



PwC Singapore Transparency Report

For the financial year ended 30 June 2022



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Message from leadership



PwC network



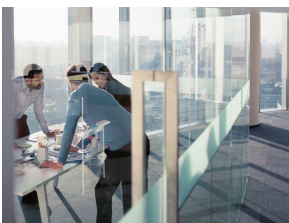
Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure



Welcome to our 2022 Transparency Report.

Today, we live in a world that has been profoundly altered by technological disruptions, climate change, fractured geopolitics and the effects of the pandemic. If these challenges have taught us anything, it's that we have to combine the best of our people and technology so we can help our clients to grow and thrive in a world that's vastly changed.

In June 2021, PwC launched **The New Equation**, a landmark global strategy which frames our response to this new dynamic. Human-led and tech-enabled, this ambitious strategy strengthens our commitment to deliver our purpose: to build trust in society and solve important problems. **The New Equation** speaks to the two most fundamental needs our clients face today. The first is to build trust at a time where it's never been more difficult to earn. The second is to deliver sustained outcomes in an increasingly competitive and disruptive environment.

We address these two interconnected needs through our outcomes-focused, integrated way of working. Drawing on our deep expertise in audit, tax and compliance, we also leverage our expertise in specialist areas such as cyber security, data privacy, ESG, AI, cloud and digital to solve challenges and deliver impactful outcomes.

Our new strategy builds on our ongoing commitment to quality, which together with our **PwC Values**, forms the bedrock of everything we do. Stakeholders today are demanding greater transparency and accountability from organisations. Correspondingly, audit quality has become even more critical to build trust and confidence in the capital markets and wider society.

To further advance our commitment to improve transparency and audit quality, PwC Singapore established an external independent Audit Advisory Board, that will provide objective scrutiny on our external audit quality systems. This initiative aligns with the interconnected needs to build trust and deliver sustained outcomes that underpin **The New Equation**.

Challenges are better solved together, and teaming for success starts at the core - our people and culture. Our firm's people strategy continues to focus on investing in our people's continuous upskilling, professional growth and wellness, as well as enhancing our complete rewards programme and creating an enabling environment for everyone to be at their best selves and deliver our purpose.

The New Equation gives us a strong foundation to help our clients navigate the changing forces in a post-pandemic world. Our people strategy, together with our ongoing investments in robust infrastructure and digital readiness, puts us in a position of strength to surge ahead of the competition. We're excited at what we can achieve as we come together collectively as a community of solvers to co-create lasting, impactful change for the wider business community and society.

Marcus Lam
Executive Chairman
PwC Singapore

Message from the Assurance Leader



Trust in audits is vital to investors and stakeholders. It inspires confidence in our markets and is central to governance. At PwC, we understand that building trust is deeply rooted in excellence and transparency. We believe that auditors play a critical role in delivering sustained outcomes in an ever-changing business environment.

Executing high-quality audits and delivering excellence remain our top priorities. Our Transparency Report 2022 affirms to our stakeholders our commitment in achieving quality in everything that we do and the report communicates the values, focus and strategies that will drive us forward.

Over the past year, we have continued to perform well in both internal and external audit quality reviews, including regulatory reviews. The excellent results in these inspections have been made possible by our engagement teams' relentless focus in delivering high-quality standards in their work.

While the COVID-19 pandemic has posed new challenges for our business, it has also unlocked opportunities for us to build strategic resilience for the future and demonstrate our ability to respond in agile ways to meet new risks even as stakeholder expectations and needs evolve.

At PwC, we believe in harnessing the collective power of people, processes, tools and technology to advance audit quality. That is why we have invested significantly in new technologies and enhanced our audit tools, so we can deliver insight-driven, high-quality audits for our clients. To future-proof our workforce, we have refreshed our digital upskilling programme. By equipping our people with the skills and mindsets to lead technology-powered audits, we are able to enhance our audit service quality in an increasingly digital world.

Our people drive our success. We continue to invest in our people to attract and retain the right talent. We have introduced new initiatives, including monetary increments and incentives to reward our people as well as increased secondment opportunities to nurture top talents and groom them for future leadership roles. Despite a challenging year, we continue to have several candidates emerging as top scorers for the Singapore Chartered Accountant Qualifications. We are very proud of their achievements.

The Assurance business remains a core focus of PwC Singapore, accounting for a substantial proportion of our revenue. We have built a stable Assurance practice and cemented a leading position in Singapore, with a 44.5% market share of the Top 50 SGX companies (by market capitalisation).

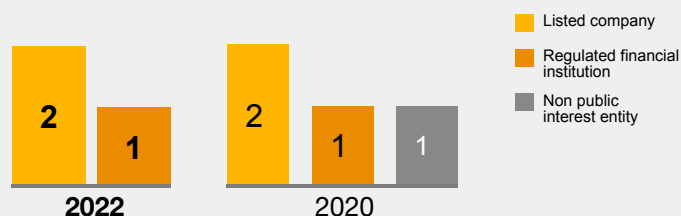
Quality and innovation are critical for us to bring value to our clients, and for us to serve our public interest responsibilities. Now, more than ever, organisations need to integrate ESG considerations into their corporate strategies to build trust and ensure long-term competitiveness. As stakeholders demand a clearer picture of how organisations address, manage and communicate ESG, this opens up opportunities for our Assurance practice to unlock enterprise value that is rooted in trust. We look forward to reimagining new possibilities to shape the ESG transparency agenda.

