

PricewaterhouseCoopers LLP
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UK Transparency Report 2024

Updated February 2025





Welcome to our 2024 Transparency Report

The organisations we audit are facing not just more uncertainty and more disruption, but huge amounts of change – in particular rapid developments in technology, ongoing geo-political fracturing and increased urgency to address climate change risks.

This report outlines the measures we've implemented to provide our audit teams with the necessary expertise and technology, fostering a culture centred on our commitment to delivering consistently high audit quality.

There have been high-profile challenges across the PwC Global Network over the year, and this has further underscored the critical importance of having a culture that embeds ethical conduct and upholds robust governance structures.

In this context, building and maintaining trust remains paramount, and I take pride in the significant contributions our UK audit teams make in this regard.

We appreciate the insights shared by the FRC in their Annual Review of Audit Quality, and its recognition that we continue to prioritise achieving high quality audits. Our audit teams remain focused on meeting our quality objectives, which includes learning from the good practices identified as well as the feedback on where improvements can be made.

We are pleased to support the steps being taken by the Government and the FRC to progress the long-awaited audit reform and corporate governance legislative agenda. There are significant benefits to the UK retaining its leadership position in audit, reporting and corporate governance on the international stage.

The sector provides a key competitive advantage to the UK economy and we recognise the importance of maintaining it. As such, we are proactively responding to the increasing demand for rigorous, independent assurance and insights into organisations' significant non-financial information, including areas such as ESG and cybersecurity.

Responding to the challenges faced by the organisations we audit necessitates close collaboration among our teams, who benefit from sharing knowledge, expertise and experience to enhance both audit quality and the insights we deliver through our audit work.

This collaboration is fundamental to delivering PwC's purpose – to build trust in society and solve important problems.

In part we are doing this through adopting technology more quickly and effectively, allowing us to focus on the needs of the organisations we audit, as well as the needs of their stakeholders and investors.

We also know that to fulfil our purpose we must be recognised for our independence, integrity, unquestioned objectivity and overall trustworthiness. Transparency is crucial to this.

Marco Amitrano
Senior Partner

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This Report was updated in February 2025 to include a revised list of PIE entities.

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Head of Audit report



Head of Audit report

PwC's culture of high quality and excellence is core to our purpose of building trust in society and solving important problems.

I joined the audit profession in order to contribute meaningfully to building confidence in business, and that's why I'm so proud of our work in Audit. Our role as auditors is to build trust in information that drives the capital markets – its accuracy, reliability and consistency. The world is changing at pace and the needs and expectations of investors and wider stakeholders continue to evolve. In this complex environment the work we do to meet the rising expectations for transparency, accountability and stakeholder engagement is more important than ever.

Society is looking to organisations to provide transparent financial and non-financial reporting that they can trust. As the demand for more non-financial information increases, the regulatory environment is also evolving. We're pleased to see the new Government commit to move forward with reform of the UK's audit and corporate governance regime. The system-wide approach to reform, and the recognition that trusted reporting is vital to UK growth is welcomed.

We will continue to work constructively with all parties on our shared goal of maintaining and strengthening corporate governance in the UK.

It's part of our public interest commitment to consistently perform quality engagements and be transparent about our system of quality management. This report explains how the firm and audit practice is governed, as well as providing more detailed descriptions of our policies and processes, independence and principal risks, together with the challenges we face and how we are responding to them. This report relates to the year ended 30 June 2024, referred to throughout the report as FY24.

For the first time, we are reporting under the Audit Firm Governance Code (AFGC) 2022 and on [page 38](#) of this report you can also see our journey to operational separation.

“We are committed to delivering consistently high quality audits that meet the needs of investors, the organisations we audit and wider stakeholders.”

Audit Quality

We're committed to delivering consistently high quality audits that meet the needs of investors, the organisations we audit and wider stakeholders. Our multidisciplinary model allows our audit teams to access trusted independent experts and specialists from across the firm. This access to knowledge and industry expertise is critical and enhances both audit quality and the insight we provide to the organisations we audit.

There is no single definition or measure of audit quality and Audit Quality Measures (AQMs) and Audit Quality Indicators (AQIs) remain a complex area. We have continued to engage positively with the FRC through 2023/24 in relation to external AQIs and the reporting of a consistent, publicly disclosed set of firm level AQI metrics.

In addition, our Audit Quality Measurement framework includes three key measures of audit quality to provide a comprehensive view of the quality of our audits. We believe that using AQMs and AQIs together helps stakeholders to understand an audit firm's approach to, and progress with, audit quality.

We appreciate the insights shared by the Financial Reporting Council (FRC) in the 2023/24 inspection cycle and its recognition that we continue to prioritise achieving high audit quality. Whilst our FRC audit inspection outcomes are consistent with the last few years, we recognise some inconsistency remains, and that more can be done to address specific matters including in the audit areas reported as key themes. More detail can be found on [page 52](#). Our audit teams remain focused on meeting our quality objectives, which includes learning from the good practices identified as well as the feedback on where improvements can be made.

We continue to invest significantly in our audit practice and have a detailed Audit Quality Plan (on [page 69](#)), which sets out all of our activities that are fundamental to delivering high quality work and ensures that performing consistently high quality audits remains our primary focus. Our Audit strategy builds on our ongoing commitment to quality and our audit culture, people, advanced technology and governance are all critical to delivering high quality audits.

Statement on the effectiveness of the firm's internal quality control system

Our quality control system for the audit practice has been suitably designed and complied with to provide us with reasonable assurance of performing and reporting in conformity with applicable professional standards.

Audit Quality Measures

87%

FY23: 86%

Of respondents to our annual audit culture survey feel proud of the quality of our audit work

84%

FY23: 85%

The percentage of audit files inspected through Audit Quality Review (AQR), Quality Assurance Department (QAD) and Engagement Compliance Review (ECR) inspection processes that were rated good or limited improvements required (or equivalent rating)

4.6/5

FY23: 4.5/5

The average score audit committees and those charged with governance rated our overall audit quality

What our people say:
Our Audit Culture and Behaviours survey

I understand how the work I do on a day-to-day basis supports the purpose of audit and assurance

94%

FY23: 93%

Team first: My team regularly shares problems with each other in order to find effective solutions

88%

FY23: 87%

Challenge and be open to challenge: My team regularly challenges each other around whether the course of action we are taking is realistic and/or will deliver a quality audit outcome

82%

FY23: 79%

Challenge and be open to challenge: I feel confident to challenge others who demonstrate behaviours that put audit quality at risk

84%

FY23: 87%

Take pride: I am encouraged to perform a high quality audit

93%

FY23: 91%

Our audit culture

Our audit culture is really important to me and is fundamental to performing consistently high quality audits. Whilst we’re proud of the steps we’ve made in recent years, it’s important we recognise that culture needs to be continuously reinforced and prioritised. Our culture is underpinned by three Audit Behaviours: Team first; Challenge and be open to challenge; and Take pride. These behaviours are embedded into everything we do, from audit training to delivery and the evaluation of our people’s performance. Every year we celebrate the best examples of our people and teams living the Audit Behaviours at our Audit Awards which you can read more about on [page 87](#).

The culture of our audit practice is monitored through a number of activities, including the annual Audit Culture and Behaviours Survey, focus groups with people in Audit, and observations of engagement teams. The results of these activities are combined in the annual Audit Quality Culture Report. This report is reviewed by, and discussed with, the Audit Executive and our Audit Oversight Body (AOB). Following the report, an Audit Culture Action plan is developed which sets out activities for the year ahead to further integrate and embed our audit culture. This year, we’ve focused and will continue to focus on the importance of team contracting and creating psychological safety in our teams.

The organisations we audit also play a crucial role in facilitating high quality audits, and we continue to focus on the critical importance of the evidence they need to provide. Our teams are encouraged and supported to have open and transparent conversations, setting clear expectations with businesses to ensure we receive timely and quality information.

Our people

In a rapidly changing world, our auditors continue to work together to deliver high quality outcomes. Our people are specialists with deep industry knowledge and expertise and ensuring our teams are made up of the right people with the right skills is crucial to quality. Recruiting and retaining experience and specialist staff across the audit profession is a challenge which was also highlighted in the [FRC’s Barriers to entry and growth in the audit market](#) February 2024 report. We remain focused on attracting, developing and retaining talented individuals with diverse skills, experiences and perspectives.

We are committed to creating an inclusive working environment where everyone feels like they belong and can fulfil their potential. We continue to design interventions and actions to drive inclusion and diversity and are committed to being transparent about the progress we’re making. Our diversity targets and the progress we’re making against them are published in our [Integrated Reporting Hub](#)¹. As part of this ongoing commitment to transparency, for the first time in this report we have published our Audit partner diversity metrics on [page 86](#).

* FY23 headcount figures have been restated to align methodology with other people-related data in the Transparency Report and other public reporting

¹ Source: <https://www.pwc.co.uk/who-we-are/reporting-hub.html#/people>

Number of UK people in Audit

6,176

FY23: 5,924*

Number of Responsible Individuals as at July 2024

352

FY23: 339

Our technology enabled audits

Our human-led, tech-powered approach combines the knowledge and experience of our auditors with our advanced technology. Technology is central to how we operate, and is embedded throughout our audit, from risk assessment analytics in planning to the use of artificial intelligence (AI), data auditing and visualisation techniques in our audit testing.

As emerging technologies evolve, we continue to invest in our technology, both across the firm and in Audit, and are developing tools and capabilities both in-house and with our technology alliance partners. There have been significant investments into generative AI as we seek to reimagine how we further enable our people by leveraging the power of artificial intelligence.

This year, we've launched an intelligent assistant, ChatPwC, to everyone in Audit following them completing mandatory training. ChatPwC uses generative AI to respond to text-based questions within a secure environment.

Our governance


Our firm's governance plays a fundamental role in our commitment to perform consistently high quality audits. Outside of the UK we've seen failings that demonstrate the critical importance of having the right, culture and governance structures in place. Our firmwide governance arrangements, including the role of the Supervisory Board, the Public Interest Body and the Management Board, are described in the Governance section.

Specific to Audit, I lead the Audit Executive, which takes responsibility for the day-to-day policies, strategy and direction of the audit practice, including translating the firm's overall vision and strategy into practical actions and decisions specific to the Line of Service, in particular in relation to audit quality. Our AOB provides specific governance oversight to the audit practice and you can read more about their activities this year in their update on [page 19](#).

Looking ahead

The demand for assurance over non-financial information continues to grow in areas such as ESG, controls and AI. We will continue to engage with the investor community, Audit Committee Chairs and wider stakeholders, and are focused on providing robust and independent assurance across financial and non-financial information in the public interest

As part of our commitment to building trust and delivering sustained outcomes, the PwC Network continues to invest in a multi-year programme building new global tools to power our next generation audit. We will continue to invest in our people, culture, skills and technologies to deliver our vision for the audit of the future that is human-led, tech-powered, and consistently focused on striving for the highest levels of quality.



Andy Hammond
UK Head of Audit

Firmwide governance

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Senior Partner Election Update from the Chair of the Supervisory Board



Chris Burns

The role of the UK Supervisory Board (SB) is to review, challenge and give guidance to the UK Management Board on matters which the UK SB in its sole discretion from time to time considers to be of concern, or potential concern, to the partners, having regard to the interests and wellbeing of the firm and the partners as a whole. More detail can be found on the role of the UK SB on [page 26](#).

The Alliance Senior Partner Election is held every four years and is a vitally important process in determining the leadership of both PwC UK and the PwC Middle East firm. The UK SB, together with the Middle East SB and the Alliance SB, was responsible for the developing and running the Alliance Senior Partner Election process

Alliance Senior Partner Election

On 1 July 2024, Marco Amitrano assumed the role of Alliance Senior Partner (ASP), succeeding Kevin Ellis, who retired on 30 June. The Alliance Senior Partner chairs the Alliance Leadership team and appoints the UK and Middle East Senior Partners. PwC UK has an equity holding in, and a strategic Alliance with, the PwC Middle East firm. Marco's election was the culmination of a process which ensured that all Partners in the Alliance were able to vote in choosing their Senior Partner. This election marked the first occasion since 2016 that the position was contested, underscoring the significance of the event.

Election Oversight and Governance

The governance of the election process was paramount, ensuring that the principles of fairness, robustness and transparency were upheld.

