



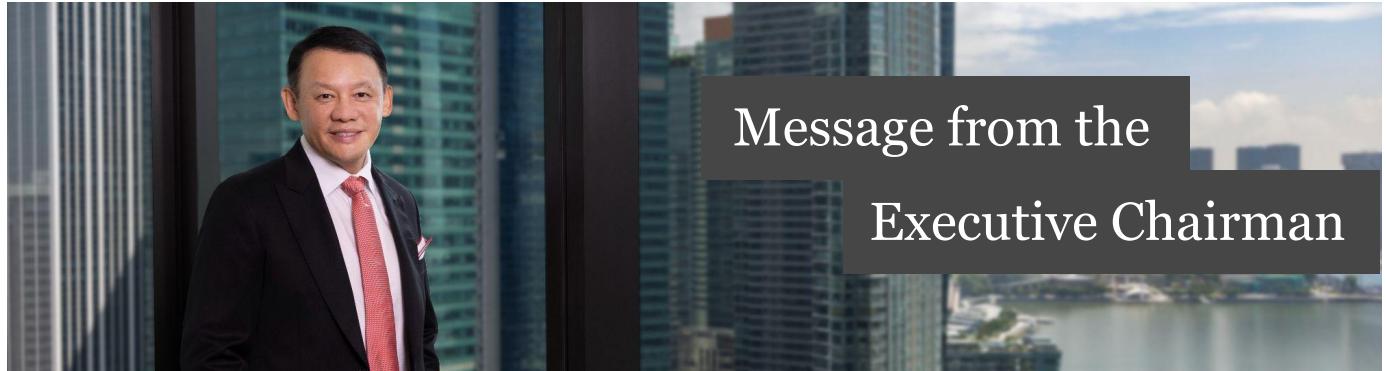
PwC Singapore Transparency Report 2021

For the financial year ended 30 June 2021

www.pwc.com/sg



Message from our leadership



The year 2021 is going to be remembered as the year we transitioned from COVID-19 pandemic to endemic living. Significantly, it is also the year in which PwC has responded to these disruptions by recommitting to our purpose – to build trust in society and solve important problems - through our new landmark global strategy, [The New Equation](#). The increasing focus on ESG and calls around the world for more transparency and accountability shines a spotlight on the interconnected needs of building trust and delivering sustained outcomes, which are core to [The New Equation](#) strategy.

This new approach brings together PwC's unique combination of people, powered by technology, to deliver trust and sustained outcomes that our clients and wider society are seeking in this time of uncertainty. As competition and societal expectations grow more intense, trust is more important than ever before, and organisations need to deliver sustainable outcomes more than just short-term solutions. At the heart of trust lies transparency, and it is against this backdrop that we present our FY2021 Transparency Report.

As the world shifts in profound ways, the importance of our role as trusted business advisors is now more pronounced than ever. PwC's approach to building trust is designed to meet the rising expectations of transparency and stakeholder engagement. It combines expertise in audit, tax and compliance with an expansion of specialist capabilities including cyber security, data privacy, ESG and AI. It recognises the importance of quality. It recognises that reporting and compliance are just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies, and appropriate governance.

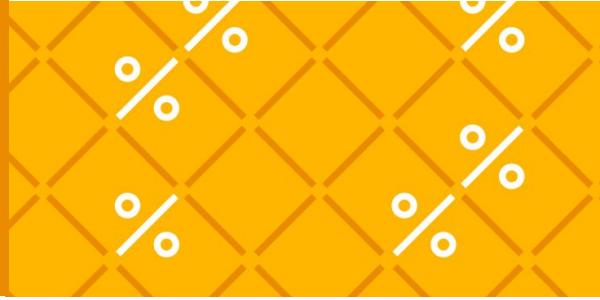
COVID-19 has dominated our lives over the past 18 months. Every aspect of our firm's operations have been impacted and it has been a challenging time for many of us. Although its disruptions are still being felt, we are proud of our human-led, tech-enabled strategy and our people's resilience and agility which have enabled us to adapt quickly to deliver large-scale, tech-enabled transformation projects and quality audits. As a firm, the mental and physical wellbeing of our people remains our top priority. We continue to focus on providing holistic wellbeing support as well as renewing our efforts on digital and ESG upskilling to better equip our people to prepare for the future.

As we transition to a COVID-endemic world, we expect that more intense challenges will come. As PwC continues to invest to further enhance quality across the network in line with [The New Equation](#) approach, we are confident that as a community of solvers, we will deliver real impact with lasting sustainable outcomes for our clients, stakeholders and wider society.



Marcus Lam
Executive Chairman
PwC Singapore

Message from our leadership



Message from the Assurance Leader

Auditors today play a bigger and more important role in the society as organisations face many new challenges the pandemic has unleashed over the past 18 to 20 months. These unprecedented times have also open up abundant opportunities for us. Whilst we are eager to explore these opportunities, building trust with high quality audits remain a priority of our assurance practice. Our Transparency Report 2021 aims to provide our stakeholders with a view of our firm's commitment towards this and achieving quality in everything else that we do.

We continue to perform well in our audit quality reviews in the past year. The quality reviews were conducted virtually with the same robustness as physical reviews and our engagement teams gave their full cooperation in supporting the review process. Our aim is not just to achieve stellar results but also to learn from our interaction with the reviewers. We constantly seek for improvement possibilities in whatever that we do, to achieve a high quality management standard.

Technology has helped us to tide over the challenges brought by the pandemic. We are constantly investing in new technology and enhancing our audit tools to deliver not just quality audits but insightful experience to our clients. We have refreshed our digital upskilling program to equip our people with the skill sets and mindsets to lead technology-powered audits.

During the early days of the pandemic, we were determined to protect our people and their jobs. We continued to recruit and honour job offers even at a time when we faced uncertainties amid such an unprecedented crisis. We have not stopped introducing new initiatives to retain our people and attract talent. We find innovative ways to engage and support our people who may suffer from work-from-home fatigue. Secondment opportunities for our top talent have been ramped up when border closures started to ease as part of our efforts to groom the best of our people. Despite a difficult year, several of our Singapore Chartered Accountant Qualification candidates emerged as top scorers in the country and we are very proud of their achievements.

Amid the challenges in the past year, we have secured a stable assurance practice and further raised our market share of Top 50 SGX companies (by market capitalisation) to 48.1%. We do not rest on our laurels. We continue to seek for innovative and sustainable solutions to the problems the world is facing. As assurance work in the ESG space becomes increasingly important, we look forward to making a difference and reimagine the possibilities of that we can offer in our role.