Choo Eng Beng
Assurance Leader
PwC Singapore

Year in review

Audit quality reviews - External

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



Final report has not been issued

3 Passes, 1 Fail (Non-PIE)

2020 PCAOB inspection

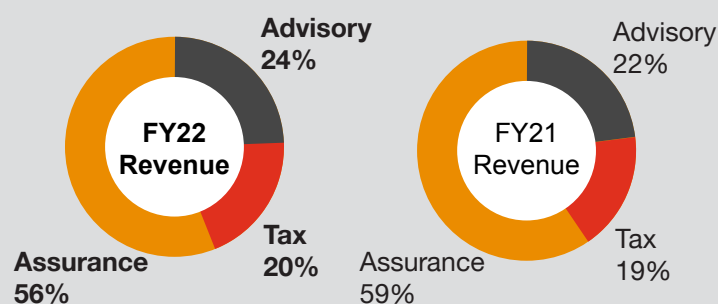
Number of audit engagements reviewed by the PCAOB

3 100% Pass
[2017: 100% Pass]

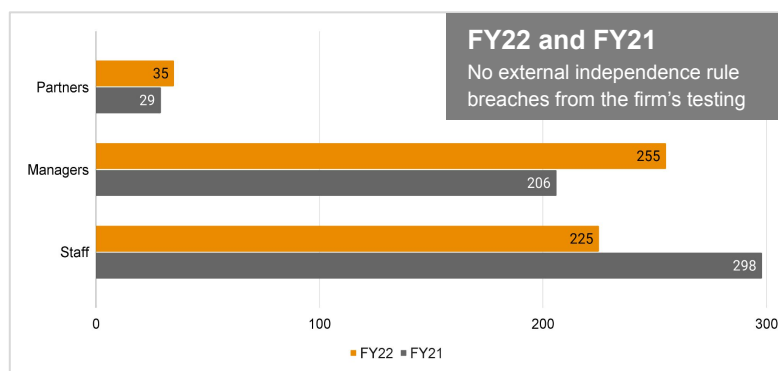
Audit quality reviews - Internal

Internal engagement review	2022	2021
Total audit engagements reviewed	14	17
Compliance rate	100%	100%
% partners/directors reviewed	23%	27%

Revenue by service lines



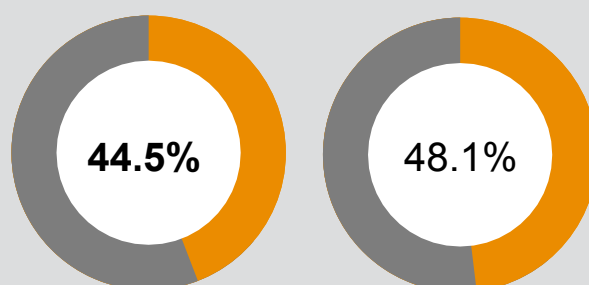
Number of individuals tested for independence compliance



Top 50: SGX market share by market capitalisation

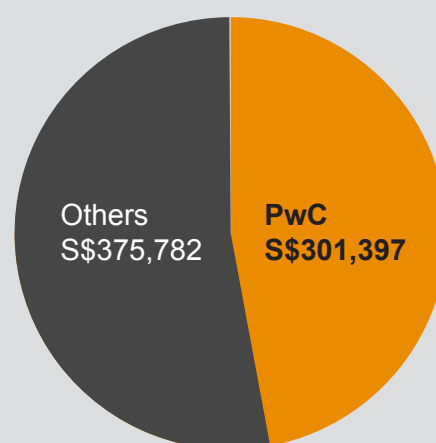
30 June 2022

30 June 2021



PwC Others

Sum of market capitalisation (\$m)



Please click on the data points above to navigate to additional information within this report.

Year in review

Leveraged ratio of audit team members

			FY22			FY21		
Manager	to	Staff	1	to	4.0	1	to	3.8
Partner	to	Staff	1	to	22.0	1	to	21.9



Years of audit experience

Average years of experience of audit team members.

5 years
FY21: 4.9 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 11
FY21: 1 to 13

Digital upskilling

893

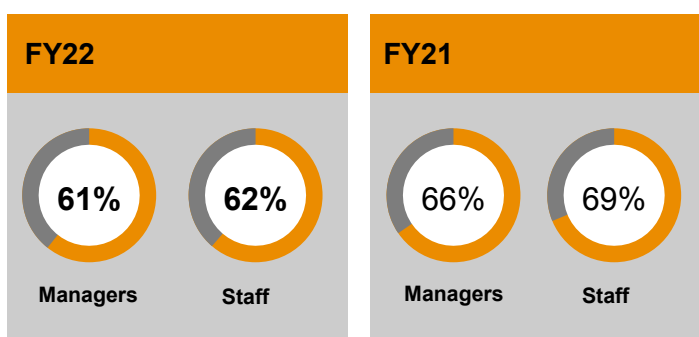
partners and staff trained on data analytics, visualisation, and automation across the firm in the last year.



Singapore Chartered Accountant Qualification

Professional exam	FY22	FY21
Number of candidates	286	275
Passing rate	84%	83%
Number of top scorers	8	5

Average assurance retention rate



Our training investment

Assurance training FY22

Average hours achieved by partners and staff

113

Assurance training FY21

Average hours achieved by partners and staff

84

Please click on the data points above to navigate to additional information within this report.



Message from leadership



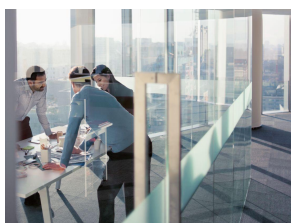
Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure

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. The Board is comprised of 20 members. Two are appointed as external, independent directors, and the other 18 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**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from member firms to coordinate activities across all areas of our business.