The Alliance Supervisory Board, in conjunction with the ME and UK Supervisory Boards, oversaw the design and execution of the process to ensure integrity and fairness in how it was conducted, acting in the interest of the Alliance, the UK and Middle East firms, and the partners as a whole. An Alliance Senior Partner Election Committee was formed in April 2023 to consider and make recommendations to the respective Supervisory Boards in matters relating to the election. As Chair of the UK and Alliance Supervisory Boards, I performed the role of Chair of the Alliance Senior Partner Election Committee.

The Alliance Supervisory Board issued comprehensive guidance for potential candidates and partners, including a Code of Conduct, which was established to:

- enable a fair election process;
- enable partners to voice their individual viewpoints and cast their votes without undue influence by others;
- ensure the process was conducted so as not to disrupt the ongoing business of PwC and the provision of services to its clients; and
- seek to maintain the confidentiality of the process to current UK and ME partners.

The ASP Election Process

In keeping with our values, it was important that the ASP election process encouraged diversity, promoted fairness and allowed each partner to have their say via the voting process.

The Alliance Senior Partner Election Committee, with feedback from the PwC Global Board and the firm's Independent Non-Executives and Audit Non-Executives, developed three key stages of the process:

1) Self nomination

Any UK or ME equity partner was invited to share their intent to self-nominate by 5 February 2024 after which a number of processes and checks were undertaken in order to perform an assessment of each candidate. This included the use of an independent third party provider conducting online and in person assessment activities on behalf of the Alliance Supervisory Board.

2) Assessment

The Alliance Supervisory Board set procedures for the UK and ME Supervisory Board to undertake their own assessment of potential candidates who had submitted a self nomination, taking into account data provided through the first stage and applying predetermined criteria based on the required skills and attributes of an ASP.

This assessment included receiving feedback from the PwC Global Board on each candidate's readiness as well as feedback from the Independent Non-Executives and Audit Non-Executives on each candidate and their manifestos from a public interest perspective.

The outcome of the assessment process was that three final candidates were proposed to be put forward to ballot.

3) Hustings and ballot

Partners in the UK and the Middle East had the opportunity to attend election hustings to hear and engage with the candidates before casting their vote. Hustings were held in Dubai, Manchester and London and our Independent Non-Executives and Audit Non-Executives also joined these meetings virtually as observers. In the hustings each candidate spoke about the proposed vision and strategy set out in their manifesto and then took questions from the partners in attendance. I also hosted a panel Q&A session with all three candidates at each hustings.

The Alternative Vote system was selected for the ballot, a preferential voting method that allows voters to prioritise their candidate choice without votes being wasted or the need to anticipate the preferences of others. UK Partners, in casting their vote, also agreed that the candidate elected as a result of this

process as the Alliance Senior Partner would also be appointed as Senior Partner of the UK firm.

An independent scrutineer conducted the ballot, with a very high level of Partner voter turnout from across the Alliance. I announced Marco Amitrano as the winning candidate on 25 April, the day the voting closed.

Partner engagement in the process was extremely high throughout. A dedicated election intranet site hosting details about the election as well as the candidate manifestos was created and our Partners were able to ask questions through the site, many of which were used in the hustings. Internal webcasts were also held with partners and staff.

Marco Amitrano was elected Alliance Senior Partner for PwC UK and Middle East, effective from 1 July 2024, for a four year term. As part of the pre-appointment process, Marco Amitrano met with the FRC.

As the UK Senior Partner, Marco Amitrano appointed the new UK Management Board, effective 1 July 2024, in discussion and consultation with the Supervisory Board Talent and Remuneration Committee.

Before appointing the new Head of Audit, Marco Amitrano consulted with the Audit Oversight Body (AOB) in respect of the proposed candidate (following the Audit Non-Executives of the AOB having met with the

candidate), in line with its responsibilities under the Audit Firm Governance Code and AOB Terms of Reference. This was followed by a pre-appointment meeting with the FRC.

Following the conclusion of the ASP election process, the Supervisory Board has sought feedback from Alliance partners on the election process. The Supervisory Board has considered this feedback, together with feedback from other key stakeholders, and this will be available for the Supervisory Board to refer to as it prepares for the next Alliance Senior Partner Election in 2028.



Update from the Chair of the Public Interest Body

The Public Interest Body (PIB) has continued to be very active during the year, with an ongoing focus on audit quality and public interest considerations.

Throughout the year, the PIB has continued to ensure that it provides an appropriate level of oversight and challenge. The PIB has continued to take an active role in promoting audit quality alongside the Audit Oversight Body, ensuring the firm takes account of the public interest in its decision making, and also safeguarding the sustainability and resilience of both the firm's audit practice and the firm as a whole. A summary of the key matters considered by the PIB during the year, including with regard to the Alliance Senior Partner election, culture and people, and events in the Network, is included below.

The role of the PIB

The role of the PIB is to enhance stakeholder confidence in the public interest aspects of the firm's activities through the involvement of Independent Non-Executives (INEs). The PIB considers a wide range of issues, with a particular focus on matters of public interest.

The role of the INEs includes collectively enhancing the firm's performance in meeting the purpose of the Audit Firm Governance Code (AFGC), which includes promoting audit quality, ensuring that the firm takes account of the public interest in its decision making, particularly in audit, and safeguarding the sustainability and resilience of the audit practice and the firm as a whole. As part of this, both the Supervisory Board Talent and Remuneration Committee and Risk Committee have each continued to have INEs embedded within their membership. In FY25, an INE will also be appointed to the Supervisory Board Audit Committee.

The PIB comprises of four independent non-executives and two representatives from the firm (one from the Management Board and one from the Supervisory Board).

The Terms of Reference for the PIB can be found on the [firm's website](https://www.pwc.co.uk/who-we-are/terms-of-reference-the-public-interest-body.html)¹. These Terms set out the purpose and authority of the PIB and also include the procedure for dealing with any fundamental disagreement between the INEs and the firm's management team and/or governance structures.

¹ Source: <https://www.pwc.co.uk/who-we-are/terms-of-reference-the-public-interest-body.html>



Philip Rycroft CB

Biographies of the Public Interest Body members



Philip Rycroft CB

Philip Rycroft CB is Chair of PwC's Public Interest Body. During a 30 year career, Philip held senior leadership positions in departments such as the Cabinet Office, Office for the Deputy Prime Minister, Department for Business, Innovation and Skills and the Scottish Executive. Most recently Philip was Permanent Secretary for the Department for Exiting the EU before retiring from the Civil Service in 2019.



Suzanne Baxter

Suzanne Baxter is an experienced chair, director, and finance professional with substantial board and committee experience gained across the public, private and charity sectors. Suzanne's portfolio of non-executive positions includes board appointments as Audit Committee Chair at Ascential plc until 8 October 2024 and Auction Technology Group plc, and she is the External Board Member and Audit Committee Chair at Pinsent Masons LLP.

She was formerly a non-executive director and Audit Committee Chair at WH Smith PLC and, following her longstanding work in the area of equality, was appointed as a Commissioner for Equality and Human Rights for Great Britain.



Victoria Raffé

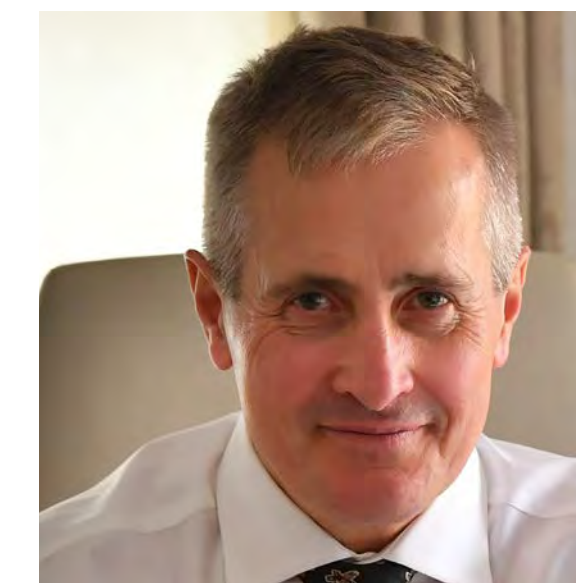
Victoria Raffé is a former director and Executive Committee member of the Financial Conduct Authority (FCA), where she held a number of leadership roles during a 20 year career with the FCA and its predecessor the Financial Services Authority.

Since leaving the FCA in 2015 Victoria has focused on non-executive roles in the financial services and tech sectors including founder director and senior independent director at Starling Bank, and is currently Chair of tech firms Inbotiqa and Let's Think.



Dame Fiona Kendrick DBE

Dame Fiona Kendrick is the former Chair and CEO of Nestlé UK&I. Dame Fiona acted as Chair and as an INE member of the PIB until 15 August 2023, when she stepped down from this role. Dame Fiona is also Deputy Chair of the Institute for Apprenticeships and senior advisor for several consultancies.



Rob Perrins

Rob Perrins is currently Chief Executive of Berkeley Group having qualified as a Chartered Accountant in 1991. Rob has been a main board member of Berkeley since 2001 and Chief Executive since 2009, having previously been CFO. Rob has been Chair of Trustees of the Berkeley Foundation since its launch in 2011 - an independent charity that works in partnership with the voluntary sector to tackle inequality and support young people and their communities.

The biographies of [Marco Amitrano](#), [Chris Burns](#) and [Kevin Ellis](#) can be found in Appendix D of this report.

PIB FY24 meeting attendance

| | Length of service* | A | B |
|---------------------------|--------------------|---|---|
| Dame Fiona Kendrick DBE † | 4 years, 2 months | 1 | 1 |
| Chris Burns ‡ | 5 years, 4 months | 5 | 5 |
| Suzanne Baxter † | 2 years | 5 | 5 |
| Kevin Ellis ‡ | 8 years | 5 | 5 |
| Rob Perrins | 9 months | 4 | 4 |
| Victoria Raffé † | 4 years, 4 months | 5 | 5 |
| Philip Rycroft CB † | 4 years, 4 months | 5 | 5 |

A – Maximum number of formal meetings which could have been attended.
B – Number of meetings actually attended.

‡ MB and SB members of the PIB:
Kevin Ellis (from July 2016), Chris Burns (from February 2019).

† Independent Non-Executive

* The length of service has been calculated as at 30 June 2024.

The INE appointment process

The PIB consists of a majority of INEs, and has a robust succession strategy and a clear INE appointment process. INEs are nominated by the Senior Partner, following consultation with the PIB Chair and Chair of the Supervisory Board, and approved by the Supervisory Board. Each INE has a letter of appointment that sets out their rights and duties. The Senior Partner and Supervisory Board respectively decide which members of the Management and Supervisory Boards will sit on the PIB. Terms of office for the INEs are not coterminous, to facilitate rotation in future years. INEs are appointed for an initial three year term and may serve for two further three year terms, up to a maximum of nine years in total.

Each INE letter of appointment includes obligations and restrictions on the INEs in order to ensure they remain independent of the firm. In developing these conditions, the firm considered the AFGC, issued by the FRC, and the Ethical Standard, as well as considering what a reasonable third party would expect of an INE. The firm’s criteria for assessing the independence of an INE from the firm include whether an INE holds any relationships with the firm and its owners, which may be inconsistent with Principle O and Provision 40 of the AFGC. The length of the term served by the INE is also taken into consideration, with the maximum tenure for any INE being nine years in total.

Each INE must go through a thorough independence check and clearance process before they can be appointed. Under the letter of appointment, an INE must comply with certain prohibitions in respect of their financial interests and relationships, including employment relationships, and these form a key aspect of the firm’s criteria for assessing the independence of an INE from the firm’s audit clients.

As part of these prohibitions, an INE or an immediate family member must not control, or have significant influence, over an audit client of the firm or any other PwC firm, or any of its related entities. In the case of an SEC restricted entity, an INE or an immediate family member must not own more than 5% of

the outstanding equity securities of that entity. An INE must not be employed by an audit client of the firm or any of its related entities, nor serve as a director (or similar position) of such an entity. An INE must not have an immediate family member who is a director or officer or is employed in a senior executive position with an SEC audit client or any of its related entities. INEs also must not promote, deal in, or underwrite any securities issued by an audit client of the firm or another PwC firm. Each INE must confirm compliance with the letter of appointment in respect of their financial, business and personal relationships before being appointed and, thereafter, annually.