Choo Eng Beng
Assurance Leader
PwC Singapore

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Year in review



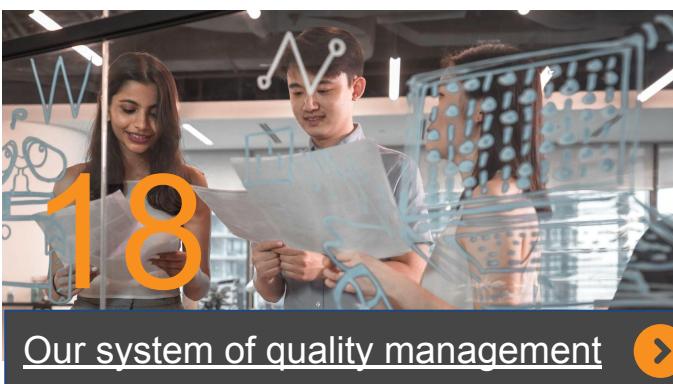
Our audit approach



Our approach to quality



Monitoring



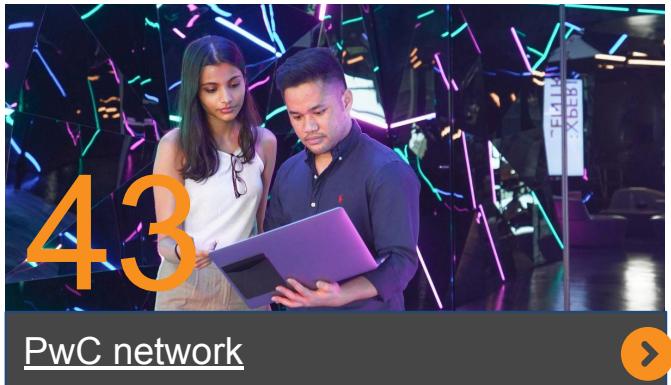
Our system of quality management



Legal and governance structure



Our people



PwC network



Year in review



Audit Quality Reviews - External

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

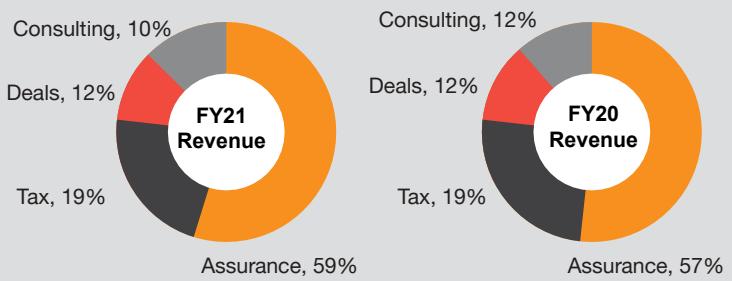


* Outcome of review of the non-PIE engagement is under evaluation

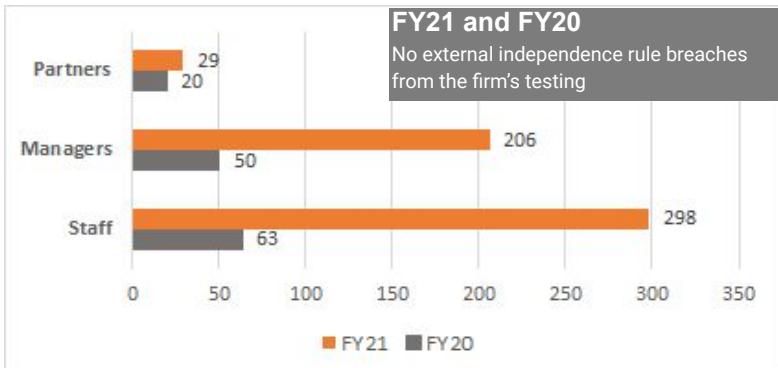
Audit quality reviews - Internal

Internal engagement review	2021	2020
Total audit engagements reviewed	17	15
Compliance rate	100%	100%
% partners/directors reviewed	27%	24%

Revenue by service lines



Number of individuals tested for independence compliance



2020 PCAOB Inspection

Number of audit engagements reviewed by the PCAOB

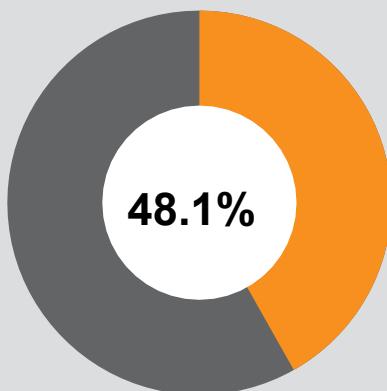
3

100% Pass

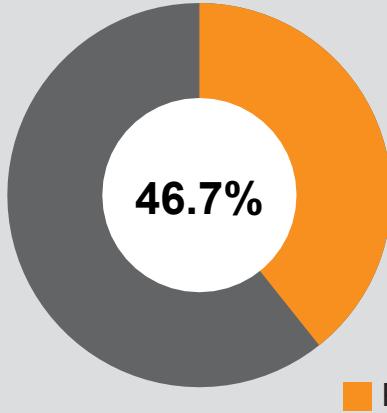
[2017: 100% Pass]

Top 50: SGX market share by market capitalisation

30 June 2021



30 June 2020



PwC
Others

Year in review



Leveraged ratio of audit team members

		FY21			FY20			
Manager	to	Staff	1	to	3.8	1	to	3.9
Partner	to	Staff	1	to	21.9	1	to	22.3



Years of audit experience
Average years of experience of audit team members

4.9 years
FY20: 5.0 years

Quality control support

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

1 to 13
FY20: 1 to 13

Digital upskilling

2,842

partners and staff trained on data analytics, visualisation, and automation across the firm in the last two years.



Singapore Chartered Accountant Qualification

Professional exam	FY21	FY20
Number of candidates	275	182
Passing rate	83%	83%
Number of top scorers	5	2

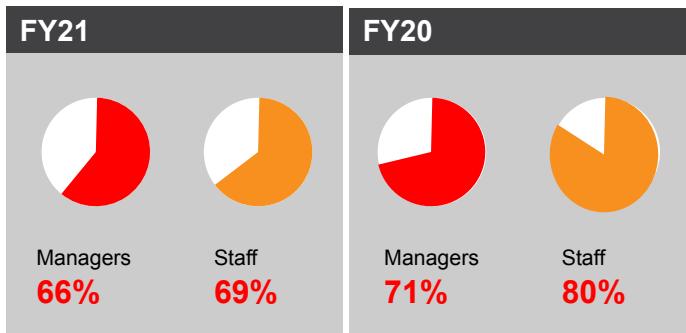
Our training investment

Assurance training FY21

Average hours achieved by partners and staff

84

Average assurance retention rate



Assurance training FY20

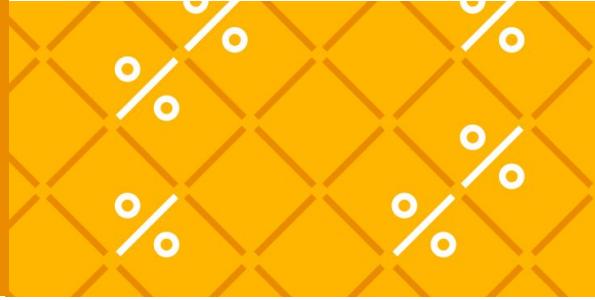
Average hours achieved by partners and staff

88

Our approach to quality



Our approach to delivering quality services across operations and network



Focus on service quality

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

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

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



Defining quality and culture

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

An important part of service delivery against this quality definition is building a culture that emphasises on quality as the **responsibility** of everyone across the network of **295,000** people. 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

Each PwC firm, as part of the agreement by which they are members of the PwC network, is required to have in place a rigorous **system of quality management (SoQM)**. This includes completing an annual SoQM performance assessment and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm. If the results are not at the level expected, a remediation plan is agreed with the local leadership team.