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



Our approach to quality



Message from leadership



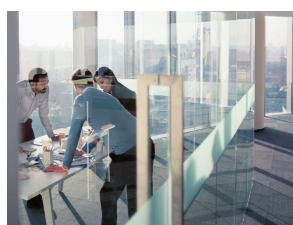
PwC network



Cultures and values



Our people



Our approach



Monitoring



Legal and governance structure

Our approach to quality



Definition and culture

At PwC, we define quality service as one that consistently meets the expectations of our stakeholders and which complies with all applicable standards and policies. An important part of delivering against this quality definition is building a culture across a network of over 327,000 people that emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.



Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

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





Specific focus on audit quality

The quality of our work is at the heart of the PwC network and we invest significant and increasing resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people and underlying tools and technology at both the network level and within our firm. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support member firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

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

The QMSE framework

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

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and our SoQM must be designed and operated so that these objectives are achieved with reasonable assurance.

Specific focus on audit quality

Delivering quality audits is core to our purpose. To that end, we are committed to providing quality audits. However, where our work falls below the standards that we set for ourselves and by regulators, we are disappointed and also rightly criticised. We take each of these instances very seriously, work hard to learn lessons and to enhance the quality of audits that we undertake in the future.

The right objectives and capabilities

To help us put this strategy into effect, the PwC network has established clear objectives around audit quality and provides support to help us meet these objectives. Our engagement teams can only deliver quality audit services if they have access to the necessary capabilities, including people and technology. That's why our quality

objectives focus on having the right capabilities – both at a member firm level and across our network – and on using these capabilities to meet our own standards and the professional requirements. These capabilities can only be developed under the right leadership and quality culture, promoting the right values and behaviours.

Integrated and aligned in the right way

The quality objectives focus on having the right people supported by effective methodologies, processes, and technology appropriately directed and supervised. These represent the capabilities that we believe are 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 tools, guidance and systems to support and monitor audit quality across our network. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our 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 key activities considered necessary to achieve the quality objectives, focused mainly on building a quality infrastructure and organisation. We supplement and design those key activities as appropriate to respond to risks we have identified to achieve each quality objective.

Values and judgements

Performing quality audits requires more than just the right processes. At its core, an auditor's role is to assess with a "reasonable" degree of assurance whether the financial statements prepared by an entity's management are free of "material misstatements" – reaching a professional judgement on whether the financial statements present a fair picture of the entity's financial performance and position. To carry out this assessment effectively, the auditor needs to use all the capabilities that have been built up in line with our quality objectives. These include applying ethical behaviour in accordance with PwC's values, professional scepticism, specialist skills and judgement – supported by technology.



Navigating the impact of external factors on our system of quality management

The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government's invasion of Ukraine (hereafter referred to as 'the war in Ukraine'), these events are first and foremost human tragedies. Our SoQM reflects our response to these events and changing risks based on impacts to our client, our people and the way we operate, including new or revised policies and procedures in our firm that have been implemented or are under consideration at any given point in time. Under the QMSE framework, our SoQM is designed and operated to consider changes in facts and circumstances resulting in:

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

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

Sharing developments and experience

COVID-19

From the early stages of the pandemic, the PwC network put a team in place to monitor developments globally and to highlight areas of critical importance to ensure we did not compromise on audit quality. More than two years into the pandemic, we have maintained our focus on those areas impacting our clients, our people and how we work. We have leveraged the guidance developed by our network to provide consistent leadership to sustain audit quality and equip our teams to consider their client's unique circumstances and respond accordingly.

The COVID-19 pandemic resulted in us facing a number of 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 the necessary audit evidence and execute audit procedures such as completing physical inventory counts.

Our network's response to the war in Ukraine, including the separation of PwC Russia and PwC Belarus and our approach to sanctions

The PwC network's focus continues to be doing all we can to help our colleagues and support humanitarian efforts to aid the people of Ukraine.

The PwC network's response to the war in Ukraine resulted in several actions including the decision that, under the circumstances, PwC should not have member firms in Russia and Belarus and consequently PwC Russia and PwC Belarus have exited the network.

In addition, the PwC network is exiting work for Russian entities and individuals subject to sanctions. Any sanction on Russian entities or individuals that is passed anywhere in the world will be applied everywhere in the PwC network. As of October 2022, our firm exited work for Russian entities and individuals subject to sanctions. The PwC network will also not undertake any work for the Russian Federal Government or state-owned enterprises and is also conducting reviews to identify engagements with non-sanctioned Russian clients and considering the appropriateness of any ongoing relationship.

Our network's response to the conflict including the separation of PwC Russia and PwC Belarus and approach to sanctions, as well as consideration of the broader risks that impact our clients are being factored into our firm's SoQM through the identification of potential quality risks that have or may arise. Our firm is monitoring the actions we have and will take to address the identified risks to assess whether further changes are needed to our firm's SoQM or how we perform our engagements and interact with our clients.

Using technology to support teams

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

Our network's audit technology infrastructure and tools, including our **Connect Suite**, enabled our people to continue with work despite significant changes in the physical work environment.

We continue to monitor and respond to the ongoing impact of external factors on our people and clients, including the implications of changing or easing COVID-19 restrictions.



Cultures and values



Message from leadership



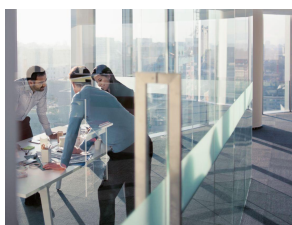
PwC network



Our approach to quality



Our people



Our approach



Monitoring



Legal and governance structure

Cultures 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 and permeates how we operate, guides our leadership actions, and shapes how we build trust in the way we do business with each other and with our communities.

Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. We track whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our audit quality objectives.

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 decisions 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 implements the firm's system of quality management.

