

People – Training

This forms part of our FY21 Transparency Report

Firmwide governance
Independence and ethics

People

- **Training**
- Culture
- Recruitment and Resourcing
- Talent, performance and reward

Audit quality

Our Audit methodology

Finances and other disclosures





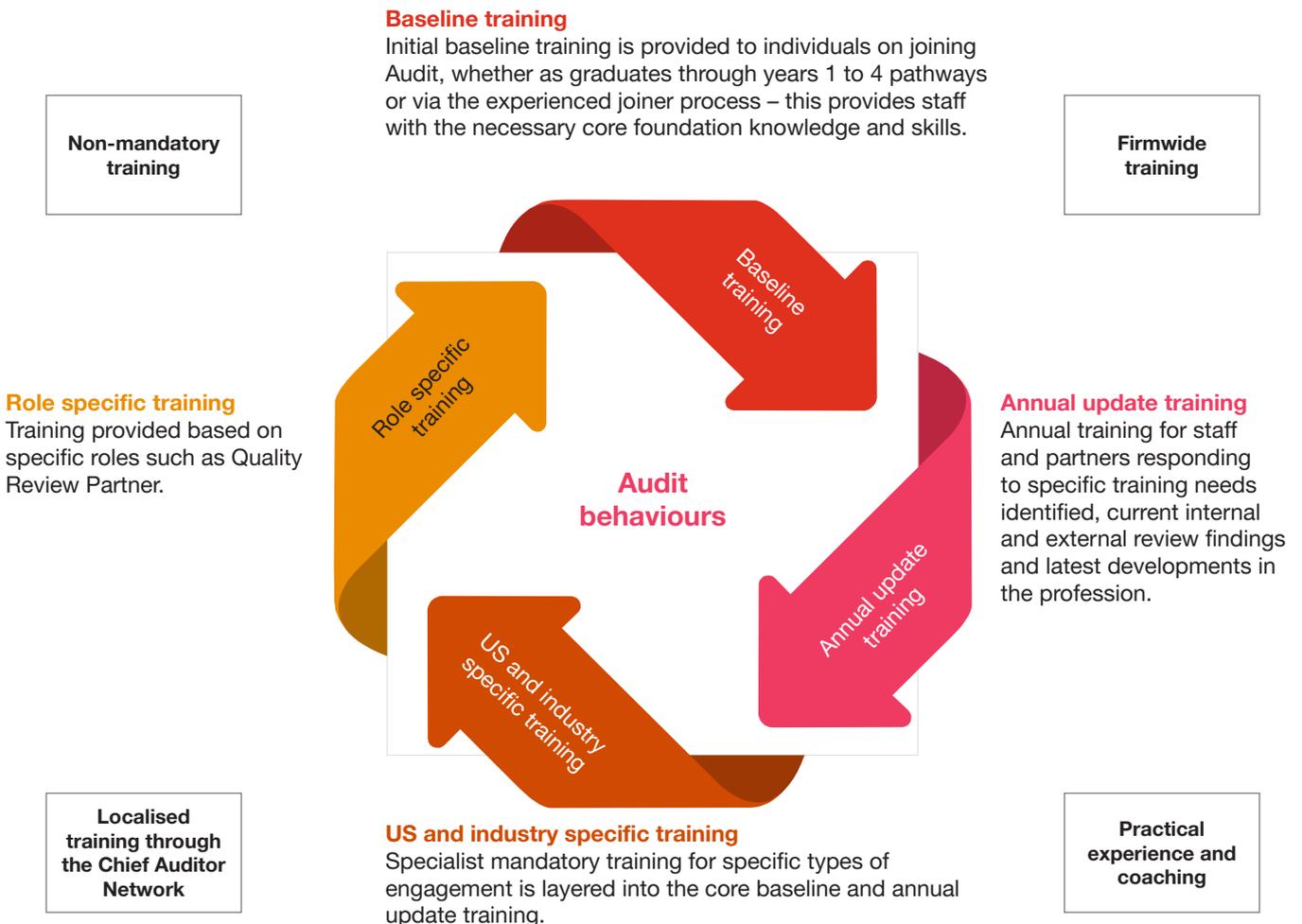
The learner journey

Our PwC Professional career progression framework underpins a training curriculum which provides a wealth of opportunities for our people to learn and develop. An individual's development journey starts when they join the firm and continues throughout their career, tailored to the grade, role and experience. Training is generally a combination of remote access training and classroom training, although the global pandemic has forced a fully virtual delivery throughout 2020 and most of 2021. Where learners are (in exceptional circumstances) unable to attend planned classroom training (live virtual session), appropriate remediation options are made available.