Appropriate indemnity insurance is in place in respect of legal action against an INE and sufficient resources are provided by the firm to enable each INE to perform their duties. This includes access to independent professional advice at the expense of the firm, when considered appropriate and necessary to discharge their duties.

During the year, the Non-Executive Nomination Group was established, comprised of the Senior Partner, the Chair of the PIB, the Head of Audit and the General Counsel and Chief Risk Officer, for the purpose of considering succession planning among the Non-Executive population, including both Audit Non-Executives (ANEs) and other INEs. The Chair of the PIB consults with the Chair of the AOB with respect to AOB succession planning, and the Chair of the AOB has a standing invitation to join the succession planning meetings where ANEs are under consideration. The Chair of the PIB also consults with the other INEs and ANEs in advance of the meetings to ensure the views of the collective are taken into consideration. The Non-Executive Nomination Group meets on a biannual basis. The Non-Executive Nomination Group held its first meeting in July 2024 and discussed the skills matrix for the ANEs and INEs, and succession planning. Moving forward, the Non-Executive Nomination Group will provide an annual update to the PIB on succession planning for Non-Executive roles for the PIB and AOB.



Changes in the membership of the Public Interest Body

As part of the PIB's succession strategy, Philip Rycroft was appointed Chair of the PIB in August 2023. Dame Fiona Kendrick stepped down as an INE and Chair of the PIB on the same date. Philip has been a member of the PIB since 2020, and has also acted as Chair of the AOB during that time. The PIB also welcomed Rob Perrins as an INE and member of the PIB in October 2023. Rob brings significant experience and expertise to the PIB from his executive career at Berkeley Group Holdings Plc, where he is currently the Chief Executive.

Kevin Ellis stepped down from the PIB with effect from 30 June 2024 at the end of his final term as the Senior Partner. The PIB expressed their thanks to Kevin for his contributions to, and support of, the PIB during his tenure. The PIB welcomed Marco Amitrano as a member of the PIB, in his capacity as the newly elected Senior Partner, with effect from 1 July 2024.

Working with the Audit Oversight Body

The AOB was established as part of the firm's transitional arrangements for the implementation of the FRC's Principles for Operational Separation of Audit Practices (the Principles of Operational Separation). There has continued to be effective interaction between the PIB and AOB during the year, and both bodies consider that this construct has continued to work well. The AOB allows Audit specific matters to have prominence firm wide at the PIB, as well as enabling the AOB to focus exclusively on audit practice governance. It is a model we think works well in an environment where ensuring there is the right level of robust focus on audit practice governance is accompanied by ensuring audit continues to have a prominent voice within the firm. Further information on the areas of focus of the AOB, together with the changes in its membership during the year, are set out in the Update from the Chair of the AOB.

Areas of PIB focus

This has been a year of growth and development for the firm, in a challenging economic environment. Throughout this period, the PIB has continued to set its own agenda with a focus on matters that it regards as being in the public interest.

Key matters considered by the PIB

The ASP Election

The ASP Election was a significant event for the firm during the year, ahead of the end of Kevin Ellis' second four year term as Alliance Senior Partner on 30 June 2024. The election process was determined by the Supervisory Board and the Alliance Supervisory Board. The process recognised the role of the PIB in being responsible for ensuring that the firm takes account of the public interest in its decision making, particularly in the UK Audit practice, and that in fulfilling its responsibilities under the AFGC, the PIB and AOB would be active stakeholders in monitoring the design and execution of the election process.

The PIB and AOB received updates on the election process, and the ANEs and INEs as a group received further updates on the election process. As part of this, it was noted that whilst the responsibilities of the firm's ANEs and INEs did not extend to decision making with respect to individual candidates, their views were sought with respect to the public interest and to draw on their own broader experience. These updates also included the FRC pre-appointment process for key roles, the role of the AOB in the appointment of Head of Audit and the requirements in the ICAEW Audit Regulations and Guidance on the composition of the Management Board.

As part of the Election process, the draft manifestos for those individuals who had self-nominated were shared with the ANEs and INEs.

The ANEs and INEs were invited to provide feedback on the draft manifestos from a public interest perspective. The feedback was taken into account as part of the assessment phase of the election process, during which the final candidates that would participate in the election were determined. The feedback from the ANEs and INEs was also relayed to the final candidates as part of a wider feedback process, and the candidates had the opportunity to update their manifestos accordingly before they were finalised and published to partners ahead of the ballot.

Following the conclusion of the election, the Supervisory Board Talent and Remuneration Committee was consulted by the Alliance Senior Partner Elect regarding their approach for the appointment of members of the new Management Board. Philip Rycroft is a member of the Talent and Remuneration Committee and provided appropriate challenge in these discussions from a public interest perspective. The Update from the Chair of the AOB sets out the role of the AOB in the appointment of the Head of Audit.

Following the commencement of his first term as the new Alliance Senior Partner and the firm's Senior Partner on 1 July 2024, Marco Amitrano provided the PIB with a detailed update on the plan for the first 100 days of his initial term leading the firm, and the PIB considered and discussed the public interest aspects of this.

Culture and People

In the view of the PIB, the firm continues to have an appropriate culture, which is reflected in the information presented to the PIB as well as in the processes for decision making and in the INEs interactions with staff and partners.

The PIB received updates from the AOB in respect of the culture within the audit practice. The PIB has also continued to receive biannual updates from the firm's Chief People Officer, which include information on wellbeing, diversity and inclusion, attrition and recruitment. These updates also cover how the desired values, culture and behaviours are embedded across the firm, together with the results of feedback surveys conducted among the firm's people, to monitor engagement levels and sentiment across the business.

During the year, I was very pleased to be appointed as the member of the PIB with primary responsibility for engaging with the firm's people. As part of this role, I attended a meeting of the firm's People Council in July and look forward to attending further events with the firm's people later in the year.

Reflecting on events in the Network

During the year, the PIB received updates on the PwC Australia breach of confidentiality matter and the response by the Network and the firm. The PIB focused in particular on understanding how the firm had considered

the results of the findings of the report by Dr Ziggy Switkowski AO regarding the events at PwC Australia. As part of this, the PIB was updated on the matters discussed by the firm's Management Board on its response to these findings, and the actions that were agreed. More recently the PIB has also received ongoing updates in relation to PwC in China and will consider any learnings in the context of the UK firm.

Public Interest Framework

The PIB reviewed the firm's Public Interest Framework, which had been developed to assist the firm's decision makers and governance oversight bodies in the consideration of the public interest. The PIB gave consideration to how the Framework was operating and reviewed and agreed suggestions for enhancing the application of the Framework and its evolution. Matters of public interest were escalated to the INEs for consideration and input during the year.

Operational Separation

The PIB received updates during the year on the firm's progress with the implementation of the FRC's Principles of Operational Separation.

The PIB considered the firm's updated Operational Separation Implementation Plan and associated assurance from the firm's Internal Audit team. The PIB also considered the proposed attestation of progress with the implementation, which was supported by written confirmations from senior stakeholders with accountability for each Principle under the firm's draft Accountability Map. The PIB discussed and considered the proposed approach to the Principles implementation reporting, including in this report.

Audit Quality

The PIB receives regular updates from the AOB, and these updates are an important part of helping the INEs to discharge their responsibility under the AFGC to promote audit quality.

The changes introduced to strengthen audit quality and how these have been embedded in the audit practice have continued to be welcomed by the PIB. In the spirit of continuous enhancement and positive engagement with the regulator, the firm continues to make sure that it has processes in place to support root cause analysis, and resulting continuous improvement activities, which are all designed to ensure lessons learned reinforce audit quality in the future.

Ensuring that there is consistently high audit quality remains critically important. The PIB was pleased to see a recognition of the firm's continued investment in improvements to audit quality as part of the FRC's AQR results for the year, achieving consistent FRC inspection results with none of the audits inspected being found to require significant improvements.

Updates from the Ethics Partner

The PIB receives biannual updates from the firm's Ethics Partner, who has a reporting line into the PIB.

The PIB receives regular updates on the firm's "Speak Up" whistleblowing facility and the firm's Code of Conduct from the Ethics Partner. The firm's "Speak Up" whistleblowing facility is also considered by the Supervisory Board Risk Committee and Victoria Raffé has continued as the INE representative member of this Committee during the year. The PIB also receives regular updates from the Head of Internal Audit. Philip Rycroft attended the Supervisory Board Audit Committee discussion on the full year report from the Head of Internal Audit, which included details of the various reviews it had conducted to assess the effectiveness of the firm's systems of internal control.

Risk Management

The PIB has continued to receive quarterly Risk Management updates throughout the year, with a focus on the top risks of the firm and the associated risk ratings. The PIB also continues to receive updates on the activities of the Supervisory Board Risk Committee, which are presented by the Chair of the Committee, with input from Victoria Raffé as the embedded INE member of the Committee.



Effectiveness

The firm's governance KPIs state that formal effectiveness reviews are carried out annually and externally every three years. The last externally facilitated effectiveness review of the PIB was undertaken in 2022 and we were pleased to report as part of the 2022 Transparency Report that, in the view of the external facilitator, the PIB is an effective independent governance body.

It is currently envisaged that the next externally facilitated effectiveness review will take place in 2025. The PIB has continued to annually assess the progress made against the recommendations and outcomes of the last externally facilitated effectiveness review and is content with the progress that has been made during the year.

Building wider relationships

During the year, there has been a continued focus on developing the level of interaction of the INEs with the wider firm. As a member of the PIB, the Chair of the Supervisory Board has a standing agenda item at each meeting in order to provide an update on its activities. I attended a Supervisory Meeting in November 2023 that was held in the firm's Watford office, providing an opportunity to meet the partners and staff. Caroline Gardner, as Chair of the AOB, has also been invited to attend a Supervisory Board meeting in November 2024 that is due to be held at the firm's Edinburgh office.

The INEs continue to have embedded roles with certain committees of the Supervisory Board. These embedded roles were put in place following the recommendations from the governance review that the firm undertook in 2018, with the purpose of these roles being to increase the profile of the INEs and the value they bring to the broader partnership. In August 2023, I became a member of the Supervisory Board Talent and Remuneration Committee, succeeding Dame Fiona Kendrick.

During the year, meetings between certain members of the PIB, the AOB and the Supervisory Board have continued to be held, with meetings having taken place in January, February and May 2024.

At the January meeting, the PwC Australia breach of confidentiality matter was discussed, as well as the themes from the Supervisory Board Autumn Partner Engagement process, including the key topics of interest among the firm's partners. The PwC Global Network was discussed as part of the May meeting and the Alliance Senior Partner Election was discussed at each of the three meetings.

Certain INEs also attended an element of the External Auditor Training programme within the audit practice during the year and I am also pleased to report that the INEs have continued their regular engagement meetings with the FRC, as well as having attended FRC roundtable discussions during the year. The INEs also regularly meet separately to discuss matters relating to our remit.

Audit Firm Governance Code

The PIB continues to use the AFGC as a guide to good governance as well as a compliance requirement. An updated version of the AFGC was published by the FRC in April 2022, which is applicable for financial years beginning on or after 1 January 2023. The firm applied the 2022 version of the AFGC for the financial year ended 30 June 2024. The PIB has reviewed the firm's activities against the requirements of the 2022 AFGC.

Looking ahead

Moving forward, the PIB will continue its focus on audit quality and public interest considerations. As part of this, the culture of the firm will remain a key area of focus for the PIB and it will continue to provide appropriate challenge and oversight of the firm's people and culture activities. The areas of focus for the PIB will also include monitoring the status of the firm's response to the events in PwC Australia, as well as the UK government's proposals for audit and corporate governance reform and the opportunities and challenges that this reform may create both for the firm and the wider market. The PIB, working with the AOB, will also continue to focus on reviewing the strategy and culture of the firm's audit business and their focus on delivering consistently high audit quality. In fulfilling its responsibilities, the PIB will remain focused on ensuring that the public interest continues to be taken into account as part of the firm's decision making.

Philip Rycroft

Chair of the Public Interest Body

Update from the Chair of the Audit Oversight Body

The Audit Oversight Body (AOB) is an important and established part of the governance of the firm. It provides challenge and oversight of the audit practice, carrying out a valued role in the firm's ongoing commitment to audit quality and promoting a culture that supports the delivery of high quality audits in the public interest.