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 specialists 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 engagement teams have sufficient support to continue meeting 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 11
FY21: 1 to 13

Our quality management objectives

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

To help PwC Singapore put this strategy into effect, the PwC network has established the QMSE framework which introduces an overall quality objective for the Assurance practice that is supported by a series of underlying quality management objectives. Our SoQM must be designed and operated so that these objectives are achieved with reasonable assurance. 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 Assurance Quality Indicators to aim to predict quality issues, Real Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues, and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

These programmes, by design, require ongoing monitoring and continuous improvement, in particular Assurance Quality Indicators, which we expect will evolve and refine 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 SoQM 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 framework. 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 the Accounting and Corporate Regulatory Authority (ACRA) under its AQI Disclosure Framework.

The Risk & Quality function, together with the Assurance Leadership team, monitors the firm's AQIs on a regular basis.

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



Our quality management objectives

Our aim to prevent: Real Time Assurance

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

Our reviewers comprise experienced practice and R&Q professionals, supported by our experienced directors and partners. Reviews are 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 objective when conducting such analyses is to understand what our findings tell us about our SoQM and identify how our firm can provide the best possible environment for engagement teams to deliver quality audits.

We look at quality findings from multiple sources, including our own ongoing monitoring of our SoQM, 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, we analyse the data compiled for audits, both with and without deficiencies, 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 in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and how we 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 drive a culture of quality.
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that commensurate with outcomes and behaviours, and ensure that they are sufficient to incentivise the right behaviours in achieving the quality objectives.



Ethics, independence and objectivity

Ethics

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

- i. **Integrity** – to be straightforward and honest in all professional and business relationships.
- ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- iii. **Professional competence and due care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper

and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

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

Our network standards applicable to all network firms cover a variety of areas. These include ethics and business conduct, independence, anti-money laundering, anti-trust / fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory trainings, as well as submit annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network. The leadership in PwC Singapore monitors compliance with these obligations.



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

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 throughout the course of their professional careers at our firm. They have a responsibility to report and express concerns 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 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 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 the PwC Global Independence Policy, including managing the related independence processes and providing support to the business. This 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, amongst others, the following areas:

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

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

These policies and processes are designed to help PwC 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 the 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 threat 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.
- 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.

Independence training and confirmations

PwC Singapore provides all partners and practice staff with annual or ongoing 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.

Objectivity and independence

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 previously, as part of this monitoring, we perform:

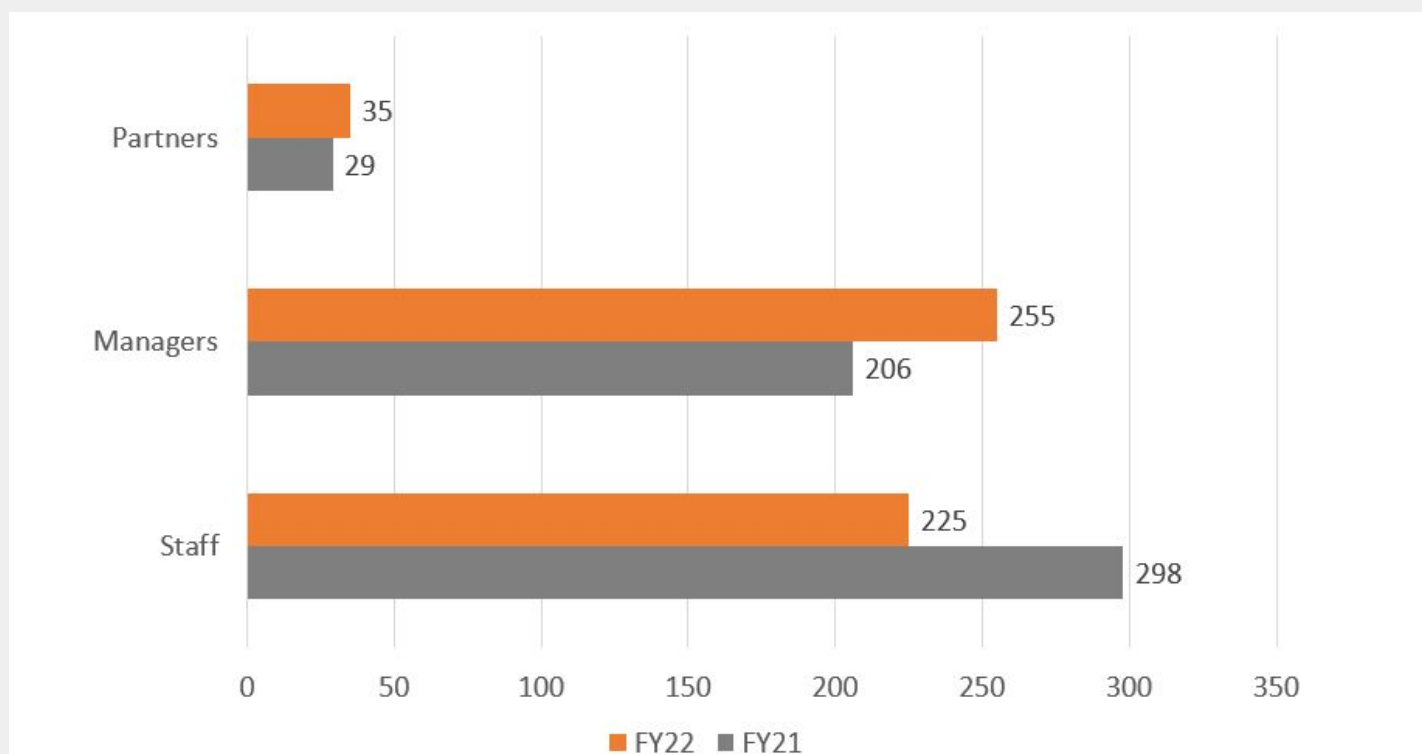
- compliance testing of independence controls and processes
- personal independence compliance testing of a random selection of partners, managers and practice staff as a means of monitoring compliance with independence policies
- an annual assessment of the member firm's adherence with the PwC network's 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



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 our principles go 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. These take 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 whether PwC should be associated with the particular client and its management.