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

Specific focus on audit quality



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

Right objectives and capabilities

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

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

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

Right integration and alignment

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

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

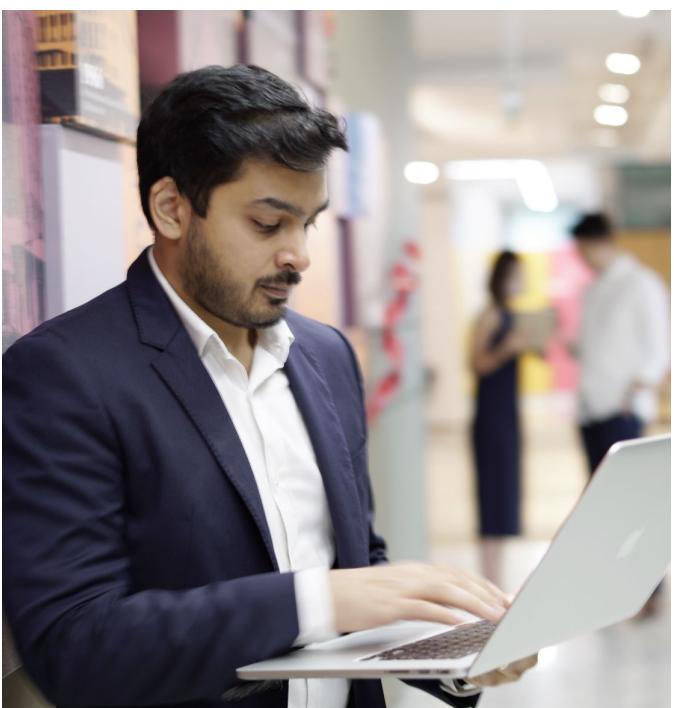
Delivering a quality end-product consistently

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

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

Values and judgments

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



Our quality management objectives



Delivering service of the highest quality is core to our purpose and our assurance strategy, with focus on building trust and transparency in the interest of our clients, capital markets and the wider society. The PwC network prides itself on being at the forefront of the quality management journey through the establishment of a Quality Management for Service Excellence (QMSE) framework that takes an objectives-based approach to quality management. It integrates quality management into business processes. PwC Singapore has designed, implemented, and is operating our SoQM under this quality management framework.

The QMSE framework introduces an overall quality objective for the Assurance practice focused on having people and processes deliver services effectively and efficiently, while meeting the expectations of our clients and other stakeholders.

The overall quality objective is supported by a series of underlying quality management objectives which cover:

- Leadership and quality management process
- Ethics and objectivity
- Client selectivity management
- Solutions and opportunities management
- People management
- Technology management
- Solutions delivery management

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

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

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



The quality management process

Our quality management process includes:

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

Our quality management objectives



Our aim to predict: Audit Quality Indicators

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

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



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

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

Our quality management objectives



Our 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 in the application of the audit approach and file documentation in accordance with the audit methodology on a real-time basis.

Our reviewers comprise experienced practice and R&Q professionals, supported by our experienced directors and partners. Review is carried out as jobs progress. The RTA dashboard is also used to highlight specific areas of focus and optimise effectiveness of the review programme.

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

Our aim to learn: Root cause analysis

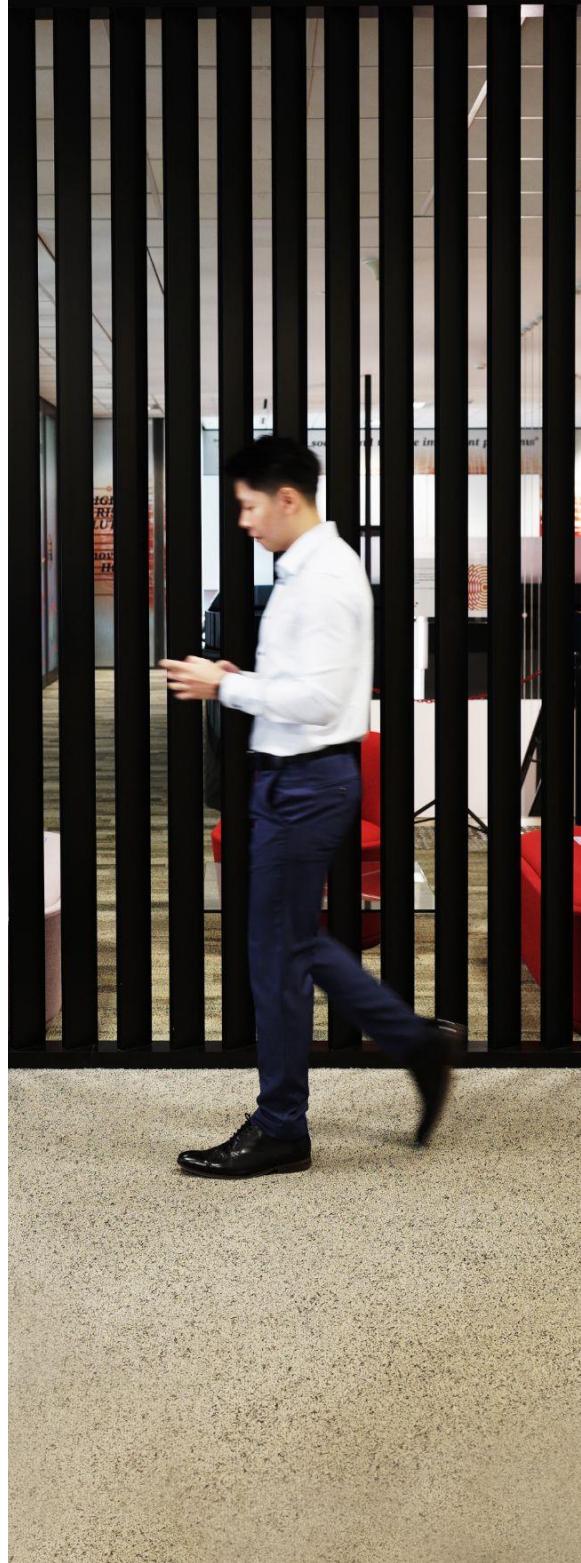
We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take the right actions to continuously improve. Our primary objectives when conducting such analyses is to understand what our findings tell us about SoQM and identify how our firm can provide the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

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

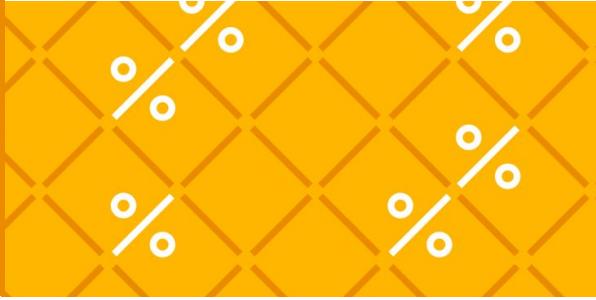
For individual audits, an objective team identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are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

In addition, the data compiled for audits is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include hours incurred on the audit, the number of years of experience of the key engagement team members, the number of years the key engagement team members have been on the engagement, distribution by industries/business units and whether the engagement was subject to another review previously (RTA, cold review, the Engagement Compliance Review or regulators' inspection).

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



Our quality management objectives



Our aim to reinforce: Recognition and Accountability Framework

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

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

Delivering audit quality during the COVID-19 pandemic



Our response to COVID-19

The global pandemic has had an unprecedented impact on our clients, our people, global and local economies, as well as the society over the whole of last year.