The firm's core mandatory audit training is categorised into pre-qualified pathways and a post-qualified curriculum and covers both technical and skills content. Experienced hires follow a defined series of onboarding activities prior to joining the post-qualified curriculum.

Core audit training is supplemented by US and industry curricula for those individuals deployed on such engagements. Certain roles also require specific additional training, such as Quality Review Partners. Completion of mandatory training is tracked and compliance of all staff and partners is closely monitored. Our training complies with the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006. Sanctions apply for non-completion up to and including dismissal.

We recognise the importance of creating a culture which best supports audit quality and have embedded, throughout our audit technical training, those behaviours we have identified as critical to Audit, namely team first, challenge and be open to challenge and take pride.



Supporting the quality agenda during the pandemic

Training our auditors remains a key part of our quality control activities.

Our annual training needs analysis is undertaken with the Audit Line of Service to identify new areas of technical and non-technical training or areas needing reinforcement and focus. It is prepared in consultation with Audit Risk & Quality and considers the current regulatory findings and root cause analysis. Emerging needs are considered on an on-going basis and we release guidance and/or training materials as appropriate throughout the year – this allows us to respond to emerging performance gaps promptly when they are identified and ensure our people are prepared for the work they do.

In line with our Programme to Enhance Audit Quality (PEAQ) commitments, we have continued to invest in our training curriculum to ensure our people are informed, prepared and empowered to deliver their role as auditors while navigating the impact of the global pandemic on their day to day roles.

<p>New curricula introduced to support specialist areas, including audit of pension schemes, Irish entities, audit of tax and Limited Liability Partnerships.</p>	<p>Dedicated curriculum developed for our Stakeholder Assurance practice to support those individuals working on non-audit assurance engagements.</p>	<p>Expansion of our current offering for those working in our Financial Services and Digital Audit business units, providing training in areas such as Solvency II and Cybersecurity.</p>
<p>Tailored data tools upskilling programme delivered to 2,300 individuals to support the use of data visualisation tools on their audit engagements.</p>	<p>Year 1 to 4 programmes fully redesigned and delivered to over 3,000 students virtually and External Auditor Training (EAT) delivered virtually to over 3,400 staff and partners.</p>	<p>Over 1,200 new joiners successfully onboarded into Audit during 2020 (both graduates and experienced hires).</p>

Following the establishment of government restrictions in an attempt to curtail the spread of the COVID-19 virus in early 2020, we quickly pivoted our delivery methods – all face-to-face classroom events were stopped and all audit training programmes were redesigned for virtual delivery. Delivery has continued as virtual throughout 2020 and 2021 to date.

The quality of our training programmes has been maintained through the period, with feedback scores meeting or exceeding levels achieved in 2019. Individuals value the increased flexibility afforded them through a virtual curriculum and are enjoying the opportunity to explore the increasingly varied range of tools and technology we use to support delivery of our programmes.

The impact of the pandemic was not isolated to our internal training. Unsurprisingly, the professional qualifications undertaken by our students were also affected. The ICAEW qualification involves completing a 3-year training agreement, completing 15 exams and meeting a number of other membership requirements. During the pandemic, the ICAEW suspended certificate level exams, cancelled sitting for its professional stage and deferred advanced stage exams. The pathways for around 1,000 students required adjustment and we have worked closely with the ICAEW and our main tuition provider, Kaplan, to minimise the impact for our students. Similar challenges were navigated for students qualifying with the Scottish and Irish institutes. We are pleased to be able to confirm that all our students have continued to progress on their pathways throughout the period, despite these challenges.



As we look to the future, with restrictions now substantially lifted, consideration has been given to the return to physical classrooms and we are in the process of a phased reintroduction of face-to-face events for some parts of our curriculum. Our approach going forward will return to a hybrid format. Whilst virtual learning was essentially enforced during the pandemic, the success of our programmes has showcased the potential uses for and benefits of virtual learning across our curriculum and built up our teams' capabilities to learn remotely. This increases our options for blended training solutions and allows us to optimise training investment.

Beyond Audit technical training, our attention has turned to the reintroduction of our leadership skills development programmes temporarily suspended during the pandemic, with a number of 'catch up' programmes planned in the near future for those individuals affected by the scaled-back approach taken during 2020. Our programme designs have evolved since they were last run – changes made ensure programmes continue to address current and future business needs and optimise the support provided to learners in this area. Further, technology continues to remain important within our profession, so we continue to invest in digitally upskilling our teams, with 15,000 people having now completed our Digital Academy programme (of which 4,000 are from Audit) and around 300 additional "digital accelerators" currently being upskilled to support business unit teams on the ground.