More specifically, this system enables:

Engagement teams:

- to document their consideration of matters required by professional standards related to acceptance and continuance
- to identify and document issues or risk factors and their 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
- 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
- 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



Message from leadership



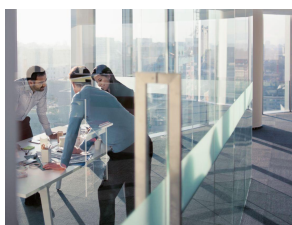
PwC network



Our approach to quality



Cultures and values



Our approach



Monitoring



Legal and governance structure

Attraction of talent

People strategy

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

This year, we've started to see markets recover as COVID-19 curbs ease. As the world continues to face new uncertainties, including supply chain disruptions and inflationary woes, we remain committed to equipping our people with the humanistic and digital skills, assurance, insight and clarity they need to be at their best.

Our client service offerings continue to grow in response to the fast-changing economic landscape. This is testament to the resolve of our people to come together as a diverse community of solvers, putting their skills to work in new and unexpected ways. Our resilience, innovation and creativity have been instrumental in attracting potential talent to build their careers with us.

In line with our global strategy **The New Equation**, our employee experience framework 'PwC and Me' defines a common purpose for our people's interactions: to build trust and deliver sustained outcomes. This ensures a seamless and consistent experience for our people, and supports their development and well-being.

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 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 **1,044** new colleagues, including **448** university graduates in FY22.

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 delegated to more junior staff.

Leveraged ratio of audit team members

			FY22			FY21		
Manager	to	Staff	1	to	4.0	1	to	3.8
Partner	to	Staff	1	to	22.0	1	to	21.9

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 people by providing a single set of expectations across all lines of service, geographies and roles. It outlines the capabilities our people need 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 or 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 goals are to provide our people with a more individualised path to promotion and to support them in prioritising and managing their time more effectively when preparing for professional exams. Enabling our people to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

PwC Singapore continues to advocate a diverse range of qualifications. We support our people in pursuing the Singapore Chartered Accountant (CA) Qualification, the Institute of Chartered Accountants in England and Wales (ICAEW) Qualification, the Chartered Accountants Australia and New Zealand (CA ANZ) Qualification, the Association of Chartered Certified Accountants (ACCA) Qualification, the Certified Practising Accountant Australia (CPA Australia) Qualification, as well as part-time degrees. We invest in our candidates by offering:

- 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.

From FY22, we will award a Qualification Incentive to eligible employees who have attained membership in qualifying professional programmes. This is in recognition of our people's investment in their professional growth. As of 30 June 2022, 199 employees have been awarded with this incentive.

Singapore Chartered Accountant Qualification

Professional exam	FY22	FY21
Average number of candidates per exam sitting	286	275
Passing rate	84%	83%
Number of top scorers	8	5

Our training investment in people

Assurance training FY22

Average hours achieved by partners and staff

113

Assurance training FY21

Average hours achieved by partners and staff

84

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 PwC 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, classroom learning, virtual classroom and on-the-job support. The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select when to deliver the training based on local needs. Our Learning & Development team works closely with the Risk & Quality team and subject matter experts to develop specialised training.

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, AI, blockchain and data analytic tools.

Our Digital Academy leverages market-leading software and focuses 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. They are dedicated to applying digital capabilities to each audit and to developing new digital solutions for the firm.

Last year, we trained 893 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 of an e-learning suite and virtual sessions. We have also launched four waves of Digital Accelerators with 87 individuals undergoing digital learning paths to provide them with in-depth knowledge on data and analytics, intelligent process automation and AI. There are 41 Digital Accelerators who have graduated from the intensive programme so far. Armed with new skills, they have embarked on 61 digital-related projects to help digitally transform our business.

ESG upskilling

As one of the strategic priorities of our network, ESG is featured strongly in our global strategy **The New Equation**.

ESG issues are having an increasingly dramatic impact on businesses, investors, consumers, the workforce and governments. Whilst the COVID-19 pandemic has caused widespread disruption, it has also provided momentum and opportunity to rethink and reconfigure for resilience. ESG issues include climate change, ESG-related regulations, sustainable development, and ESG trust and transparency.

It is important for us to understand ESG issues, including climate change, to enable more sustained outcomes for our world. To build 'ESG consciousness' into our DNA, we introduced various training programmes over the past year to upskill our teams. With greater awareness of ESG issues, our teams can then recognise opportunities to integrate ESG into existing service offerings. We have also created new cross-competency services to support businesses in their sustainability initiatives and in driving their ESG agendas.

We kickstarted the ESG upskilling journey with an 'ESG Essentials' curriculum comprising bite-sized training to provide a good foundational knowledge of the importance of ESG and trends such as climate change. 3,311 employees completed this programme in FY22. Partners and directors have also attended an 8-module 'Rapid ESG Upskilling Programme' to help them have meaningful ESG conversations with clients.

Our efforts to upskill our people in ESG will continue to help our clients address climate and sustainability challenges and opportunities.

Digital upskilling

893

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

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. Our people also receive a holistic 360-degree feedback via real-time upward and peer feedback.

Career progression

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



Philosophy underpinning the framework

With the rapidly shifting global economic landscape and ever-widening range of threats, there has been a growing mismatch between 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 and passion, and to 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.

Global People Survey

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

Connecting and progressing

Talent development and management

We recognise and support 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, and track their development, career progression and retention in order for us to optimise our succession planning.

