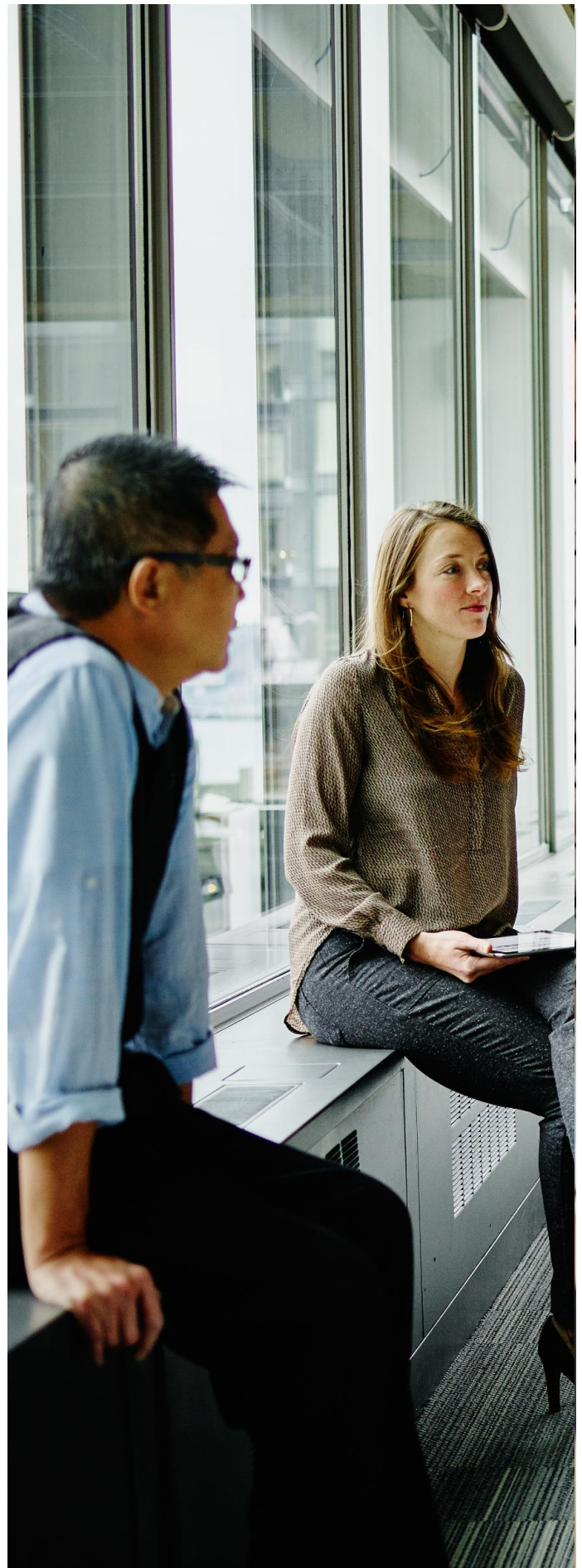
The firm has implemented a process to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance (A&C)). A&C facilitates a determination by the engagement team, business management and risk management 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.







## 04 Our people



**Message from leadership**



**Our approach to quality**



**Culture and values**



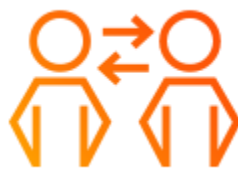
**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**

# 04

## Our people

### People strategy

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

We hire candidates who have diverse backgrounds and appropriate skills; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity. Our hiring standards include a structured interview process with behavior-based questions built from The Evolved PwC Professional framework, assessment of academic records, and background checks.

We believe that investing in a broad range of skills, experiences and backgrounds puts us in a stronger position to understand and meet the needs of our clients. This year we have continued to recruit a more diverse range of talent, in particular to encourage more talented women and Arabic speakers.

#### The Evolved PwC Professional

The Evolved PwC Professional (EPP) is a behavioral framework that sets clear expectations for how everyone at PwC can bring the firm's purpose, strategy, and values to life.

This evolved framework comprises two essential and interconnected dimensions: Trusted Leadership and Distinctive Outcomes. Each dimension is underpinned by core behaviors-Inspire, Empower, Evolve, Champion, Build, and Deliver-and reinforced by 30 supporting behaviors that detail what it means to demonstrate excellence at every level.