In addition, recognising that none of us are immune from unconscious bias, our new Open Mind training programme was announced in October 2020. This multi-part programme – applicable to all staff and partners – is designed to enable our teams to identify the behaviours needed to mitigate unconscious bias, spark debate and create a shared language where biased and non-inclusive behaviours can be challenged, to further build a culture of inclusion within our firm.

Mandatory audit training is further supplemented by firmwide training, localised training through the Chief Auditor Network and a wealth of non-mandatory training assets available to learners to help them navigate their learner journey. Our firmwide training comprises annual risk and quality update training spanning matters relating to compliance, independence and ethics, our suite of programmes aimed at digital upskilling our teams, our professional skills curriculum and our milestone, leadership and talent programmes. Whilst the pandemic resulted in a suspension of our leadership and talent offering during 2020, the easing of COVID restrictions means that we are now in the process of reintroducing the full suite of programmes, including catch-up arrangements for some of those learners missing out during the pandemic. As part of standing these programmes back up, we have completed a review of current and future business needs and evolved our programme designs to continue to optimise content relevance and learning effectiveness.

We actively encourage individuals to take personal responsibility for their own development needs and engage with their peers and career coaches to take learning beyond the "classroom". Our learning management system, Vantage, provides a personalised, holistic learning experience, from the initial search through to managing and tracking learning. Vantage allows individuals to access internal learning and other curated content, as well as to create and share playlists with others, and actively manage their learner pathway and training. Much of the training on Vantage is mobile enabled and can be completed at any time and when on the move. Content covers both technical and skills elements.

In addition to formal and informal learning activities, our people further hone their technical knowledge and professional skills through practical experience and coaching. We recognise that learning from others as part of performing our day-to-day roles is incredibly powerful. We deploy people to engagements and projects to support continuous development. Each engagement leader is responsible for building a team with appropriate professional competence and experience, and also to provide growth opportunities through sharing experiences across the team, coaching and supervision.

15,000

people having now completed
our Digital Academy programme
(of which 4,000 are from Audit)



The learning that comes from on-the-job experience, coaching and training programmes is supported by additional development opportunities, such as internal and external secondments, international assignments, membership of professional committees and working groups, community partnerships and voluntary programmes.

Each member of staff has a Career Coach assigned to them, who supports them with career planning and development. The Career Coach supports individuals through the performance management process; reflecting on feedback received; understanding their individuals' unique strengths and areas for development; and exploring opportunities for growth and progression. They also have a key role to play in supporting the wellbeing of our staff. There is a raft of guidance and training available to support them to confidently lead our people through change and navigate the development changes identified by their people.

All employees also have access to our in house Careers Service. The Careers Service consists of a team of professional coaches who provide impartial, confidential and personalised careers support and coaching. The service is accessible to anyone in the firm, up to and including Director. This service will typically offer individual employees the opportunity to explore how an individual can enrich their current role, gain an insight into other opportunities, work towards promotion or through a transitional phase of their career, or discuss how to overcome personal barriers that may hinder their progression. The service also provides CV and Interview support.

Case study – EAT 2020

Following its fundamental redesign in 2019, the EAT programme remains a critical element of our annual update training for our qualified population.

During 2020, some 3,400 individuals completed our programme, attending our summer and autumn events virtually. The programme was delivered using the best of PwC's technology – individuals watched livestream broadcasts, came together over Google Meet to participate in facilitated group discussions, submitted questions for our panel Q&A with subject matter experts via our dedicated EAT app, completed a series of interactive e-learns and even listened to our first ever EAT podcast!

All of this in addition to completing the Risk & Quality webcasts throughout the year and completing a series of topic-based assessments.

Topics covered in 2020 were as varied as the delivery and included effective project management, common pitfalls in financial statements review, auditing the future and auditors' reporting requirements. Lessons learnt from investigations were shared by subject matter experts and teams also spent time together focused on coaching, supervision and review, especially in the context of a hybrid working environment. Additionally, a dedicated session focused on developing a "forensic mindset" was included, led by colleagues from our Forensics practice.

The programme was well received, with an average session score of 4.59 out of 5 (2019: 4.44).

Key content from the post-qualified programme continues to be built into the pre-qualified curriculum, ensuring that our more junior staff receive consistent training, as relevant to their grade and role on audits.



Spotlight on Fraud

The Brydon report sets out a range of recommendations to improve the quality of audit work. Many of these recommendations specifically relate to addressing the risk of fraud.