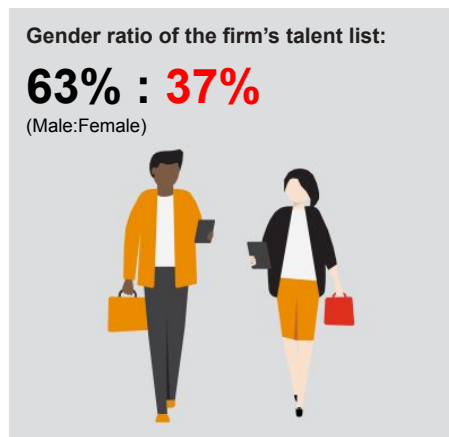
To groom future leaders for the firm, development of key talents is critical. We strive to provide our key talents with a varied range of development opportunities, including learning through experience such as internal job rotation, stretched assignments and global mobility.

Mobility plays an integral part in our talent development strategy. It provides key talents with the opportunity to be exposed to different functions of the business, as well as to 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



Diversity and inclusion

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.

Aligned with our reframed global Inclusion First strategy, we bring inclusion to the front of mind in everything we do in alignment with our global strategy **The New Equation**. In addition, we are continuing our 2+1 approach, focusing on gender, inclusive leadership and ethnicity.

Making a difference is one of our core values. Underpinned by this, we have enhanced our inclusion efforts through key campaigns such as Inclusion Week and Lunch with a Stranger. Inclusion Week offers opportunities for our people to connect, collaborate and learn about the various diversities present amongst us. Lunch with a Stranger provides a platform for people across different departments to get to know each other better, reduce unconscious bias and promote inclusion. Other activities that were run this year included the launch of our online Inclusive Mindset Learning path, and a fireside chat with paralympic athlete Steve Tee and Emilio Choo, a senior manager in our Human Capital practice.

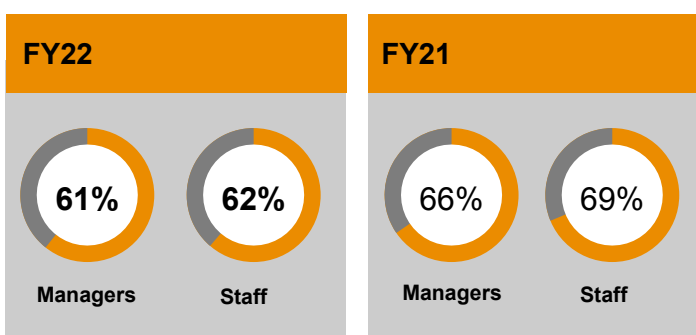
At PwC Singapore, we have more than 3,500 employees from over 50 countries, 60% of whom are females.

Retention

Turnover in the public accounting profession is often high because accountants are increasingly in demand as a result of ongoing regulatory changes. The development experience we provide makes our employees highly sought after in the external market. The global great resignation phenomenon, which may have been caused by the pandemic, has also exacerbated the increase in resource demand over the last two years.

Our managers and staff retention rates have been kept at rates of 66% or higher in the last two years, with retention rates of our top 1 raters maintained at 63% or higher. This boosts the firm's ability to continue providing quality work to clients consistently.

Average assurance retention rate



Caring for our people and communities amidst the micro- and macro-economic challenges

Amidst the challenging environment, we continued to reinforce our differentiating culture and values, and introduce engagement programmes to enable our people to take ownership of their personal and professional well-being.

Regular communication of our shared purpose and goals helped our people to stay focused and connected, as they embarked on their own enriching and unique individual journeys. Giving them the autonomy to lead change and co-create the employee experience allowed them to build trust, foster growth and create sustainable impact on the issues that matter to them.

Making a difference to our people

This year, we introduced our refreshed people strategy 'PwC and Me' to define what a career at PwC Singapore means to our people. Our reimagined employee experience empowers our people to support their own professional and personal development, well-being and ambitions. We give our people access to a comprehensive and flexible range of benefits including professional growth opportunities, monetary rewards and wellness programmes. We want to create an environment where our people can thrive and which is brought to life by technology so they can do their best work anytime, anywhere.

We are steadfastly committed to employee welfare. To start the new year on a positive note, we provided our people with curated 'PwC and Me' goodie bags which contained healthy snacks (symbolising wellness), the international bestselling book 'Ikigai' (symbolising professional growth), and other items.

Despite the uncertain external environment, our people took care of each other and displayed grit, resilience and dedication in delivering excellent client services. We introduced cash rewards to thank them for staying the course and for leading with their hearts, as they embodied our shared values and went above and beyond their roles to become change makers and inspirational leaders.

Our People Engagement Index, a formal measurement of the level of enthusiasm and dedication our people feel in their experiences at work, saw an improvement compared to the year before.