The AOB was established to strengthen the governance and oversight of the audit business as part of our implementation plans to address the FRC's Principles for Operational Separation of audit practices, and to enhance the firm's ability to fulfil certain responsibilities set out in the Audit Firm Governance Code. The AOB ensures Audit specific matters have prominence at the PIB, as well as enabling the AOB to focus exclusively on audit practice governance. It is a model we think works well in an environment where ensuring there is the right level of robust focus on audit practice governance is accompanied by allowing audit to have a prominent voice within the firm.

The responsibilities of the AOB include:

- overseeing the FRC's objective to improve audit quality by ensuring that people in the audit practice are focused above all on delivery of high quality audits in the public interest;
- providing independent oversight of the audit strategy, culture action plans and outcomes and audit quality plans and outcomes;
- promoting a culture supportive of the public interest; and
- supporting (as appropriate) the audit practice's senior management in the execution of their responsibilities through robust oversight and constructive challenge.

The membership of the AOB includes ANEs, as independent members. The AOB is chaired by Caroline Gardner. Caroline is the AOB's doubly independent Non-Executive, meaning Caroline is not also a member of the Public Interest Body (PIB). The AOB is assisted in the discharge of its duties by the Audit Partner Remuneration and Admissions Committee, which is a sub-committee of the AOB, also chaired by Caroline Gardner.

Biographies of the Audit Oversight Body Members

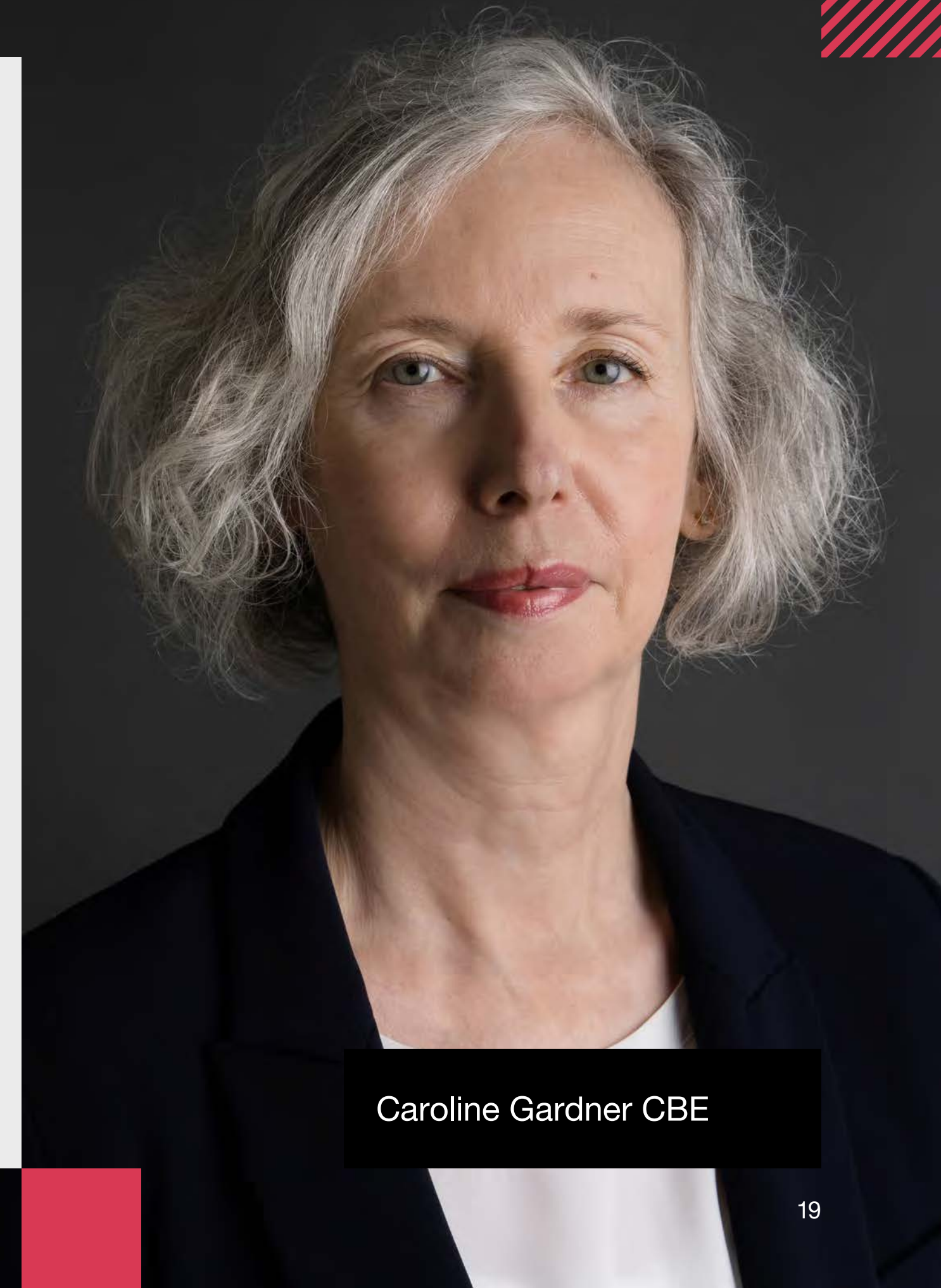
Caroline Gardner CBE

Caroline Gardner CBE was the Auditor General for Scotland between 2012 and 2020. She is a member of the board of the Wheatley Group and of the International Federation of Accountants. She is a Fellow of the Chartered Institute of Public Finance and Accountancy (CIPFA), serving as CIPFA President during 2006-07, and was a member of the International Ethics Standards Board for Accountants from 2010 to 2015.

Caroline Gardner was appointed as Chair of the AOB with effect from 15 August 2023, succeeding Philip Rycroft.

Philip Rycroft CB, Suzanne Baxter, and **Victoria Raffé's** biographies are included in the Update from the Chair of the Public Interest Body section on [page 13](#).

Andy Hammond, Hemione Hudson and **Kenny Wilson's** biographies are included in Appendix D.



Caroline Gardner CBE

Audit Oversight Body FY24 meeting attendance

| | Length of service* | A | B |
|------------------------|--------------------|-----|-----|
| Caroline Gardner CBE ♦ | 2 years, 9 months | 5 | 5 |
| Victoria Raffé † | 2 years, 6 months | 5 | 5 |
| Suzanne Baxter †** | 10 months | 5 | 5 |
| Hemione Hudson | 3 years, 7 months | 5 | 5 |
| Kenny Wilson | 1 year, 5 months | 5 | 4 |
| Philip Rycroft CB †** | 2 years, 9 months | –** | –** |

A – Maximum number of formal meetings which could have been attended.
B – Number of meetings actually attended.

† Independent Non-Executive

♦ Considered “doubly independent”, see Changes in AOB membership section

* The Audit Oversight Body was formed in November 2020 and as at 30 June 2024 has been effective for 3 years 7 months.

** Philip Rycroft stepped down from the AOB in August 2023. Suzanne Baxter was appointed as an ANE member of the AOB in August 2023.

ANE and INE appointment process

The firm has a defined process for the appointment of ANEs and INEs (the process for appointing INEs is set out in the Update from the PIB Chair).

As part of the process for nominating a candidate for appointment as an ANE and as a member of the AOB, the firm’s Senior Partner will consult with the Chair of the AOB. In the case where an existing INE is considered for appointment to the AOB, the proposed appointment would not require further SB approval, but would be discussed with the AOB Chair and the SB Chair by any of the Senior Partner, Head of Audit or the General Counsel and Chief Risk Officer.

During the year, the Non-Executive Nomination Group was established, as described in the update from the PIB Chair, providing an opportunity for the Chair of the AOB to discuss ANE skills and succession planning with the Senior Partner, Chair of the PIB, the Head of Audit and the General Counsel and Chief Risk Officer.

Changes in AOB membership

On 15 August 2023, Caroline Gardner was appointed as Chair of the AOB having been a member of the body since 2021. Caroline succeeded Philip Rycroft, who stepped down as Chair and member of the AOB and the Audit Partner Remuneration and Admissions Committee (APRAC) on this date in order to take up the role of Chair of the Public Interest Body. Caroline is not an INE or a member of the PIB, and is therefore considered to be a “doubly independent” ANE (this being an ANE who is not also an INE, as described in the AFGC 2022).

We were pleased to welcome Suzanne Baxter as a member of the AOB and the APRAC with effect from 15 August 2023. Suzanne is an INE and member of the PIB and brings considerable experience to the AOB. Suzanne’s portfolio of non-executive positions includes serving as Audit Committee Chair of large listed organisations.

On 30 June 2024, Hemione Hudson stepped down as the Head of Audit and as a member of the AOB and Andy Hammond, the firm’s new Head of Audit from 1 July 2024, became a member of the AOB.

Key matters considered by the AOB in the year

Alliance Senior Partner Election

A key development in the year was the Alliance Senior Partner Election and the Head of Audit appointment process that followed. We were involved in the Alliance Senior Partner Election process, providing feedback from a public interest perspective, which included reviewing candidate manifestos. We were consulted by the Senior Partner Elect in respect of their appointment of a new Head of Audit from 1 July 2024. The ANEs met with the candidate nominated for Head of Audit as part of that process and took assurance from the commitment to audit quality and focus on culture and the public interest, as well as the robustness of the process itself.

Understanding and monitoring the culture of the audit practice

During the year we reviewed culture within the audit practice to assess and monitor that the culture was supportive of the delivery of high quality audits and the public interest. We discussed the audit practice's Culture Report for the prior year and challenged the Audit Quality Culture Action Plan for FY24 to understand how the audit behaviours that drive audit quality were embedded. We also reflected on the FRC's own work in relation to culture within the audit profession. We have discussed and challenged the audit practice's model to attract, develop and retain talent, in the context of evolving technology and delivery models, to ensure public interest is protected.

We carefully considered the findings of the independent review by Dr Ziggy Switkowski into PwC Australia in the context of the response by the PwC Global Network and the UK firm in terms of any potential impact on audit quality and the resilience of the audit practice.

My fellow ANEs and I continue to engage with the audit practice to further understand the culture of the practice and the experience of audit teams, for example through shadowing audit teams and attending in person training and strategy events.

Overseeing audit strategy and audit quality plans

The AOB reviewed and provided constructive challenge of the firm's audit strategy to assess that the strategy was consistent with the FRC's objectives and outcomes for operational separation, ensuring that people in the audit practice are focused above all on delivery of high quality audits in the public interest and that a culture supportive of the public interest is promoted.

During the year we considered a range of strategic and policy matters as relevant to the audit practice, inviting members of the Audit Executive and the firm into AOB meetings to discuss and challenge important topics within the audit practice. We have provided input and challenge to management by sharing our views from a public interest perspective on important audit decisions taken by the firm and have been pleased to engage in this dialogue.

We were pleased to see a recognition of the firm's continued investment in improvements to audit quality as part of the FRC's AQR results for the year, achieving consistent FRC inspection results with none of the audits inspected being found to require significant improvements. We continued to challenge the audit practice on both its internal and external quality review results and through the management information and data provided to the AOB.

The AOB has continued to review the firm's Audit Quality Plan (AQP) during the year as well as the Single Quality Plan (SQP) which is the detailed action plan which underpins the AQP, to ensure that the priority areas of the SQP continue to maintain the appropriate focus on delivering high quality audits. The AOB also reviewed the effectiveness of the actions underpinning each of the high priority areas in the SQP.

We discussed the audit practice's approach to root cause analysis of its Engagement Compliance Review programme as part of its aim for continuous improvement and later in the year challenged the findings of the analysis which had been carried out.

We also reviewed the results of the annual Quality Management for Service Excellence review (which provides assurance whether the system of quality management is appropriately designed and operating effectively) to understand the findings and challenge whether any further actions were required.

Monitoring the implementation of the FRC's principles of operational separation

We regularly monitored the firm's progress against its implementation plan of the FRC's Principles for Operational Separation and were satisfied with the progress being made by the firm towards full implementation by October 2024.

Engagement with the FRC

We have met with the FRC throughout the year including participating in its discussions on topics such as public interest, the Principles for Operational Separation, the implementation of ISQM (UK) 1 as well as the firm's Senior Partner Election.

In February 2024 we were pleased to welcome new FRC CEO Richard Moriarty to an AOB meeting to hear about his priorities for the FRC. The firm's FRC Supervisor observed an AOB meeting in April 2024.