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

Sharing developments and experience

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

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

Identifying and addressing risks related to COVID-19

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

The foundation we have built for our system of quality management helped us navigate some of our biggest challenges as a result of the pandemic. We were able to monitor the actions we took to address identified risks and assess whether changes needed to be made on a real time basis. We used the experience and examples shared with us from across the network to support our assessment of the issues that had the potential to impact our system of quality management.

We developed and issued practical guidance on audit and accounting matters. We conducted regular web-based training sessions to increase awareness on the potential focus areas in light of COVID-19. We reinforced the need for appropriate supervision and review, while tapping on specialist consultations within our firm to respond to the identified risks. The COVID-19 Audit Resource eCentre or CARE we had set up continues to bring together all accounting and auditing guidance, potential audit challenges, and disclosure examples. It consolidates all information on professional and regulatory responses to COVID-19 in Singapore and around the world, keeping our teams abreast with time-sensitive information.

Using technology to support teams

Our investments in technology and agility in upskilling our partners and staff to work seamlessly in a digital world put us at the forefront in managing remote working during our busiest time of year without sacrificing quality in our audits. Our teams utilised the resources made available and worked cohesively to execute our audits remotely.

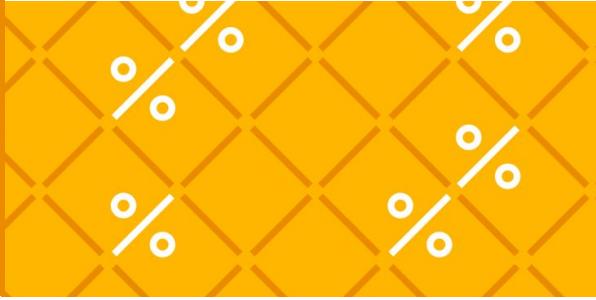
Our network audit technology infrastructure and tools, including our Connect Suite (detailed on [page 33](#)), enabled our people to continue with work despite the significant changes in physical work environment.

We continue to monitor and respond to the ongoing impact of the pandemic on our people and clients including the implications of changing or easing restrictions.

Our system of quality management



Leadership and tone at the top



Our culture and values

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

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



Act with integrity

- Speak up for what is right, especially when it feels difficult
- Expect and deliver the highest quality outcomes
- Make decision and act as if our personal reputations were at stake



Make a difference

- Stay informed and ask questions about the future of the world we live in
- Create impact with our colleagues, our clients and society through our actions
- Respond with agility to the ever changing environment in which we operate



Care

- Make the effort to understand every individual and what matters to them
- Recognise the value that each person contributes
- Support others to grow and work in the ways that bring out their best



Work together

- Collaborate and share relationships, ideas and knowledge beyond boundaries
- Seek and integrate a diverse range of perspectives, people and ideas
- Give and ask for feedback to improve ourselves and others



Reimagine the possible

- Dare to challenge the status quo and try new things
- Innovate, test and learn from failure
- Have an open mind to the possibilities in every idea

Leadership and tone at the top



Risk & Quality function

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

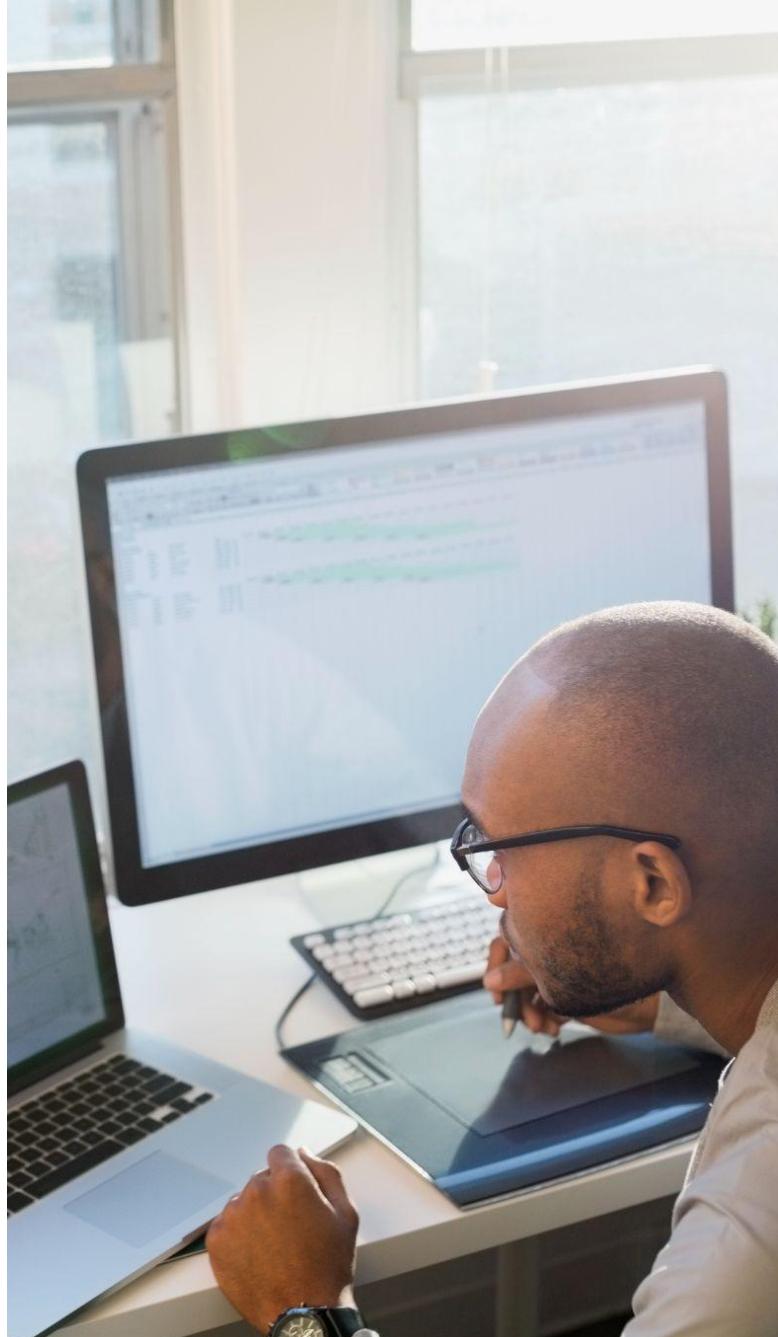
The R&Q function is led by an experienced partner who is also a member of the Extended Leadership Team, and has access to the Leadership Team to provide important advice on quality control matters. The R&Q leader is supported by a group of partners, directors and highly experienced managers who are specialist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

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

Quality control support

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

1 to 13
FY20: 1 to 13



Ethics



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, including International Independence Standards, which are:

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

In addition to the PwC values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and our purpose, PwC Singapore has adopted the PwC network standards.

Our network standards applicable to all network firms cover a variety of areas. These include ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, sanctions laws, internal audit and insider trading. The network standard on ethics and business conduct includes a Code of Conduct, and related policies that clearly describe the behaviours expected of our partners and other professionals. Our behaviour must enable us to build public trust.

We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submit

annual compliance confirmations. It is part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network. The leadership in PwC Singapore monitors compliance with these obligations.