### 'Driving innovation through our people'

Innovation at PwC is about more than just technology and using our data specialists. It is deeply rooted into our people's mindsets and behaviours. We achieve this by providing our employees with the tools and skills needed to enable them to reimagine the possible. We also empower them to revolutionise all aspects of their work and drive digital transformation from the ground up. Our journey has continuously evolved and improved over the years, with one key theme throughout; putting technology in the hands of our people.

Our digital upskilling initiative provides a wide choice of programmes to build the people's digital capability from novice to practitioner. Our framework "Digital For All" is created to provide our people with individualised learning tools to expand the use of digital solutions on their audits and empower them with a mindset of continual improvement and innovation.

Our citizen-led innovation approach is delivered via the following:

**Digital Accelerators:** Our Digital Accelerators drive our digital transformation efforts. They are deep technical specialists combined with change agents who are deployed across our audit practice.

They are auditors with specialised technology training and play a crucial role in our audit teams. They help identify audit areas suitable for digital delivery and build bespoke workflows and automations to make it happen. They create, and encourage others to create, customised audit innovations.

**Digital Lab:** Our citizen-led collaboration platform for developing and sharing ideas and citizen built automations across teams. This ensures that solutions built by one team is scaled across the wider firm, where appropriate, after the solutions have gone through our innovation governance process.

### PwC Middle East Core Assurance results

91%

of our core assurance staff and partners across Middle East participated in our Global People Survey

87%

The leaders I work with are committed to providing high quality services to external clients

71%

I expect (plan) to be working at PwC 12 months from now



## Wellbeing

The health, wellbeing and safety of our people continue to be a top priority. We recognise that further progress in enabling a healthy lifestyle for our people requires sustained focus on achieving a systemic change in how we work.

Building a culture of wellbeing goes straight to PwC's Purpose of establishing trust, in this case with our people and clients and solving important problems: illness, burnout and other issues that arise from not prioritising wellbeing.

Our wellbeing strategy is supported by **"Wellbeing Champions"** who implement the strategy through encouraging new ways of working, incorporating wellbeing activities and role modelling positive, healthy behaviours and habits.

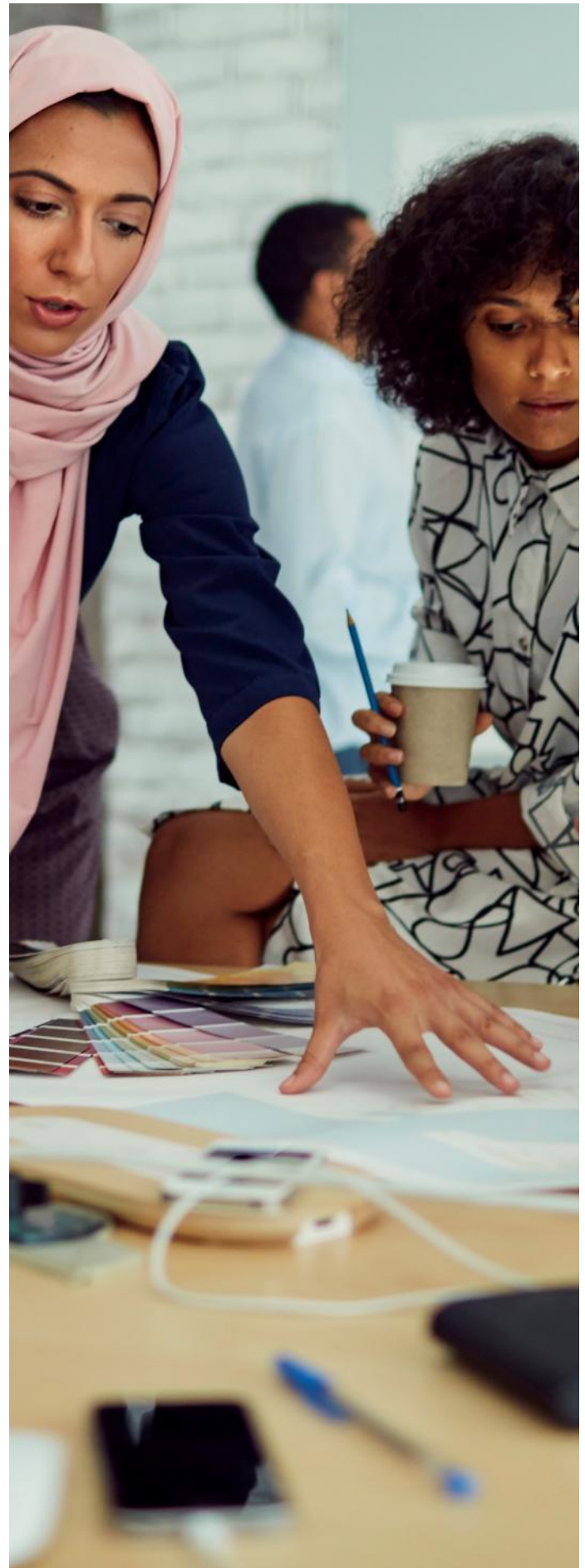
We continue to develop our pool of PwC Mental Health First Aid-ers who are equipped with the skills to identify and assist someone who is experiencing a mental health challenge. Just as with physical first aid, in all situations the goal is to provide support until appropriate professional help arrives.