Consideration of Audit Partner Remuneration and Admissions

It is important that oversight is also given to the 'levers' adopted by the audit practice to promote and reward positive behaviours, which support quality by our Audit Partners. We do this through a sub-committee of the AOB, the Audit Partner Remuneration and Admissions Committee (APRAC). The APRAC comprises three ANEs and is chaired by Caroline Gardner.



The responsibilities of the APRAC include:

- overseeing the audit partner remuneration process to ensure individual audit partner remuneration is determined above all by contribution to audit quality; and
- overseeing the process by which candidates are selected for admission to the partnership to practice as audit partners.

Working with the Public Interest Body

The AOB is a committee of the PIB and has a clear audit-specific remit enabling it to fully discharge its responsibilities under the FRC's Principles of Operational Separation. The AOB's Terms of Reference are available on our [website](#)¹.

As the Chair of the AOB I provide updates to the PIB of the matters considered at each AOB meeting, bringing the views of the AOB on audit quality and public interest, and the challenges it has made, into the PIB forum. The governance structure, and two INE members of the PIB also being ANE members of the AOB, crucially helps provide effective connectivity between the two bodies, to support the continued improvement in audit quality and culture that supports the delivery of high quality audits in the public interest in a firmwide context. The construct enables the AOB to both influence the PIB, but also to act independently, including making recommendations to the firm's management with an audit specific lens where relevant.

Effectiveness

During the year the AOB commissioned an independent externally facilitated effectiveness review of the body and of the APRAC. The review concluded that the AOB operates effectively and that in a relatively short period of time had become an established component of the firm's governance. The report assessed that the relationship between the AOB and the PIB works well. A summary of the review is provided in the firmwide governance section of this report I look forward to implementing the recommendations of the review to continue to improve the effectiveness of the AOB.

Looking ahead

I look forward to the AOB continuing to provide robust, independent challenge of the audit practice during the year ahead and at a particularly important time of leadership transition with a new Head of Audit and Audit Executive from 1 July 2024. The AOB will carefully consider any learnings in relation to PwC China in the context of the UK firm. We will remain focused on audit quality and the public interest as we consider the opportunities and challenges which may arise through the UK government's proposals for audit and corporate governance reform.

Caroline Gardner CBE
Chair of the Audit Oversight Body

¹ Source: <https://www.pwc.co.uk/who-we-are/terms-of-reference-audit-oversight-body.html>

Our committee structure and what they do

Firmwide governance

The firm's governance is guided by our purpose – to build trust in society and solve important problems. Our purpose is central to our decision making processes and our risk appetite. It also informs how we manage our business in the interests of our partners and stakeholders.

This governance section explains the firm's governance arrangements. We explain the roles of the Senior Partner, the Management Board and its committees and the Supervisory Board and its committees.

Information related to the Public Interest Body, and its committee the Audit Oversight Body, is disclosed in their respective updates.

Good governance

We are required to report on how we have applied each of the principles of the Audit Firm Governance Code and make a statement on our compliance with the AFGC provisions. In doing so, we also consider good governance practices under the UK Corporate Governance Code. During the year we have fully complied with the AFGC as detailed in the Compliance mapping appendix on [page 161](#).

Within our governance arrangements, we acknowledge and support the heightened interest in audit and audit related services and the quality of our delivery of these. We have a common cause with investors, regulators, government and society to ensure the right actions are taken to build world-leading levels of trust in audit and the profession itself.

Our Independent Non-Executives are a key part of our governance structure, providing independent oversight of the firm. The PIB comprises a majority of INEs. The firm considered that having a separate body comprised of high calibre INEs, which was able to determine its own agenda, would be the most appropriate way to ensure the public interest is served. The Audit Oversight Body is a Committee of the PIB and comprises a majority of Audit Non-Executives (ANEs).

The AOB allows Audit specific matters to have prominence at the PIB, as well as allowing the AOB to focus exclusively on audit practice governance. It is a model we think works well in an environment where ensuring there is the right level of robust focus on audit practice governance is accompanied by allowing Audit to have a prominent voice within the firm.



Stakeholders and dialogue

We recognise that as a regulated business with approximately 25,000 people, 75,000 alumni and FY24 revenue of £4,257m, we are a substantial firm with a broad range of stakeholders.

We engage regularly with investors and hold investor-focused events throughout the year on relevant and topical issues. The insights and feedback from these meetings are shared with the PIB through periodic briefings. You can find more information on our engagement with investors on [page 119](#).

Throughout the year, internal stakeholder engagement included biannual meetings led by the Management Board with partners from across the firm and biannual partner engagement meetings led by the Supervisory Board. The Senior Partner held town hall meetings with partners and staff, utilising technology for live webcasts; in addition to the periodic communication via multiple platforms to all partners and staff.

Governance structure

Our governance structure reflects our partnership model. The Senior Partner is elected by the partners of the firm for an initial term of four years, with the option to stand for a second four year term. Once elected, the Senior Partner forms their Management Board and committees. The role of the Talent and Remuneration Committee of the Supervisory Board includes providing governance oversight of any succession planning in respect of the MB.

The SB comprises members who are elected by partners, certain ex-officio members (the UK Senior Partner ex-officio, and those partners who have been elected to the board of PricewaterhouseCoopers International Limited (PwCIL) (also known as the Global Board). The elected members of the SB are elected by the partners of the firm for a term of four years, with six of the twelve seats being subject to election every two years. There is no limit to the number of terms that an SB member can be elected for, save only that no elected member will serve for a period of more than four years without submitting themselves for re-election.

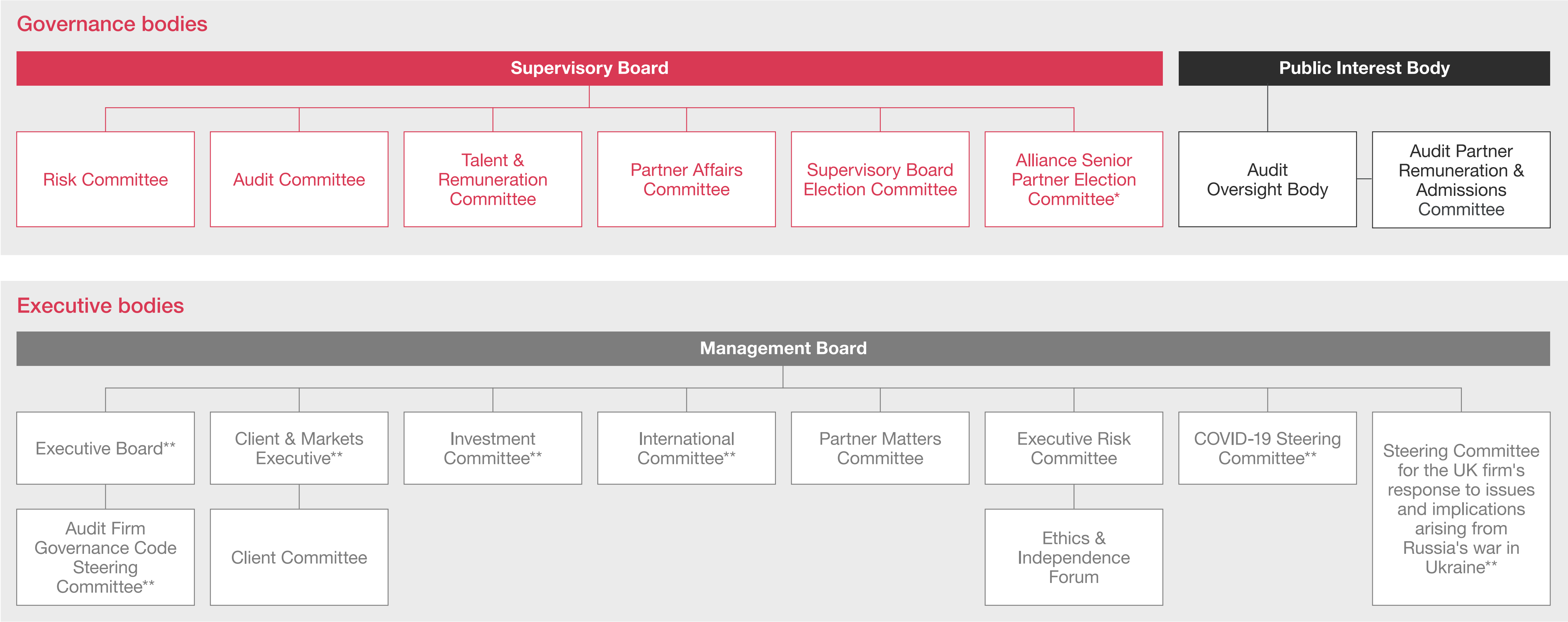
The Public Interest Body is made up of Independent Non-Executives, plus representatives from the firm's MB and SB, each of whom are nominated by the Senior Partner and Chair of the SB, respectively. Details of the appointment process and terms of appointment for the Independent Non-Executives are set out in the Update from the Public Interest Body. The firm's Head of Audit and Chief Risk Officer and General Counsel both have a standing invitation to attend Public Interest Body meetings.

The Boards' activities are governed by the Terms of Reference which are available on the firm's [website](#)¹. Each member of the MB is subject to formal, rigorous, and ongoing performance evaluation. In addition, consideration is given to PwC's Network standards. Support is given to the Boards by our Board Secretariat team who are responsible for advising on governance matters. The key governance bodies of the firm during the year are described on the following pages.

¹ Source: <https://www.pwc.co.uk/who-we-are/terms-of-reference-governance-structure.html>



The key governance and executive bodies of the firm during FY24 were:



* dissolved during FY24

** dissolved during FY25

Activities

The key matters considered in the year by our executive and governance bodies included strategy, culture, people, quality, performance, technology and investment, regulation and reputation. Within these matters, the governance of key risks facing the firm (including cyber, regulatory and litigation risks) were considered and included on the relevant agendas.

Further information on our risks and how these are managed is available within the risks and responses, on [page 125](#).



Governance Bodies

Supervisory Board

The Supervisory Board considers a wide range of issues such as risk, strategy, reputation, people matters including health and wellbeing, technology, return on investments and culture. It has supported, given guidance to and challenged the Senior Partner and the Management Board. The SB has particular insight on the views of partners and reflects these in conversations with management.

The SB holds engagement meetings at which partners from around the country can speak directly to SB members on any matters of concern. The partner feedback is discussed with the MB and a report together with the MB's response is made available to partners.

The SB met twelve times (excluding ad-hoc meetings) throughout the year. The SB visited the Watford regional office during the year.

The SB has two members who are also Global Board members to support consistency across the PwC Network. The Global Board members provide PwC Network updates and a Network perspective at SB meetings.

Committees of the Supervisory Board

During the year there have been six committees of the SB: the Risk Committee, the Audit Committee, the Talent & Remuneration Committee, the Partner Affairs Committee, the Supervisory Board Election Committee and the Alliance Senior Partner Election Committee.

Risk Committee

The Risk Committee reviews the firm's risk framework on behalf of the SB. It also receives reports and recommendations from management and from the firm's Executive Risk Committee, which enables it to review and challenge the firm's enterprise-wide risk framework, including financial, operational and reputational risks and policies and procedures that fall within the context of the firm's strategy. The Committee also reviews the firm's approach to audit quality and non-audit services quality, and oversees the effectiveness of the firm's whistleblowing procedures.

Audit Committee

The Audit Committee assists the SB in fulfilling its legal and fiduciary obligations with respect to matters involving the external audit, internal controls, internal audit and financial reporting functions of the firm. This includes monitoring the effectiveness and independence of the firm's statutory auditor as well as the statutory auditor's reappointment, remuneration and engagement terms, and the policy in relation to, and provision of, non-audit services.

In addition, the Audit Committee reviews the effectiveness of the firm's internal control framework; the scope, results and effectiveness of the firm's Internal Audit function; the integrity of the Group's Financial Statements and digital Annual Report and the significant reporting judgements contained in them; and the firm's Transparency and Sustainability reports. Further information can be found in the Audit Committee Report on [page 34](#).

Talent & Remuneration Committee

The Talent & Remuneration Committee reviews the remuneration, talent development and, where appropriate, succession plans for the Talent & Remuneration population (T&RC population). The T&RC population comprises the UK Senior Partner, members of the Management Board, and any UK partners on the Global Leadership Team or EMEA Leadership Team.