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

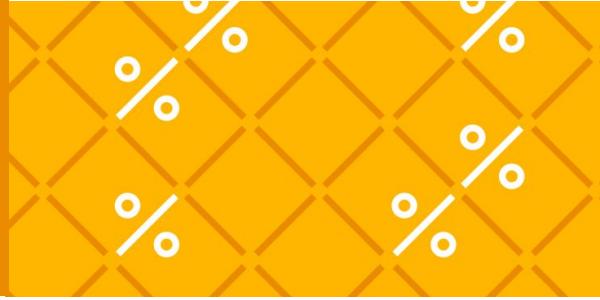
Upon hiring or admittance, all staff and partners of PwC Singapore are provided with the PwC Global Code of Conduct (PwC Code of Conduct). They are expected to live by the values expressed in the PwC Code of Conduct in the course of their professional careers. They have a responsibility to report and express concerns, and do so fairly, honestly, and professionally when dealing with a difficult situation or when observing behaviours inconsistent with the PwC Code of Conduct.

Each firm in the PwC network provides a mechanism to report issues. There is also a confidential global reporting option on <https://www.pwc.com/codeofconduct>. PwC Singapore has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the PwC Code of Conduct. The PwC Code of Conduct is available online for all internal and external stakeholders at the following website.

<https://www.pwc.com/ethics>.

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



Objectivity and independence

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

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

PwC Singapore has a designated partner (known as the 'Partner Responsible for Independence' or PRI) with appropriate seniority and standing. The PRI is responsible for the implementation of PwC Global Independence Policy, including managing the related independence processes and providing support to the business. The partner is supported by a team of independent specialists, and reports directly to the R&Q leader, a member of the Extended Leadership Team.



Independence policies and practices

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

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

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

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

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

Objectivity and independence



Independence related systems and tools

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

- Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (This includes all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists teams in determining the independence restriction status of clients of the member firm and those of other PwC member firms before entering into a new non-audit service or business relationship. This system also feeds into Independence Checkpoint and Authorisation for Services;
- Independence Checkpoint, which facilitates the pre-clearance of publicly traded securities by all partners, practice managers and other senior practice staff before acquisition and is used to record their subsequent purchases and disposals. When a PwC member firm wins a new audit client, this system automatically informs those holding securities in that client company about the requirement to sell the securities if required;
- Authorisation for Services (AFS), which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service. It documents the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service; and
- A Joint Business Relationships system that records all approved business relationships entered into by PwC Singapore. These relationships are reviewed on a six-monthly basis to ensure their ongoing permissibility

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

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



Objectivity and independence



Independence training and confirmations

PwC Singapore provides all partners and practice staff with annual or on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services.

Partners and staff receive online training on PwC Singapore's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practice on an as-needed basis by the Singapore firm's independence specialists.

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

Independence monitoring and disciplinary policy

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

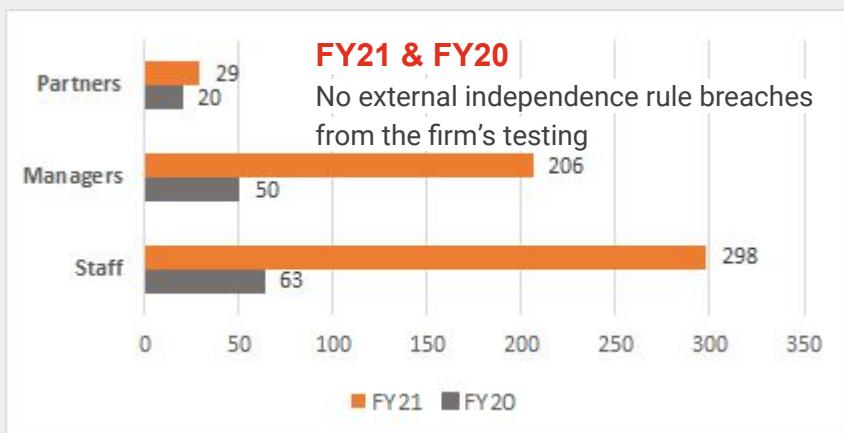
- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of partners, managers and practice staff as a means of monitoring compliance with independence policies; and
- An annual assessment of the member firm's adherence with the PwC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

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

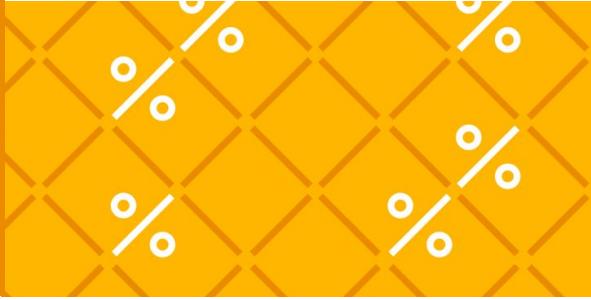
PwC Singapore has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes. This requires any breaches of independence requirements to be reported and addressed.

This would include a discussion with the client's audit committee regarding the nature of the breach, an evaluation of the impact of the breach on the independence of the member firm and the 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 appropriately. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in the firm's systems and processes and for additional guidance and training.

Number of individuals tested for independence compliance



Client and engagement acceptance



Considerations in undertaking an audit service

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality. We believe it goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements. It takes into consideration whether we are (i) competent to perform the engagement, (ii) have the necessary capabilities including time and resources, (iii) can comply with relevant ethical requirements, including independence, and (iv) have appropriately considered the integrity of the client. Where clients and engagements may pose higher risks, senior management and risk management will be involved in deliberating the acceptability of the client and engagement. We also reassess these considerations in determining whether we should continue with a client engagement. In addition, we have in place policies and procedures related to withdrawing from an engagement or a client relationship as and when necessary.

Client and engagement acceptance and continuance

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

Engagement teams:

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

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

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



Our people



Attraction of talent



People strategy

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

As COVID-19 continue to pose challenges for the firm, our forward-looking people strategy focuses on developing ourselves in the envisionment of and preparation for post COVID-19. True to our core value of “Reimagining the possible”, we transformed, adapted, and leveraged opportunities to build a new culture of work flexibility, equipping our workforce with critical humanistic and digital skills, while augmenting our technology infrastructure to attract, develop and connect our people in ways like never before.

Our people strategy was anchored on The PwC Professional, a framework that supports the development and career progression of our people, as it defines their structured pathway into being well-rounded leaders who lead by their hearts and live by their values.

This was how we sought to secure our people strategy and emerge stronger together across talent attraction, development, connection, and wellbeing.

1. Attraction of talent



Talent acquisition

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

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

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

These methodologies led to the successful hiring of over **909** new people, including **381** university graduates in FY21.



Team selection, experience and supervision

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

Leveraged ratio of audit team members									
		FY21				FY20			
Manager	to	Staff	1	to	3.8	1	to	3.9	
Partner	to	Staff	1	to	21.9	1	to	22.3	

Development of our People



2. Development of our People

The PwC Professional

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



Professional development

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

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

PwC Singapore strongly advocates a diverse range of qualifications. We support the Singapore Chartered Accountant (CA) Qualification, Institute of Chartered Accountants in England and Wales (ICAEW), CA Australia and New Zealand (ANZ), Association of Chartered Certified Accountants (ACCA) Qualification, Chartered Practising Accountant Australia (CPA AU) and part-time degrees by investing in our candidates with:

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

As recognition of our people's investment in professional growth, beginning FY22, a Qualification Incentive will also be awarded to eligible employees who have attained membership of identified qualifying professional programmes.