Our External Audit Training (EAT) programme included a session entitled “A forensic mindset” and contained four distinct elements:

1. Diagnostic testing individuals’ natural preferences towards a “forensic mindset”.	2. An elearn providing training to help participants understand what a “forensic mindset” is and highlighting key fraud warning signs.	3. A team touchpoint where participants discussed in mock engagement teams the elearn content and shared on-the-job experiences.	4. A Subject Matter Expert (SME) touchpoint attended by all participants where key messages were debriefed and which included a Q&A session with Risk & Quality and a partner from Forensics.
--	--	--	---

The session was delivered to over 3,400 qualified staff and partners during Summer 2020, receiving positive learner feedback. Follow up sessions on the topic were held with engagement leaders as part of our Higher Profile Client (HPC) training and with new Responsible Individuals during their dedicated training sessions.

Fraud has remained a hot topic throughout the year with a number of references during the EAT webcasts. Relevant content has also been woven into our pre-qualified mandatory training programmes, ensuring this topic is front of mind for all our staff and partners.

FRC firmwide review of Audit methodology and training

As part of the FRC’s most recent review cycle (2020/21), the firm’s processes in respect to audit methodology and training were reviewed as part of their assessment of the firm’s overall system of quality control.

There were no key findings to report in respect of audit methodology and training. A number of areas of good practice were noted including:

- clear consequences for failure to complete required training in a timely fashion;

- analysis of post-course assessments as a way of identifying learners’ knowledge gaps (including monitor the number of attempts taken) and use of action plans to support learners who are identified as struggling with specific topics; and
- the frequency and quality of ongoing communications to partners and staff on methodology and guidance.

Investment in training

In a future that is human-led and tech-powered, it is critical that people and technology work hand in hand. We recognise that our people are key to delivering exceptional client service and performing high quality audits that support our clients in responding to the ongoing political, economic, technological and regulatory change they face.

Training has a pivotal role to play in maintaining our ability to confidently and competently meet market expectations. Our people develop technical knowledge and professional skills through practical experience, coaching, and from formal and informal learning activities. Personal responsibility for ongoing development is encouraged, with individuals in the firm supported by their career coach.



Our investment in training is set out in the below table:

Metric	2020 (Calendar year)	2019 (Calendar year)	Explanation
The minimum structured training hours provided to qualified audit partners and staff within the annual mandatory audit, accounting and compliance update programme	33 hours per person	25 hours per person	Increased minimum training hours is due to further investment in the (EAT) programme, the expansion of mandatory compliance training to ensure that all key elements of risk are effectively managed in the business, and the extension of some programme lengths to maintain learning effectiveness when delivered virtually.
The range of possible structured mandatory training hours required by qualified audit partners and staff based on their grade, experience and role (defined by their learner profile responses).	33 - 216 hours per person	25 - 129 hours per person	<p>Both the minimum and maximum training time required have increased as expected, but the maximum hours have increased significantly more than the minimum. This reflects the nature of the training, being grade or role specific (as opposed to applying to the whole population).</p> <p>A number of new curricula were introduced in 2020 to support our teams in specialist areas, including:</p> <ul style="list-style-type: none"> • Audit of pension schemes; • Audit of limited liability partnerships; • Audit of Irish entities; and • Stakeholder Assurance engagements (non-audit assurance engagements). <p>In addition, the financial services curricula were bolstered in year with the expansion of intermediate level training programmes and the inclusion of a Winter update for Insurance (supplementing the existing Spring and Autumn updates). The Digital Audit Academy programme was also expanded and a dedicated programme for those working with data visualisation tools on audit engagements was also introduced in 2020.</p> <p>Finally, with programmes all being delivered virtually in 2020, the result of the global pandemic, certain programme lengths were increased during the design phase in order to maintain overall learning effectiveness. Such design adjustments contribute about 12% of the overall increase (the residual being content increases as outlined above).</p>



Metric	2020 (Calendar year)	2019 (Calendar year)	Explanation
The average time charged to training time codes by qualified (and equivalent grade) partners and staff in Audit during the calendar year, including mandatory and elective training.	116 hours per person	112 hours per person	Increase in average hours is driven by the increase in mandatory training hours noted above, offset in part by the deferral of the Stratosphere – our firmwide leadership development programme for Senior Managers – and a concerted effort by the business to consolidate portfolios to focus on individual specialisms rather having resources spread across multiple areas of work – this naturally means individuals undertake some but not all of the maximum training available.
The total number of hours charged to training time codes by all partners and staff in Audit during the year, including exam training for staff under training contracts.	1.3 million hours	1.2 million hours	Despite deferral of the Stratosphere and Altitude programmes as a result of the pandemic and changes in the professional qualification timeline which reduced exam training hours by around 0.1 million in the period, the increase in average hours per person noted above and the headcount movement year on year have resulted in an overall increase of 0.1 million hours compared to 2019 levels.