Partner Affairs Committee

The Partner Affairs Committee ensures that all partners are treated fairly, which includes monitoring and overseeing the annual partner income moderation process, reviewing partner medical provision, development, changes to benefits, flexible working and diversity. It also ensures that appropriate processes and procedures are in place to provide robust governance, including for direct partner admissions, retired partner programmes and involuntary retirements.

Supervisory Board Election Committee

The Supervisory Board Election Committee was established in May 2024. The primary purpose of the Committee is to consider the 2024 SB election process and timetable and make recommendations to the SB.

Alliance Senior Partner Election Committee

PwC UK has an equity holding in, and a strategic Alliance with, the PwC Middle East firm. The Alliance Senior Partner chairs the Alliance Leadership team and appoints the UK and Middle East Senior Partners.

The Alliance Senior Partner Election Committee was formed in April 2023 to support the Supervisory Board in matters relating to the Alliance Senior Partner election, which took place in April 2024. Partners in the UK and Middle East firms were able to vote in the election. The Committee's role was to consider matters relating to the Alliance Senior Partner election process and timetable, and to make recommendations to the SB. The Committee was chaired by the Chair of the UK Supervisory Board. To reflect the fact that the Alliance Senior Partner Election spans the UK and Middle East firms, the membership of the Committee included the Chair and another member of the Middle East Supervisory Board, both of whom are partners within the Middle East firm.

The Alliance Senior Partner Election Committee was dissolved in June 2024 following the conclusion of the 2024 Alliance Senior Partner election. You can read more about the Alliance Senior Partner Election in the Update from the Chair of the Supervisory Board on [page 10](#).

Public Interest Body

The purpose of the Public Interest Body is to enhance stakeholder confidence in the public interest aspects of the firm's activities. The PIB is comprised of a majority of Independent Non-Executives and also includes representatives from the Management Board and the Supervisory Board.

Audit Oversight Body

The firm established the Audit Oversight Body, as a committee of the PIB, to oversee governance of the firm's audit practice. The AOB is comprised of a majority of Audit Non-Executives, as well as at least one representative from the SB and the UK firm's Head of Audit ex-officio. The purpose of the AOB is to oversee the firm's obligations with respect to the pursuit of the FRC's objectives, outcomes and Principles for Operational Separation insofar as they are within the control of the audit practice, and to enhance the UK firm's ability to fulfil certain responsibilities set out in the Audit Firm Governance Code.

The representative from the SB on the AOB is nominated by the Chair of the Supervisory Board in consultation with the Senior Partner, AOB and Chair of the PIB. The appointment process and terms of appointment for the AOB Audit Non-Executives are consistent with the appointment process and terms of appointment for the Independent Non-Executives, as set out in the Update from the Public Interest Body.

Audit Partner Remuneration and Admissions Committee

The Audit Partner Remuneration and Admissions Committee (APRAC) is a committee of the AOB. The APRAC, which is comprised of Audit Non-Executives, oversees the audit partner remuneration process to ensure individual audit partner remuneration is determined above all by contribution to audit quality, and the process by which candidates are selected for admission to the partnership to practise as audit partners.



Executive Bodies

The Management Board

The Management Board oversees the firm’s long term strategy and certain partner matters under the Members’ Agreement (including dealing with involuntary partner retirements). During the year the MB has focused on strategic matters, utilising the knowledge and experience of both Executive Board and Clients and Markets Executive members. In July 2024 following the election of Marco Amitrano as the UK Senior Partner, a new Management Board was formed and the Executive Board and Clients and Markets Executive was dissolved.

In the year, the MB met seven times (excluding ad-hoc meetings). At its formal meetings, the MB considers matters in line with its Terms of Reference, including updates with respect to the audit practice. Following the dissolution of the Executive Board and Clients and Markets Executive in July 2024, their responsibilities reverted to the MB, and it is anticipated that the MB will hold a higher number of formal meetings in FY25 as a result.

Committees of the Management Board

Until July 2024 the executive structure of the UK firm comprised a Management Board consisting of members of the Executive Board and Clients and Markets Executive, responsible for the policies, strategy, direction and management of the UK firm. In July 2024 the Executive Board and Clients and Markets Executive were dissolved.

Executive Board

The Executive Board was responsible for execution of the policies, strategy and management of the UK firm, and received regular reports from the committees of the MB. The EB held monthly meetings and conducted business at additional meetings as necessary. During the year, the EB met 12 times (excluding ad-hoc meetings) and considered the day-to-day governance and business performance of the firm. The EB was dissolved in July 2024.

Audit Firm Governance Code (AFGC) Steering Committee

The AFGC Steering Committee, which is a committee of the Executive Board, was established in January 2023 for the purpose of considering the firm's activities regarding the revised AFGC 2022. The AFGC Steering Committee was dissolved in July 2024.

Clients and Markets Executive

The Clients and Markets Executive (CME) was responsible for overseeing the UK firm’s client facing and market activities. The CME was dissolved in July 2024.

Client Committee

The Client Committee, which was a committee of the CME, considers engagement or client acceptance decisions that carry significant risks to the firm or that relate to particularly sensitive or confidential circumstances, including commercial and other conflicts. In July 2024 the Client Committee was

reconstituted as a committee of the Management Board.

Investment Committee

The purpose of the Investment Committee is to support the growth of the firm by providing governance for acquisitions for investments and divestitures.

International Committee

The International Committee was responsible for decision making in relation to, and oversight of, the UK firm’s strategic alliances (currently Africa, Central and Eastern Europe and Middle East). The Committee also received updates relating to performance in EMEA and approval of any matters relating to Network issues. The International Committee also had oversight of matters relating to Alternative Delivery Models where such delivery occurs outside of the United Kingdom. In July 2024, the International Committee was dissolved.

Partner Matters Committee

The Partner Matters Committee is responsible for certain partner human resource matters on behalf of the MB.

Executive Risk Committee

The Executive Risk Committee is responsible for establishing a risk framework, overseeing and challenging the management of risk across PwC UK.

Ethics and Independence Forum

The Ethics and Independence Forum, which is a committee of the Executive Risk Committee, considers policy matters related to professional ethics and independence.

COVID-19 Steering Committee

The COVID-19 Steering Committee was established in March 2020 to consider and make recommendations to the MB or EB in respect of any matters relating to or impacted by the COVID-19 pandemic as well as to oversee any related business as usual decisions. The COVID-19 Steering Committee was dissolved in July 2024.

Steering Committee for the UK firm’s response to issues and implications arising from the Russian Government’s war in Ukraine

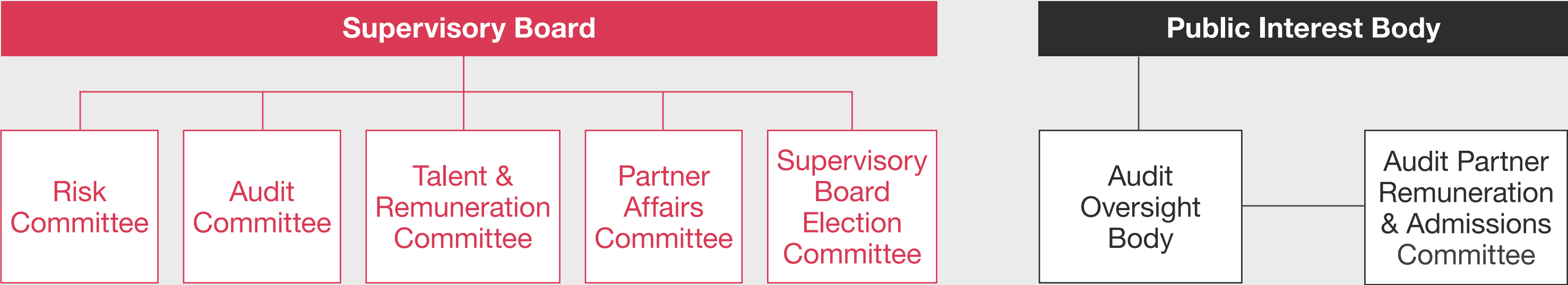
This Steering Committee, which was a committee of the Management Board, was established in May 2022 and considers and makes recommendations to the Management Board or Executive Board in respect of any matters relating to or arising from the Russian Government’s war in Ukraine, as well as to oversee any related business as usual decisions. This Steering Committee was dissolved in July 2024.

Management Board Committees from July 2024

In July 2024, following the election of Marco Amitrano to UK Senior Partner and the formation of a new Management Board (MB), certain changes were made to the Committees of the MB. In addition to the dissolution of the MB committees as outlined above (Executive Board, International Committee, Investment Committee, AFGC Steering Committee, COVID-19 Steering Committee and the Steering Committee for the UK firm’s response to issues and implications arising from the Russian Government’s war in Ukraine), a new committee, the Operations Committee, was established.

The purpose of the Operations Committee is to help support the MB by considering certain operational matters on its behalf, and ensuring that these are consistent with the overall strategy for the firm, as determined by the MB. The Operations Committee has delegated authority from the MB in relation to certain operational matters, including finance and investment related matters and external reporting matters.

Governance bodies



Executive bodies



How often do the Boards and Governance Bodies meet and what is member attendance?

The MB typically meets five times per year with additional meetings being called when required. The EB, which until July 2024 existed as a committee of the MB, and the SB, each usually meet monthly with additional meetings being called when required. Meeting attendance by individual board members is provided, together with their biographies, on [page 143](#) and [page 150](#).

The PIB meets at least four times a year, with additional meetings being called when required. The Independent Non – Executives also meet as a separate group to discuss matters relating to their remit. Further information on the activities of the PIB, including meeting attendance by individual members and their biographies are set out on the Update from the Chair of the PIB on [page 12](#).

Compliance with the Audit Firm Governance Code

The MB and PIB have reviewed the principles and provisions of the AFGC together with details of how the firm is complying with those. Following this review, the MB has concluded that, as at 30 June 2024 the firm is in full compliance with the principles and provisions of the AFGC.

The AFGC includes a requirement for firms to determine governance KPIs and to report against them. The firm updated its Governance KPIs in June 2023 to better align with the new areas of focus in the updated AFGC. The MB and PIB considered the KPIs that the firm had reported against in the prior year and confirmed that they remained supportive of them being applied for the year ending 30 June 2025 without any changes being made. The KPIs are set out in the table on [pages 31](#) and [32](#).

During the year, the firm carefully considered the provisions of the UK Corporate Governance Code. It was decided that, while the firm did not intend to implement any of the provisions of the UK Corporate Governance Code not already included in the AFGC, it would keep this under review.

Externally facilitated board reviews

In accordance with its Governance KPI for Board Effectiveness, the firm undertook externally facilitated reviews of the MB, EB, SB and PIB in 2022. The output and recommendations from these reviews were set out in the FY22 Transparency Report.

The MB, EB, SB and PIB have continued to review the progress made on the recommendations from these reviews during the year.

Externally Facilitated Effectiveness Review of the Audit Oversight Body and Audit Partner Remuneration and Admissions Committee

In accordance with its governance KPI for Board Effectiveness, the firm undertook an externally facilitated review of the AOB and APRAC in 2024. The firm engaged Lintstock Ltd, an advisory firm that specialises in Board Reviews and has no other connection with the firm.

All review participants completed bespoke surveys assessing the performance of the AOB and the APRAC. Two Lintstock partners then observed the June AOB and APRAC meetings and conducted in-depth interviews with AOB members, the PIB Chair, and selected PwC representatives.

Lintstock analysed the surveys and interviews and delivered focused reports documenting the findings, which were then discussed at a subsequent meeting of the AOB. Actions were agreed upon for implementation and monitoring.

Key findings

The Review found that the AOB operates effectively, and Lintstock concluded that the body is well led and discharges diligent oversight.

The management of meetings, and quality of the interaction between the Non-Executive members and PwC representatives, received particularly positive feedback. The feedback also indicated a high level of alignment on the main areas of focus for the AOB, using public interest and audit quality as drivers.

A number of priorities for the AOB were identified, including:

- reflecting on the forward-looking objectives for the AOB over the coming years;
- finding further opportunities for the AOB to communicate its role and objectives within the firm;
- continuing to calibrate the support provided to the AOB, including the information it receives and the education programmes available to members; and
- reflecting on opportunities to deepen coverage of certain themes, including technology and culture.

The APRAC was also found to operate well and was identified as an important component of the AOB's governance. To help support its role, some areas for focus regarding its remit and the support provided to the committee were identified.