Singapore Chartered Accountant Qualification

Professional exam	FY21	FY20
Average number of candidates per exam sitting	275	182
Passing rate	83%	83%
Number of top scorers	5	2



Our training investment

Assurance training FY21

Average hours recorded by partners and staff

84

Assurance training FY20

Average hours recorded by partners and staff

88

Development of our People



Continuing education

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

This formal learning is delivered using a blend of delivery approaches, including remote access 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 when to deliver the training based on local needs. Our Learning & Development team works closely with the Risk & Quality team and subject matters experts to develop specialised training.

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

Digital upskilling

New technologies and innovation are at the forefront of Singapore's digital economy growth. We see the trend of our clients accelerating the pace of digitisation within their businesses. They are increasingly adopting new technologies such as cloud computing, artificial intelligence, blockchain and data analytic tools.

PwC is committing US\$3 billion in upskilling globally. In Singapore, we have committed close to S\$10 million to develop our digital skills through curated classrooms and virtual trainings.

Our Digital Academy leverages market-leading software and focus primarily on building three core skills: data wrangling, automation, and data visualisation. These tools enhance the firm's collective digital fluency while providing each individual with a personalised curriculum to build their digital IQ.

Our Digital Accelerators are embedded within our engagement teams and are dedicated to applying digital capabilities to each audit, as well as developing new digital solutions for the firm.

Since the start of our Digital Academy in 2019, we have trained more than 2,842 partners and staff on data analytics, visualisation and automation. Since the outbreak of the pandemic, classroom sessions have been transformed into a hybrid training model consisting an e-learn suite and virtual sessions. We have also launched three waves of Digital Accelerators with 79 individuals who will be going through digital learning paths that will provide them with in-depth knowledge in the area of data & analytics, intelligent process automation and artificial intelligence. With these new skills, the individuals have embarked on 59 digital related projects to help digitally transform the business.

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

Digital upskilling

2,842

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

Connecting and progressing



3. Connecting and progressing



Real-time feedback

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



Career progression

The PwC Professional is our global career progression framework. Our people strategy is anchored on the framework, defining how we support the development and career progression of our staff by providing a single set of expectations across all lines of service and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.

Philosophy underpinning the framework

With the rapidly shifting global economic landscape and ever-widening range of threats, there has been a growing mismatch in the skills people have and those needed for the digital world. The PwC Professional Framework defines:

1. **Future-focused:** The knowledge, skills and experience that will be most valuable in the future for new and transformed roles;
2. **Practical:** Developing an effective way to support and inspire people to take action today and continue to adapt in the future;
3. **Aligned:** Ensure that our people can continue to deliver quality work that is fit for the future, aligned with our purpose – to build trust and solve important problems.

Applying the 70-20-10 rule, 70% of learning occurs on-the-job with a focus on enhanced skills development, 20% of learning via structured coaching and community networks and 10% of learning via structured courses and programmes. As part of the framework, individuals meet with their team leader and career coaches regularly to discuss their development, progression and performance.

We provide our people with inclusive and diverse opportunities to develop their skills, passion and support them in reaching their greatest potential. These include global and internal mobility opportunities to other teams or lines of service (LoS), project collaborations across various teams and LoS, as well as our Digital accelerator programme where individuals are trained to support teams across the firm in utilising insights, automating processes and improving overall user experience with their advanced digital skills.

Connecting and progressing



Talent development and management

We recognise talented individuals with high performance and potential, i.e. our key talents, to become future leaders of the firm. We adopt the 9-box model approach to identify key talents, track their development, career progression and retention in order for us to optimise our succession planning.

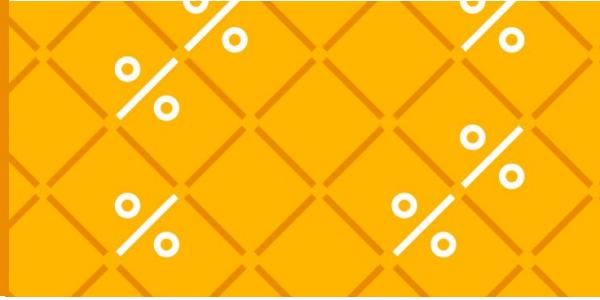
We acknowledge that to groom future leaders for the firm, development of the key talents is critical. We strive to provide our key talents with a varied range of development opportunities; including learning through experience such as internal job rotation, stretched assignments and global mobility.

Mobility plays an integral part in our talent development strategy. It provides the key talents with the opportunity to be exposed to the different functions of the business, as well as gain international experience that will hone their business and global acumen. We mindfully select the people who are sent on mobility assignments to ensure that we move the right people with the right skills, to build strategic capabilities across the PwC Network, and to contribute to the overall growth of the firm.

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



Connecting and progressing



Gender ratio of the firm's talent list:

57% : 43%

(Male:Female)



Gender ratio of partners admitted to partnership on 1 July 2021:

67% : 33%

(Male:Female)



Gender ratio of directors promoted on 1 July 2021:

58% : 42%

(Male:Female)



Inclusion and Diversity

At PwC Singapore, we are committed to building a diverse and inclusive community of solvers. Creating a culture where everyone feels included and valued at PwC is a priority for the firm.

Adapted from our global 2+1 Inclusion and Diversity strategy, PwC Singapore's inclusion areas are gender, valuing differences and ethnicity.

Underpinned by one of our core values of making a difference, we have enhanced our inclusion efforts through key campaigns like Inclusion Week and Lunch with a Stranger. Inclusion week aims to offer opportunities for our people to connect, collaborate and learn about the various diversities present among us. Activities that were run this year included weekly hikes with special needs individuals in collaboration with YMCA, VR with Médecins Sans Frontières as well as the launch of the Singapore chapter of the Lean-In Circles in celebration of International Women's Day. This is in addition to our ongoing efforts of organising trainings to eliminate biases in our environment.

We have more than **3,500** employees from over **50** countries, **60%** of whom are females.

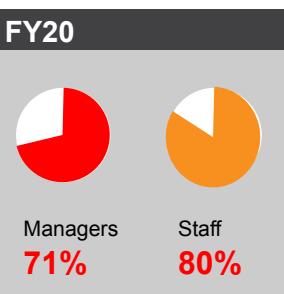
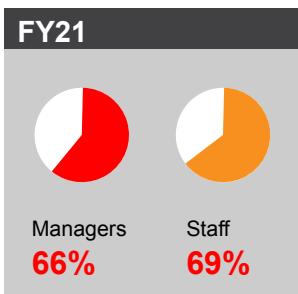


Retention

Turnover in the public accounting profession is often high because accountants are increasingly in demand due to continued changes in regulations and the development experience we provide make our staff highly sought after in the external market.

Our managers and staff retention rates have been kept at rates of 66% or higher in the last 2 years, with key talent retention rates maintained at **85%** or higher. This boosts the firm's ability to continue providing quality work to clients consistently.

Average assurance retention rate



Years of audit experience

Audit team members average years of experience



5 years
FY20: 4.8 years

Caring for our people and communities amidst the COVID-19 challenges



Our digital transformation pre COVID-19 proved effective in responding to the crisis, and though virtual platforms, we continued to collaborate as a firm and serve our clients. Responding to the rapid developments, the firm rolled out various initiatives across wellbeing, people engagement and the transformation of work support and workspaces to provide adequate support and resources for our people during this difficult period.

Making a difference to our people

To support our people in adapting to the new normal, we focused on increasing their engagement and productivity. This was achieved through regular town halls, the sharing of personal stories, pulse surveys, focus groups and targeted on-the-ground programmes supported by a wellbeing framework of “being well to work well”. These programmes helped to spur our people’s personal (physical, mental, emotional, financial) and professional wellness, as we supported them to grow into the best, sustainable versions of themselves amidst the new normal.