Various wellbeing initiatives are in place and we continue to encourage our people to adopt:

- High Performance Routine Workshops: At PwC, we know that to achieve success and deliver quality work, we need healthy, energised teams who can navigate the intensity and complexity of our business. In these workshops, we aim to continue to develop teams, leaders, and individuals that support each other to work sustainably and be elite performers.
- Team/ project charter: A document which aims to identify the personal interests, responsibilities and commitments of each team member and enables our teams to collectively establish everyone's preferred working norms.
- Other various initiatives implemented including: financial wellbeing workshops, 'wellbeing sessions at your desk' and 'wellbeing talks' in partnership with recognised external institutions.



**88%** of the respondents to the Global People Survey are proud to work at PwC







## Inclusion and diversity

At PwC, we're an organisation that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centred on action, accountability and advocacy, in each of our member firms, across the PwC network. We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion and social inclusion. Underpinning this is ensuring our systems and behaviours are inclusive.



## 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 make our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. Various retention initiatives were implemented during the year including: revised performance and reward initiatives, protected time off, flexible working model, Communicate to Connect Initiative and Project Health Check 'a tool designed to gauge and enhance team culture and morale throughout a project's execution'.



## 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 Talent Hive 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.



## Recruitment

We aim 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 behavior-based questions built from The Evolved PwC Professional framework, assessment of academic records, and background checks for our 'associate through partner' grade recruits.



## Career progression

We use The Evolved PwC Professional, a global career progression framework, which sets out clear expectations at all staff levels across two essential and interconnected dimensions: Trusted Leadership and Distinctive Outcomes. 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 Career Coach to discuss their development, progression and performance.



## Global People Survey

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



## 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.



## Learning and Education

### Professional development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, 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 member firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curricula, developed at the network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

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

The design of the curricula allows us to select, based on local needs, when we will deliver the training. Our Learning and Education leader in consultation with the business leads then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.

We leverage learning technology tools and platforms to provide our people with development opportunities, relevant to them and in a way that best works for them, empowering them to take ownership of their own learning and development journey.

Our training practices to develop and maintain capabilities and technical competence include:

- An annual risk and quality update training for all partners and staff spanning matters relating to compliance, independence and ethics;
- The provision of a mandatory technical training programme which comprises both foundation and update of accounting and audit methodology trainings as well as specific training for auditors of US PCAOB or AICPA and industry clients, including any required regulatory trainings;
- The consideration of training needs on an ongoing basis. We release guidance and/or training material as appropriate throughout the year. This allows us to respond to emerging performance gaps promptly when they are identified. This includes but not limited to IFRS hot topics and alerts on risk management and methodology considerations; and
- Equipping our tutors with effective instructor skills and having processes in place to measure the effectiveness of our training.



## 05 Our approach



**Message from leadership**



**Our approach to quality**



**Culture and values**



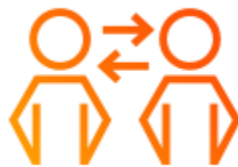
**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**



# Our approach

The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying audit methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement. Additionally, we consider what our various stakeholders require from us, what they tell us we need to improve and the findings of regulatory inspections on the quality of our work.