Lintstock presented the findings of the review to the AOB and planning is underway by the AOB as to how it will respond to the priority areas identified.

| Governance KPI | | Notes | Performance |
|----------------------------|--|--|---|
| Board attendance | MB, EB, SB, PIB and AOB members should attend a sufficient number of meetings as set out in the Terms of Reference. | Sufficient meetings should be held for the boards to achieve their objectives and in line with their Terms of Reference. Attendance should be achieved by all members for 80% of meetings. | The number of meetings was in line with the firm's requirements, attendance was also in line with requirements. Attendance records of individual participants of each Board are stated elsewhere in the report. |
| Board composition | That there is a diverse mix on each board, taking into account, for example, the requirements of the 30% club (a club which seeks a minimum of 30% of boards to be women) and ethnic minority targets. That there is a diverse population of people presenting at board meetings (e.g. an annual update from each LoS and different mix of presenters at each meeting). | Information on the composition of the MB, SB and PIB is on the firm's website . ¹ Board presentations include sponsors and presenters to help achieve a diverse and inclusive population of people presenting at Board meetings. | MB – five out of thirteen MB members are female, and there are two ethnic minority members. EB – two out of six EB members are female. SB – three out of fourteen SB members are female, and there are three ethnic minority members. PIB – two out of six members of the PIB are female. The Board agendas ensure there is a diverse population of people presenting at Board meetings including annual updates from each LoS and from different business areas. |
| Board activities | That meetings are formally scheduled for the following year and sufficient balance is given in the forward agendas for: strategy; governance; internal controls and risk management; financial performance; and people. | The Chair and the Secretary regularly meet to consider the matters appropriate for future meetings to ensure that sufficient time is spent on the most relevant matters for the firm. This is also considered during the board effectiveness reviews. | The firm considers that this was complied with in the year. |
| Board effectiveness | That formal, internal effectiveness reviews are carried out annually and externally every three years as set out in the AFGC and summaries of outputs published. | The firm completed externally facilitated board effectiveness reviews of the PIB, SB, MB and EB in 2022, and internal reviews of the progress made on the recommendations from these were undertaken during the year. | Externally facilitated board effectiveness reviews of the PIB, SB, MB and EB were conducted by the Perform Partnership in 2022. The PIB, SB, MB and EB have each reviewed the progress made on the recommendations from these reviews during the year. Committees of the MB and SB assessed their performance during the year and discussed and considered the output from this. The firm commissioned an externally facilitated board effectiveness review of the AOB and APRAC in the year. A summary of the findings of the review is included in the Governance section of this report. |
| | The Terms of Reference of boards and committees are reviewed annually. | The firm reviewed the Boards' and Committees' Terms of Reference during the year. | The Terms of Reference for the AOB, PIB, SB, EB and MB were reviewed during the year. |
| | That the minimum number of INEs, and the appropriate balance of management and INEs on the PIB, is achieved in accordance with the Terms of Reference. | PIB Terms of Reference are available on the firm's website ² and its composition is determined by the Members' Agreement. | As at 30 June 2024 there were four INEs on the PIB. |
| | That the minimum number of Audit Non-Executives, and the appropriate balance of management and ANEs on the Audit Oversight Body, is achieved in accordance with the Terms of Reference. | AOB Terms of Reference are available on the firm's website ³ , which include details of the composition of the AOB. | As at 30 June 2024 there were three ANEs on the AOB. |

¹ Source: <https://www.pwc.co.uk/who-we-are.html>

² Source: <https://www.pwc.co.uk/who-we-are/terms-of-reference-the-public-interest-body.html>

³ Source: <https://www.pwc.co.uk/who-we-are/terms-of-reference-audit-oversight-body.html>

| Governance KPI | | Notes | Performance |
|------------------|---|--|--|
| Values | Integrity, compliance, whistleblowing and people surveys are reviewed at least annually (and updates from PAC/PMC at least half yearly). | Integrity is covered at all Board meetings. Compliance is covered at the Audit & Risk Committees, Partner Affairs Committee (PAC) and EB meetings. Whistleblowing is discussed at EB, PIB and RC meetings. People surveys are discussed at EB and PIB meetings. The MB and EB receive Partner Matters Committee (PMC) reports and minutes. The SB receives PAC reports. | The firm considers that it complied with this KPI ensuring certain matters relating to the firm’s values and reputation are considered during the year, including by the INEs. |
| | The INEs review reputation, the risk register and audit quality at least annually. | Reputation and audit quality is covered at every PIB meeting. With the creation of the AOB in November 2020, the PIB receives regular reporting on audit quality from this committee to ensure appropriate oversight. The top risks are discussed and agreed with the PIB, SB and EB (on behalf of the MB). The PIB receives quarterly Risk and Quality updates. An INE member of the PIB acts as an embedded member of the Supervisory Board Risk Committee, which has a delegated authority from the Supervisory Board to review management’s risk framework, assessment and recommendations on enterprise wide risks including financial, operational and reputational risk. Updates from the Supervisory Board Risk Committee are presented at each PIB meeting. | These matters were reviewed during the year and confirmed at the July 2024 PIB meeting. |
| Systems and Risk | The Boards review the effectiveness of firm’s systems of internal control at least annually. | The SB receives regular updates from both the Audit and the Risk Committee. Additionally, the PIB also receives updates from the Risk Committee in order to assess both the key risks and the adequacy of related controls. | The firm considers that it complied with this KPI ensuring certain matters relating to the firm’s operations and oversight by the Audit Committee and the Risk Committee are considered during the year. The Audit Committee met eight times and the Risk Committee met six times in FY24. |
| | The Audit Committee meets at least four times a year. | Annually the Audit Committee confirms an Internal Audit plan which is compiled using a risk based approach. Internal Audit reports are received by the Audit Committee and EB periodically. In addition, the external auditors report is submitted to the Audit Committee at least annually. | |
| Dialogue | That the firm shall meet with investors at least annually. | The firm held a number of roundtable and educational events for investors, retail investors and analysts throughout the year. | The firm considers that it complied with this KPI through internal and external dialogue, investor engagement and considering sustainability matters during the year. |
| | INEs attend a SB meeting at least annually. The firm should consider the perspective of listed companies and their investors by, for example, inputting into consultations. | INEs held triannual meetings with members of the Supervisory Board during the year. | Whilst compliant, the firm will consider further engagement with investors. |
| | The Boards should consider the Sustainability KPIs at least annually. | Investor engagement was covered at PIB meetings as part of the Purpose, Community and Corporate Affairs (PCCA) updates. The Sustainability year-end report is approved by the EB (on behalf of the MB) and reviewed by the Audit Committee. | |

Principal risks and responses

Our process for identifying and assessing principal risks

The Audit Firm Governance Code 2022 sets out that the firm should conduct, at least annually, a review of the effectiveness of the firm's risk management and internal control systems, covering all material controls such as financial, operational and compliance controls, and risk management systems, as well as the promotion of an appropriate culture underpinned by sound values and behaviour within the firm.

The MB takes overall responsibility for establishing systems of risk management and internal control and for reviewing and evaluating their effectiveness. The day-to-day responsibility for implementation of these systems, the ongoing monitoring of risk, and the effectiveness of controls rests with senior management.

In the year ended 30 June 2024, we have carried out a robust assessment of the principal risks facing the firm. This included considerations of risks that would threaten the firm's business model, future performance, and solvency or liquidity. We performed analysis of the external environment the firm operates in, which is becoming increasingly complex and interconnected with risks materialising more quickly as a result.

We also considered Internal Audit activity that is performed throughout the year.

The principal risks therefore bring together external and internal insight to understand the underlying risks the firm faces and agreed mitigation strategies, grounding ourselves for navigating the changing, complex environment we find ourselves in.

The MB recognises the importance of continuing to evolve our business to remain relevant to our clients, whilst also being resilient to change and regular scrutiny, and continually reviews the risks and mitigations as part of their decision-making process. Each of our Lines of Service also have dedicated teams considering these risks in real time, under the MB's direction.

Principal risks and responses for FY24

We continue to navigate the turbulence of geopolitical and macroeconomic tensions, disruptive technologies, demographic change, and ongoing scrutiny of the profession. The complexities of the resulting operating environment mean that the risk landscape is constantly evolving, interconnectivity of risk has become more evident, and risks are materialising more, and more quickly as a result. The need to constantly review and adapt our strategy, at pace, will continue to be crucial in the year ahead.

We recognise the importance of continually shaping our business to remain relevant to our clients, whilst also being resilient to change and regular scrutiny. We are evolving our delivery model as we work more closely with an expanding ecosystem of third parties and alliance partners, to deliver our clients' needs. High profile challenges across the PwC Global Network over the year serve to highlight how our reputation is inextricably linked to that of the network, and the importance of our continuous focus on culture and upholding the highest quality standards. We continue to work hard to communicate openly with our stakeholders and proactively manage our reputation.

We are accelerating our investment in, and adoption of, emerging technologies, particularly GenAI. In doing so, we are also cognisant of the need to manage the associated risks, including confidentiality, privacy and responsible data use. As a result, a new risk has been added to our risk register this year to reflect the strategic importance of GenAI and the need to manage these associated risks. This additional risk looks to recognise the importance of delivering at pace against our AI strategy to ensure we remain relevant and seize the opportunity it presents, whilst aligning with the PwC Network strategy and managing the ethical considerations. The interconnectivity of risk is particularly evident here as AI pervades across our risk landscape.

We have also taken the opportunity to streamline some of our risks, and to stratify the risk landscape into operational and strategic risks in order to enable focused discussion and debate at the Executive Risk Committee. As a result, we have removed some risks from the top risks, whilst recognising that these risks are important and ongoing management of them will continue to be required.

The risk register brings together external and internal insight to understand the underlying risks the firm faces, agree on our mitigation strategies and ground ourselves for navigating the changing, complex environment we find ourselves in.

The Audit Committee Report

The Audit Committee of the Supervisory Board comprises five members of the SB, having both audit and non-audit backgrounds. From 1 August 2024, the Audit Committee has had an embedded INE within its membership. The Audit Committee met eight times in the year ended 30 June 2024 (FY23: eight times). The Managing Partner and Chief Operating Officer, the Finance Partner, The Head of Internal Audit, and the external Auditors from Crowe U.K. LLP (Crowe) have a standing invitation to attend Committee meetings. Both the internal and external auditors also meet privately with the Committee members without management present.

The Committee monitors and reviews:

- the effectiveness of the firm's internal control systems;
- the scope, results and effectiveness of the firm's Internal Audit function;
- the effectiveness and independence of the firm's statutory auditor;
- the reappointment, remuneration and engagement terms of the firm's statutory auditor including the policy in relation to, and provision of, non-audit services;
- the planning, conduct and conclusions of the external audit;
- the integrity of the Group's Financial Statements and digital Annual Report and the significant reporting judgements contained in them; and
- the firm's Transparency Report and Sustainability Reporting.

Internal control and risk management systems

The Committee's review of internal controls includes considering reports from the firm's internal and external auditors.

Internal Audit

There is a dedicated Internal Audit team that performs the required work, supplemented by specialist resources from the business as appropriate. During the year, the Committee considered and approved the Internal Audit work programme, the appropriateness of resources and the adequacy of management's response to matters raised.

Internal Audit plan

The Internal Audit plan is compiled using a risk-based approach to ensure that appropriate consideration is given to the top risks faced by the firm. A risk assessment is undertaken to ensure that appropriate assurance is provided across the audit business on a risk basis. This encompasses gaining an understanding of the firm and its environment, including information technology and inherent risk factors. The main areas of focus are Public Reporting; Technology, Cyber and Data; Firmwide operations (including regulatory compliance) and Line of Service specific reviews. The Internal Audit team complete both assurance and consulting reviews with the objective of both reporting on the effectiveness of the existing controls and helping support continual improvement in control. The Committee reviews the annual plan to ensure that it is satisfied with the level and type of work being performed.

The Committee approves the plan annually, including the required resources and the Internal Audit Charter.

The Committee reviews progress against the plan, proposes changes to the plan and the adequacy of resources on a quarterly basis, with monthly updates provided to the Chair of the Committee.