The Employee Assistance Programme (EAP) was first introduced to provide our people with professional wellbeing support through a dedicated and anonymous hotline. With an aim to continuously provide our people with support for their emerging needs, the programme was constantly refined with supplementary policies, such as a Special Care Fund for mental wellbeing that allowed our people to seek professional in-person counselling and psychotherapy support from two additional, reputable providers.

Further support was also offered to staff experiencing significant financial hardship caused by the pandemic, such as a direct loss of household income or unexpected, unavoidable expenses. Flexible working arrangements were granted to support staff with additional caregiving responsibilities, while headsets were distributed for use in video calls and reimbursements were given for the purchase of work-from-home gear.

Making a difference in the community

As a diverse community of solvers equipped with digital skills to thrive in today’s world, our people banded together to bridge the digital divide for disadvantaged communities. In line with our *New world. New skills.* campaign, we supported elderly and student beneficiaries, and social organisations in acclimatising to technological advancements accelerated by the pandemic. The firm and our people also raised funds to support the purchase of essential healthcare facilities and equipment in India’s battle against COVID-19.

Our audit approach



Our audit approach



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

Our audit 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 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. Details of these indicators and processes can be found in the Monitoring of assurance quality section. 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.

People

Data and technology can help reveal insights, but it takes an inquisitive person with well-rounded business knowledge to understand what those insights mean. We recruit professionals with these capabilities - people who can deliver the highest quality outcomes in terms of client service and compliance.

Technology

As technological change accelerates, our clients want to entrust their information with organisations that don't merely keep up but lead the way. We have made a global commitment to offer leading audit technology, and we have invested heavily in tools to match our approach. The result is greater quality and insight to our clients.

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

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

Greater assurance

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

Precise

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

Customised

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

Efficient

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

Transparent

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

Insightful

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

Tools and technologies to support our audit



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



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

Our technology



Scan or click this to learn more about Aura



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.



Scan or click this to learn more about Connect



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.



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

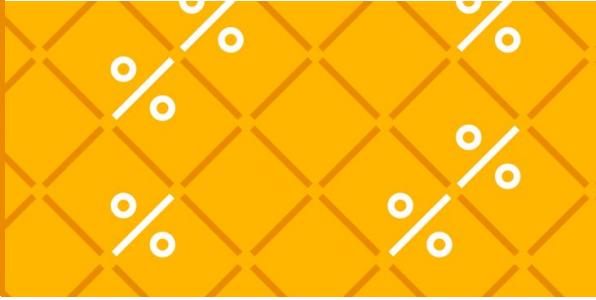


Scan or click this to learn more about Halo



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

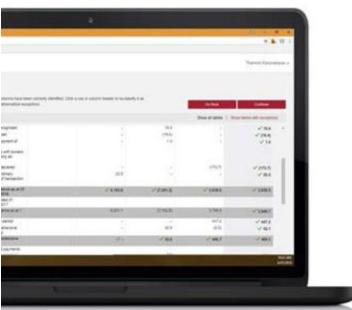
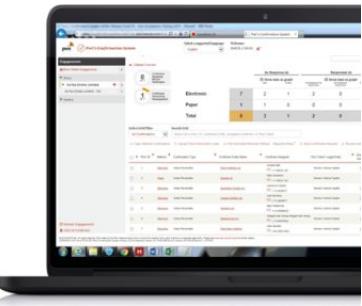
Tools and technologies to support our audit



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



PwC's Confirmation System, which facilitates an automated and standardised end-to-end process for all types of external confirmations, allows our engagement teams to create requests and receive external confirmation in a secure environment that helps mitigate the risks associated with receiving confirmation responses electronically.



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



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

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



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 review and supervision responsibilities as part of the normal course of the audit.

Supporting engagement performance



Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, 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 on mandatory consultation in the pursuit of quality. For example, our engagement teams consult with appropriate groups in areas such as taxation, valuation, actuarial and other specialities, as well as with individuals within the R&Q group.

The firm requires a consultation panel to review any assurance client matter identified as being of technical significance, heightened public interest or risk to the firm. The consultation panel is made up of the Assurance Leader, the Risk Management partner and other experienced partners who are independent of the engagement.



Quality champions programme

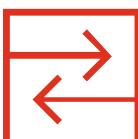
The quality champions programme focuses on getting quality right. It aims to strategically transform our teams to work smarter, have a better understanding of our clients' businesses and optimise our time. Quality champions are carefully identified from each audit operating units. Their roles and responsibilities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

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



Quality review partners (QRP)

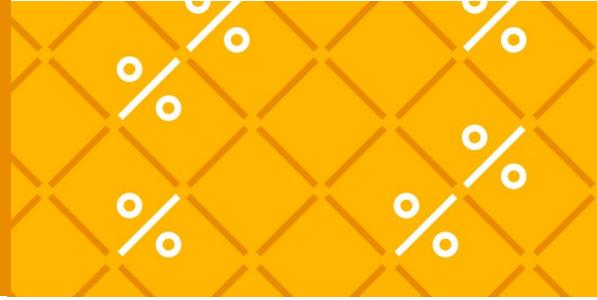
Specific audit engagements are assigned a QRP as part of the firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters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



Differences in opinion

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

Confidentiality and information security



Confidentiality and information security

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

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

Information security

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

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

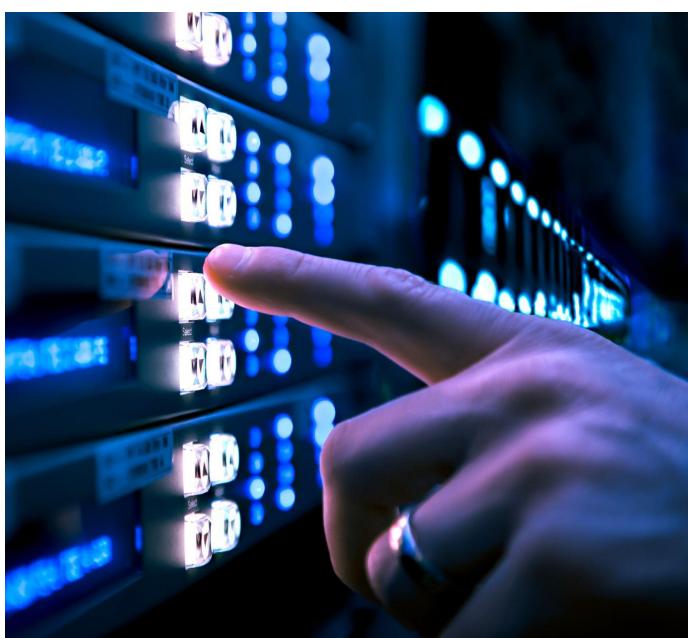
Information security is a high priority for the PwC network. Member firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

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

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

The approved assessment undergoes a detailed and standardised quality assessment process performed by a centralised, objective Network Information Security Compliance team. The team has maintained an ISO certification covering their audit programme which is subject to annual audits by independent practitioners.

All partners and staff are required to comply with legal and regulatory obligations about handling confidential information and personal data, and contractual terms govern the use and disclosure of information. The firm provides information security and data protection training upon recruitment, annual update training for all partners and staff thereafter, and training to various departments on an ad hoc basis throughout the year.