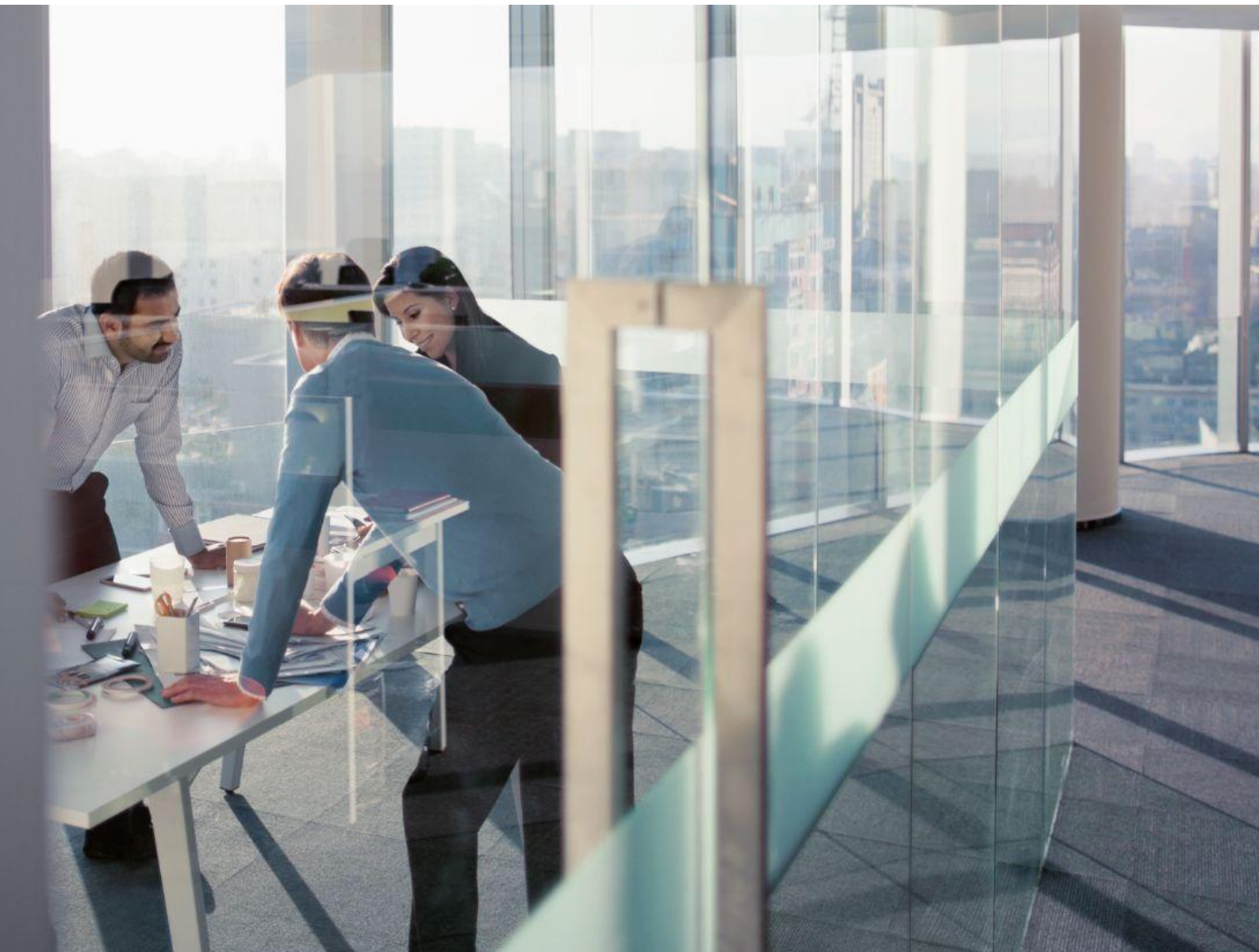
Making a difference in the community

Leveraging our diverse and multidisciplinary skills, our people work passionately to build trust and strengthen collaborations with community partners to help equip them with the right capabilities to navigate today's emerging issues. We are dedicated to creating social impact on communities in need including the elderly and differently-abled, amongst others.

We have focused our efforts on sharing our work-related skills and experience to upskill individuals and community service organisations. This year, in response to high demand, we forged new collaborations with leading food charities in Singapore to provide even more volunteering opportunities for our people. We continue to work with youths through digital upskilling bootcamps. We have also spearheaded environmental campaigns within the firm to encourage ecological and sustainable behaviours, in line with our net zero agenda.



Our approach



Message from leadership



PwC network



Our approach to quality



Cultures and values



Our people



Monitoring



Legal and governance structure

Our 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 the use of our offshore acceleration centre, in our underlying methodology, in 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 that 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 section on 'Monitoring of assurance quality'. 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.

Acceleration Centre (AC)

To augment our resource pool, we have extended the engagement teams to include individuals located in our offshore AC. The AC comprises diverse talent pools that perform assurance services and leverage automation and specifically designed tools to support quality and efficiency, freeing up time for the onshore team members to focus on client-facing, and more complex or judgmental matters.

All individuals at the offshore AC are required to be independent and trained to the extent applicable to that of our onshore team members. The onshore team members are still ultimately responsible for the overall audit. The AC is also subject to an appropriate quality monitoring programme.

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



Customised

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



Transparent

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



Precise

Focused and enhanced delivery of quality through precise planning and targeted testing, and tools to better analyse data and identify where risks lie



Efficient

Digital collaboration enabling automated exchange of data, status and findings



Insightful

A more relevant audit for our clients that delivers deeper insights

Tools and technologies to support our audit

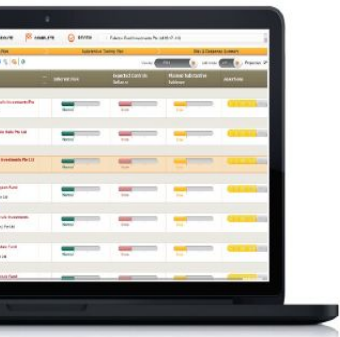
Our tools

As a member of the PwC network, PwC Singapore has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC 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 the 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. Clients are also able to see audit adjustments, control deficiencies and statutory audit progress for all locations in real time.

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



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.

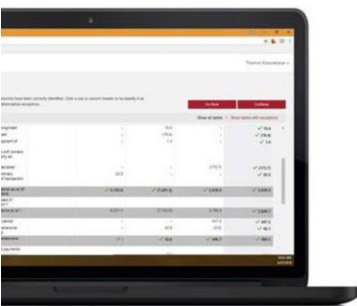
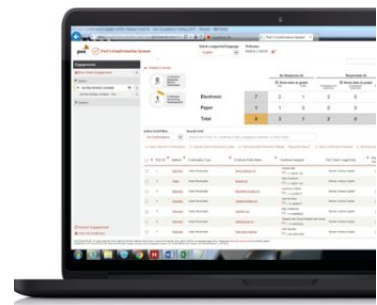
Tools and technologies to support our audit



Count, which facilitates the end-to-end process for inventory counts, allows our engagement teams to create and manage count procedures, record results directly onto their mobile device or tablet, and export 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 Review Suite of tools is based on cutting-edge machine learning and automation technology to help us streamline testing over the mathematical accuracy test and checking of prior year comparatives of financial statement documents.