As a member of the PwC network, PwCME 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.

## Developing our audit approach

We are continuously developing our approach to audit delivery to maximise the experience for our people and ensure high quality work for our clients in an efficient and sustainable way. Our Smart Delivery approach is changing the way we plan, resource and deliver our engagements. Aligned with our firm's new global strategy, The New Equation, we are combining world-class teams with market-leading technology, enabled by smart, yet simple, business processes. Together, these measures represent a significant transformation of our audit business and support our focus on continuing to enhance audit quality.

We continue to change 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 add economic capacity to invest in the future. We use both on and offshore resources to streamline, standardise, automate, and centralise portions of the audit. For example, our Delivery Centre is dedicated to specific areas of the audit, and these team members can apply deep expertise and advanced tools to drive quality and efficiency.

PwC continues to invest in a world-class suite of digital tools and technologies to enhance the quality of the audit, in alignment with our new global strategy.

Technology is central to how we operate, and the use of technology is embedded in our end-to-end audit lifecycle, from planning to the use of data auditing and visualisation techniques in our audit testing. This targeted use of technology enables our auditors to generate insights to focus on the risks and judgements that really matter.

Our advanced technology drives:

- high quality audits, with the increasing use of data auditing providing increased coverage and high level of audit comfort;
- effective communication and integrated real time project management;
- transparency and clarity over our important audit judgements;
- greater efficiency in testing; and
- unique insights – around data, process, controls, systems and people.





# Tools and technologies to support our audit



## Our tools

As a member of the PwC network, PwC ME 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 country specific guidance for ISA, 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.

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

Our global audit documentation platform, Aura, 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.



## Our Next Generation Audit (NGA)

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

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



## 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 reviewers in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.



## Supporting engagement performance



### Developing delivery model

We continue to grow 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 increase economic capacity to invest in the future. We use delivery centres to streamline, standardise, automate, and centralise 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, 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 maintaining high audit quality. We have formal protocols about mandatory consultation, in the pursuit of quality. For example, our engagement teams consult with appropriate groups in areas such as taxation, risk, valuation, actuarial and other specialities.



### Technical teams

Besides these specialists a pool of methodology, technical accounting, auditing, and financial reporting specialists as well as risk and quality play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting, auditing and providing those updates to professional staff.



### Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the firm's system of quality management as required by professional standards. These partners who have the necessary experience and technical knowledge are involved in the most critical aspects of the audit. They consider important matters including 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 central functions such as the technical team. These include the use of technical panels consisting of partners independent of the process.





## Confidentiality and information security

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

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring. It is the firm's policy that its information assets and those of its clients are protected from internal and external threats, confidentiality and integrity of information is maintained; statutory, regulatory and contractual obligations are met; and access to information assets is granted only for justified business needs.

### 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 have set our Data Protection policy that reflect the requirements of applicable local data privacy or data protection laws besides the EU General Data Protection Regulation "GDPR" whenever there is a processing of personal data.

### Information Security

Information Security is a high priority for the PwC network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm maintains, cause our firm to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. As such, our firm complies with the Information Security Policy (ISP) which outlines the minimum expected security standards for all PwC firms.





## 06 Monitoring



**Message from leadership**



**Our approach to quality**



**Culture and values**



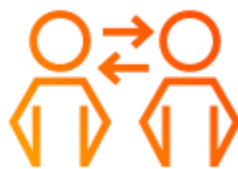
**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**

# Monitoring

## Monitoring of Assurance quality

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

Responsibility for appropriate quality management lies with the PwC Middle East's Assurance Leadership and Country Leadership teams within PwC ME. This includes the design and operation of an effective SoQM that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the 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 and 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 Assurance ('RTA') programme designed to provide preventative monitoring that helps coach and support engagement teams to get the 'right work' completed in real-time, during the audit.

The RTA programme which is a coaching programme to the teams has been run for a number of years and continued in FY25 for a sample of engagements. There is good breadth of coverage across all engagement leaders and both audit and non-audit engagement types, targeting the higher risk engagements based on client risk profile. The reviews are performed by experienced managers, senior managers and directors with relevant industry expertise. Key learnings identified through this programme are communicated to the practice through mandatory training programme webcasts, briefings and additional guidance.