Confidentiality and information security



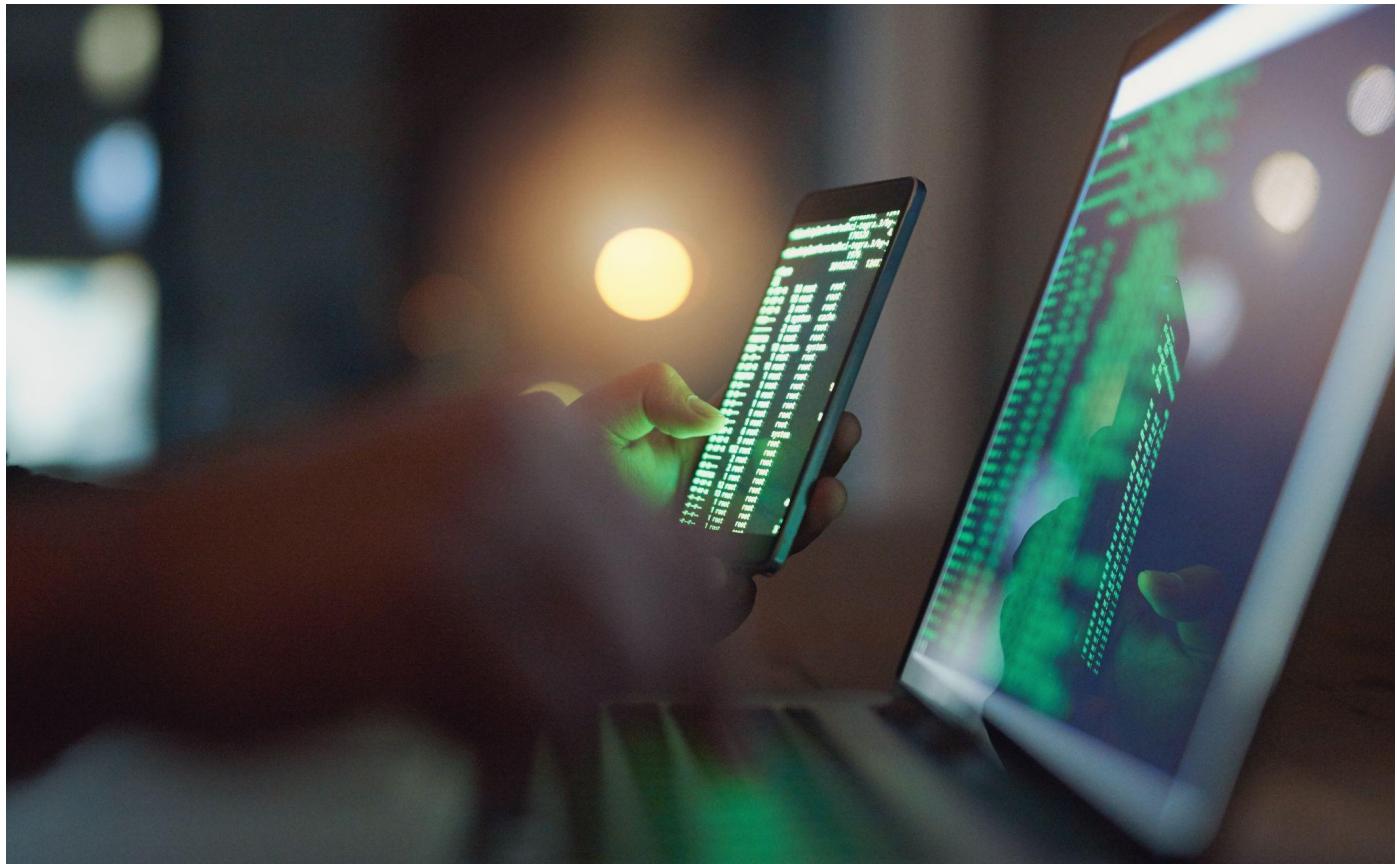
Data privacy

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

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

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

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



Monitoring



Monitoring of assurance quality



Monitoring of assurance quality

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

The responsibility for appropriate quality management lies with the leadership of PwC Singapore - the “first line of defence”. This includes the design and operation of an effective SoQM that is responsive to our specific risks to delivering quality audit engagements, using the network’s QMSE framework.

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 procedures include an ongoing assessment. This assessment aims to evaluate whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit and non-audit assurance engagements are performed in compliance with laws, regulations and professional standards.

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

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

The objective of the cold file review programme is to monitor the application of PwC Audit and to evaluate the performance of partners, directors and managers on selected individual engagements. The programme is administered by the quality assurance team.

The review covers one completed engagement for each selected assurance partner and director in each financial cycle. The review is performed throughout the year by the quality assurance team together with other selected assurance partners and managers.

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

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

Audit quality reviews - Internal (ECR)

Internal engagement review	2021	2020
Listed entities	7	6
Non-listed entities	10	9
Total audit engagements reviewed	17	15
Compliance rate	100%	100%
% partners/directors reviewed	27%	24%

Monitoring of assurance quality



In addition, the PwC network coordinates an inspection programme to review the design and operating effectiveness of our SoQM. The use of a central team to monitor these inspections across the network enables a consistent view and sharing of relevant experience across the PwC network.

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

Partners and staff of our firm are informed about the review results and the actions taken to enable them to draw the necessary conclusions for the performance of their engagements. In addition, engagement partners of our firm, who are responsible for group audits involving cross-border work, are informed by the network inspection program about relevant quality review findings in other PwC member firms. This enables our partners to consider these findings in planning and performing their audit work.

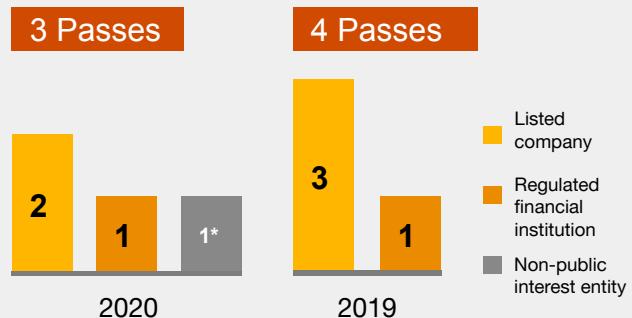
External reviews

PwC Singapore and its partners are subject to review by the Accounting and Corporate Regulatory Authority (ACRA) under its Practice Monitoring Programme. The review is undertaken annually, which covers both the firm-level and engagement-level reviews. The last completed review by ACRA was carried out from 2 November 2020 to 2 December 2020. There were no significant adverse findings from the firm-level review.

The US Public Company Accounting Oversight Board (PCAOB) performs joint inspections with ACRA. The last completed joint inspection was similarly conducted from 2 November 2020 to 2 December 2020. The final PCAOB inspection report will be made available on their website in due course.

Audit Quality Reviews - External

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



* Outcome of review of the non-PIE engagement is under evaluation

2020 PCAOB Inspection

Number of audit engagements reviewed by the PCAOB in its last inspection in 2020

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



Legal and governance structure



Legal and governance structure



Legal structure and ownership

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

Governance structure

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

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

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

Risk Council

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

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

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



PwC network



PwC network



Global network

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

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

PricewaterhouseCoopers International Limited

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

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

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

The governance bodies of PwCIL are:

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

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

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