PwC's Data Transformer (DT) is a cloud-based, web-enabled audit tool, designed and built to simplify and automate our audit processes, whilst improving quality and efficiency across our audit engagements. DT extracts data from various client source documents in multiple formats, aggregates the data in a consistent format in the data hub, integrates it with independent sources, and transforms it into valuable information through a designed framework and tailored workflows. This enables testing results to be generated with just a few clicks.


Data Transformer – Turnkey, an extended module within DT, processes data obtained over multiple sources and identifies growth levers. Apart from providing more insights to our audit, it offers our clients tailored solutions that can optimise their operations and grow their businesses. With the information being uploaded into the data hub, DT is able to deliver benchmarking, compliance monitoring (the ability to view metrics from multiple funds at once) and management reporting functions.



As part of **The New Equation** investment, we will be rolling out a continuous stream of new capabilities through our existing platforms to increasingly simplify, standardise, centralise and automate our audit work.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.



Confidentiality and information security

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 representatives from R&Q, Office of General Counsel, Network Information Security, Information Technology and Data Privacy Office. The objectives of these committees are to:

1. provide overall governance and oversight of the information management programme
2. act as an approval body for information management policies and procedures
3. agree and allocate information management accountability and responsibilities
4. identify and initiate information management remediation projects
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 our 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 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.

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 good practices.

Our data protection policy governs the collection, use, retention 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.

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, supervising the work completed by junior members of the team and maintaining 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 Risk & Quality 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's operating unit. Their roles and responsibilities include:

- being the first 'port-of-call' for audit methodology related queries
- leading audit methodology related forums, group discussions and training events
- driving quality initiatives within operating units
- serving as conduit for any feedback from engagement teams.



Quality review partners

Specific audit engagements are assigned a quality review partner (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, the team's responses to significant risks, as well as 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.



Monitoring



Message from leadership



PwC network



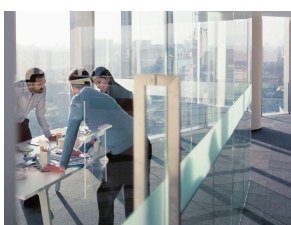
Our approach to quality



Cultures and values



Our people



Our approach



Legal and governance structure

Monitoring

Monitoring of assurance quality

We recognise that upholding quality in the assurance services we deliver to our clients is critical in maintaining the 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 in delivering quality audit engagements, using the network's quality management framework.

The overall quality objective under the 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 aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards. This includes the use of Real Time Assurance which is discussed in more detail on page 19 of the quality management objectives section.

Our monitoring also encompasses a review of completed engagements comprising 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.

The monitoring programme is based on a consistent network-wide inspections programme for assurance based on professional standards relating to quality control.

The objectives of the cold file review programme are to assess whether the engagements selected for review were performed in compliance with applicable professional standards, with PwC Audit and with Network and Member firm risk management policies. 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	2022	2021
Listed entities	6	7
Non-listed entities	8	10
Total audit engagements reviewed	14	17
Compliance rate	100%	100%
% partners/directors reviewed	23%	27%

Monitoring

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

The results of all inspections are reported to our firm's leadership who is 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.

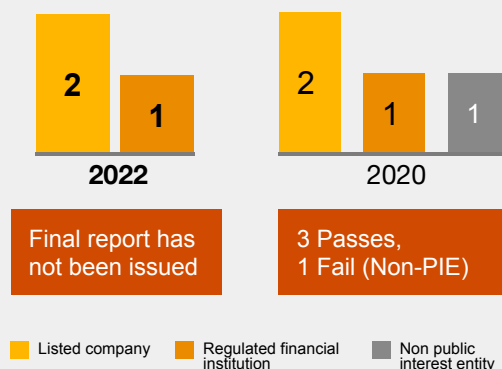
External reviews

PwC Singapore and its partners are subject to review by the Accounting and Corporate Regulatory Authority (ACRA) under its Practice Monitoring Programme. The review covers both the firm-level and engagement-level reviews. The last completed review by ACRA was carried out from 1 August 2022 to 31 August 2022.

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.

Audit quality reviews - External

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



2020 PCAOB inspection

Number of audit engagements reviewed by the PCAOB

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



Legal and governance structure



Message from leadership



PwC network



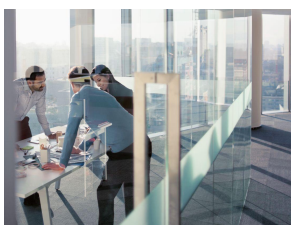
Our approach to quality



Cultures and values



Our people



Our approach



Monitoring



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. The 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 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 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
- the coordination of information security management across the firm.

The Risk Council serves to emphasise the LT'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.

Audit Advisory Board

PwC Singapore established an independent Audit Advisory Board on 1 January 2022 to provide guidance and challenge related to transparency and audit quality at the firm.

This independent Audit Advisory Board currently consists of two independent members who advise the firm on a range of matters including PwC's audit systems and processes; learning and development programmes; the firm's investment in methodology, technology and risk management in the context of overall investments; and how the firm is responding to structural changes in the profession, amongst others.

This approach is aligned with our global strategy, **The New Equation**, which focuses on two interconnected needs - to build trust and deliver sustained outcomes that benefits the wider ecosystem.

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