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

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

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers are sourced from PwC Middle East firm other than the local firm subject to the review and from other PwC member firms outside of the Middle East to provide appropriate expertise and/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 our Middle East Assurance leadership team's own assessment of the effectiveness of their SoQM and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our leadership who are responsible for analysing the results of the inspections along with quality findings identified from all sources of information, for performing timely root cause analysis, and for implementing remedial actions as necessary. In situations where quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible engagement leader or our firm's Assurance leadership personnel may be subject to additional training or sanctions in accordance with PwC Middle East's Recognition and Accountability Framework.

Assurance engagement leaders 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 is to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit. We look at quality findings from various sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, and audits both with and without deficiencies —whether identified through our own internal inspections process or through external inspections — to help identify possible distinctions and learning opportunities.

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

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, 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 evaluate how these learnings may be used to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.





## 07 PwC Network



**Message from leadership**



**Our approach to quality**



**Culture and values**



**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**

# PwC Network



**PricewaterhouseCoopers  
International Limited**



**The governance bodies of PwCIL**

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

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain "PricewaterhouseCoopers", however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following [page on the PwC Global website](#) for a list of the current members of the Global Board.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.

The Territory Senior Partner of the PwC Middle East is a member of the Strategy Council and maintains our relationships with the Network Leadership Team.







## 08 Governance structure



**Message from leadership**



**Our approach to quality**



**Culture and values**



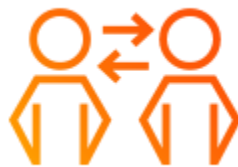
**Our people**



**Our approach**



**Monitoring**



**PwC network**



**Governance structure**

# Governance structure



## PwC Middle East

The PwC Middle East comprise the network of PwC firms in the Middle East region. Each firm operates as a separate legal entity, forms part of the PwC global network and are member firms of PricewaterhouseCoopers International Limited. At 30 June 2025, the PwC Middle East had more than 10,000 people in 12 countries across the region – Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, the Palestinian territories, Qatar, Saudi Arabia and the United Arab Emirates.

### PwC Middle East Governance Structure

As of 30 June 2025, the governance structure was as follows:

#### Middle East Legal Board

The PwC Middle East Legal Board is responsible for strategic and governance oversight of the PwC Middle East and delegates certain responsibilities to two key bodies, i.e. the Middle East Supervisory Board and the Middle East Leadership Team (MELT).

#### Middle East Supervisory Board

The PwC Middle East Supervisory Board comprised of an elected Chairman and of elected partners from the Middle East region as well as independent members.

The PwC Middle East Supervisory Board has a governance role to provide oversight on behalf of the partners of the PwC Middle East. The Supervisory Board is responsible for giving constructive and independent guidance and input to the Legal Board and the MELT on matters which are amongst others of concern or interest to the Partners.

#### Middle East Leadership Team

The MELT is responsible for the strategic direction of the PwC Middle East such as the determination of the strategy and business plan to achieve a common and coordinated approach.

The MELT is chaired by the Middle East Territory Senior Partner and comprises of ME leaders which includes amongst others the line of service leaders of Assurance, Consulting, Deals, Strategy & and Tax & Legal Services as well as various support functional leads.

The MELT approves standards and policies relating to business values and ethics, quality assurance, compliance and risk management consistent with those set out under the PwCIL Regulations to be promoted within PwC member firms and oversees the implementation of such standards and policies to ensure global risk management and compliance.

### Middle East Regional and Country Governance

The Territory Senior Partner of PwC Middle East (TSP) chairs the MELT and the MELT is responsible for the strategic direction of the PwC Middle East which includes quality as a key pillar across all lines of service.

The Middle East Assurance Leader, who is part of the MELT, is in turn accountable to the Territory Senior Partner and has the overall responsibility for audit quality on a region-wide basis. He is supported by a ME Assurance Leadership team which supports him in establishing and determining the effectiveness of the system of internal control, including those relating to the quality of the assurance services.

Each firm within the PwC Middle East has a Country Assurance Leader who assumes the responsibility for audit quality in the respective country.