Internal Audit findings

Each Internal Audit review provides assurance in relation to control effectiveness for the relevant scope area alongside any matters arising. There is a robust process in place to assign findings to an action owner and to monitor the status of open findings. On a monthly basis an open findings report is shared with management and the summary position is shared with the Executive Board and the Committee quarterly. The Committee ensures that it is satisfied with the adequacy of management's response to the findings raised as well as the implementation of recommendations to support continued improvement.

Internal control – other reporting

The Committee also considered reports from other parts of the UK firm charged with governance and the maintenance of internal control, including in respect of the management of the firm's own tax affairs. The Committee reviewed and considered the statements in respect of the effectiveness of the firm's internal quality control system (see 'Our system of quality management' section on [page 59](#) within the Audit quality chapter) and in respect of the systems of internal control from an Ethics, Independence and Objectivity perspective (refer to the Ethics and independence chapter), and concurred with the disclosures made.

Financial reporting

The Committee carried out its responsibility for monitoring and reviewing the integrity of the [PwC UK Financial Statements 2024](#)¹ by reviewing formal updates provided by management on key accounting developments and by reviewing the financial statements with both management and the external auditors. The significant issues the Committee considered in relation to the PwC UK Financial Statements for the year ended 30 June 2024 are set out below. The Committee has discussed these with Crowe, together with Crowe's Key Audit Matters described in the independent auditor's report on our Financial Statements.

- **Investment in clients (including revenue recognition):** The Committee continued to review the firm's approach regarding revenue recognition in acknowledgement of the complexity of some of the underlying contracts, the range of potential estimates involved and the accounting judgements required. These reviews included discussions with management and the internal and external auditors. The Committee was satisfied that the firm's approach to revenue recognition and to the valuation of unbilled amounts for client work were appropriate.

- **Provisions for claims and regulatory proceedings:** The Committee considered that this continued to be a complex and higher risk area given the political, regulatory and economic environment and the inherent judgement involved in determining provisions.

The Committee considered the controls that were in place to ensure the appropriateness of judgements and estimates made in determining the level of provisioning. The Committee was briefed by the firm's Head of Litigation and Regulatory Investigations on the status of claims and regulatory matters involving the firm. While the assessment of provisions is a judgemental matter, the Committee was satisfied that the level of provisions held was reasonable based on the information available.

The Committee considered a letter issued to the firm on 3 April 2024 from the FRC following their routine review of the firm's annual report and accounts for the financial year ended 30 June 2023. The FRC concluded that the firm had provided satisfactory responses to questions raised, while the firm agreed to enhance a disclosure in its next annual report and accounts.

External audit

The Committee undertakes an annual review of the qualification, expertise, resources and independence of the external auditors and the effectiveness of the external audit process by:

- reviewing Crowe's plans for the audit of the Group's Financial Statements, the terms of engagement for the audit and the proposed audit fee;
- considering the views of management and the Crowe engagement partner on Crowe's independence, objectivity, integrity, audit strategy and its relationship with the Group; and
- taking into account information provided by Crowe on its independence and quality control.

The external auditors are engaged to provide non-audit services where there are business benefits in doing so, their objectivity and independence would not be compromised and no conflict of interests would be created.

Suitable approval processes are in place to ensure that these criteria are met before Crowe is engaged to provide non-audit services. Fees paid to Crowe for audit and non-audit services are set out in our Financial Statements. The non-audit assurance services provided during the year related to sustainability reporting, grant claims, regulatory compliance and controls assurance. Non-audit services constituted 22% (FY23: 18%) of Crowe's total fee for the financial year.

Having considered a number of factors including audit effectiveness, business insight, tenure and approach to audit partner rotation, the Committee concluded that it was appropriate for Crowe to be reappointed as external auditor.

¹ Source: <https://www.pwc.co.uk/annualreport/assets/2024/pwc-uk-financial-statements-2024.pdf>

MB and Independent Non-Executive remuneration

Partners, including members of the MB

All partners, including members of the MB, are remunerated solely out of the profits of PwC UK, and partners are personally responsible for funding their pensions and other benefits.

Audit partners and audit staff (which includes staff from other Lines of Service contributing to the audit), are not permitted to be, nor are they incentivised to be, evaluated, promoted or remunerated for the selling of non-audit services to their audit clients. The expectations of audit partners are set out in the 'Our audit methodology' section on [page 41](#), and audit quality forms a key part of the partner performance appraisal process.

In addition, Audit Risk & Quality partners input into the assessment of performance in respect of risk and quality matters for audit partners. The Head of Audit Risk & Quality is involved in the remuneration discussions for all audit partners to make sure that the process complies with the firm's policies.

The Talent & Remuneration Committee (subcommittee of the SB, including the INEs) discussed and considered the relativities of the T&RC population (Management Board and UK partners on the Global Leadership Team), including in respect of quality and the risk review of audit engagements for those partners within the T&RC population with an audit responsibility,

including the Head of Audit. The T&RC discussed the Goals, Self Assessments and Moderation Summaries for the T&RC population, taking into consideration the FY24 Balanced Scorecard and The System of Quality Management (SoQM) Report.

The final allocation and distribution of profit to individual partners is made by the Partner Matters Committee, with oversight from the Partners Affairs Committee and, as applicable, the Talent and Remuneration Committee, once performance has been assessed and the annual financial statements have been approved. The SB approves the process and oversees its application.

Each partner's profit share comprises two interrelated profit-dependent components:

- performance income – reflecting how a partner and their team(s) have performed; and
- responsibility and equity unit income – reflecting a partner's sustained contribution and responsibilities (responsibility income) and the partner's capital contribution (equity unit income).

Each partner's performance income is determined by assessing achievements against an individually tailored balanced scorecard of objectives, based on the partner's role. These objectives take account of our public interest responsibilities by ensuring we deliver quality

services and maintain our independence and integrity.

Quality failings identified either through regulatory reviews or internal quality reviews impact the remuneration of audit partners, and other audit and non-audit engagement leaders in Assurance, through an accountability framework. The Accountability Framework also seeks to reward good quality audit work delivered by engagement leaders. There is transparency among the partners over the total income allocated to each individual.

Drawings

The overall policy for partners' monthly drawings is to distribute a proportion of the profit during the financial year, taking into account the need to maintain sufficient funds to settle partners' income tax liabilities and to finance the working capital and other needs of the business. The Executive Board, on behalf of the Management Board, with the approval of the Supervisory Board, sets the level of partners' monthly drawings, based on a percentage of their individual responsibility income.

Tax

Our distributable profit per partner is calculated on a pre-tax basis and the taxes borne individually by our partners include both income tax as well as corporation tax on subsidiary profits.

Audit Non-Executives and Independent Non-Executives

- Our INEs and our doubly independent ANE were paid a fee of £100,000 per annum for their services during the year. This was increased to £125,000 with effect from 1 July 2024 to reflect an increase in the time commitment for these roles.
- The Chair of the PIB received an additional £50,000 per annum, while the Chair of the AOB received an additional £30,000 per annum. These fees were also increased to £75,000 and £45,000 respectively with effect from 1 July 2024 to reflect an increase in the time commitment for these roles.
- Where an INE is also a member of the AOB they receive a further £30,000 for this role.
- Where a member of the AOB is also a member of the Audit Partner Remuneration and Admissions Committee (APRAC), they also receive a further £10,000 for this role.
- Where an INE is also a member of a SB Committee, they receive a further £20,000 for this role.

Governance of the Audit LoS

For the year ended 30 June 2024, Hemione Hudson was the Head of Audit and the member of the firm's MB responsible for the Audit LoS. Andy Hammond assumed this role from 1 July 2024.

From an operational perspective, and consistent with all other Lines of Service, the Head of Audit leads an executive team (the Audit Executive) that takes responsibility for the strategy, direction and day-to-day operations of the Audit LoS. In doing so the Audit Executive is responsible for translating the firm's overall vision and strategy into a strategy and vision specific to the Audit LoS.

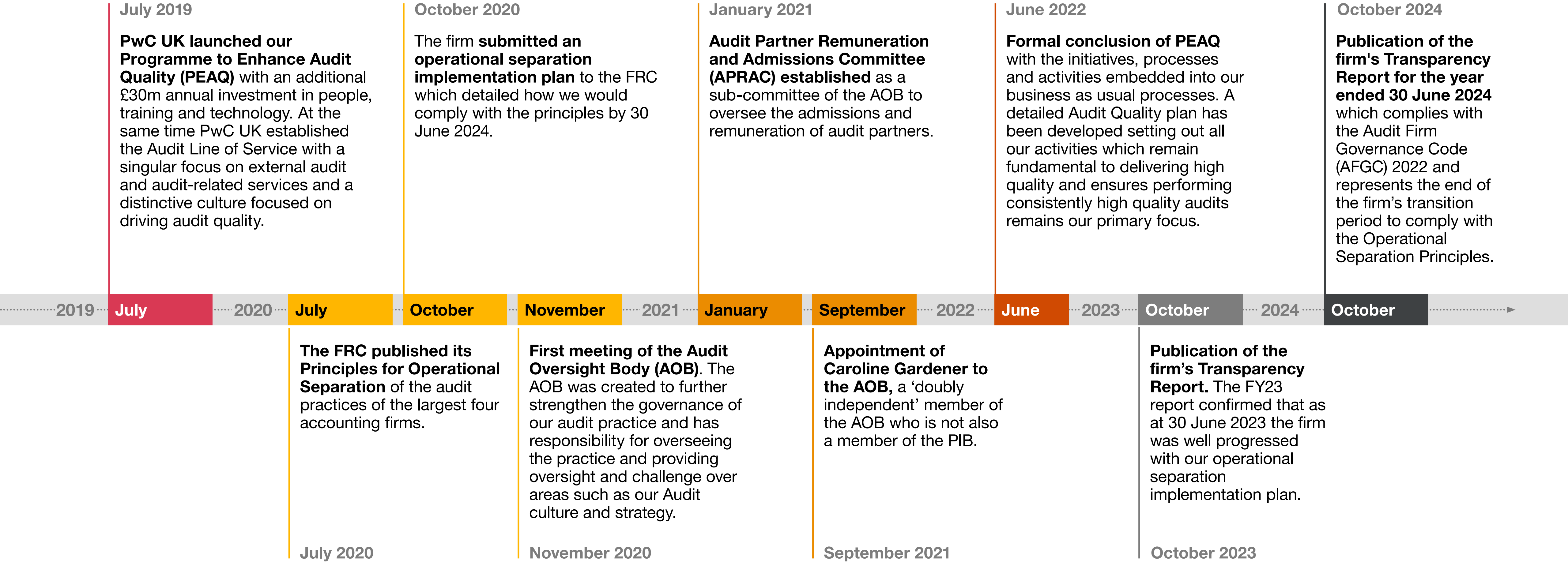
In executing its strategic and day-to-day operational responsibilities the Audit Executive oversees the policies and activities in the LoS relating to audit quality, market activity, engagement delivery and people matters. This includes providing oversight of the Audit Quality Plan, the Audit Culture Action Plan and the Audit Partner Recognition and Accountability Framework. The Audit Executive meets formally for a full day each month and meets twice weekly for shorter informal meetings. When considered necessary the Audit Executive escalates significant matters to the MB or the AOB.

The day-to-day operations of the Audit LoS are managed through four regional business units (Central, London, Northern and South East) and five product-led business units (Audit Risk and Quality, Digital Audit, Asset and Wealth Management, Banking and Capital Markets and Insurance). The Audit Executive meets with the leaders of these Business Units on a weekly basis and for a longer half-day meeting monthly.

From 1 July 2024 the Audit Executive consisted of the Head of Audit, the Chief Risk and Quality Officer, the Chief People Officer, the Chief Technology Officer, the Chief Financial and Administrative Officer, the Chief Markets Officer (who also has responsibility for the South East and London Business Units), the Early Careers Leader, the Business Unit Leader for Audit Risk and Quality, the Business Unit Leader for Financial Services and the Business Unit leader for the regional Business Units.



Our Operational Separation journey



Our operational separation journey has been underpinned by ongoing two-way communication between the FRC, the firm and the AOB.

Audit quality

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Audit quality

Quality remains our top priority and the firm’s governance plays a critical role in supporting the delivery of consistently high quality audits. We are focused on performing audits that meet the needs of investors, the organisations we audit and wider stakeholders.

The Audit LoS strategy and the operational activities of the Audit LoS drive our focus on quality. Our Annual Audit Quality Plan (AQP) sets out our core processes and controls that support audit quality, and flags any areas of significant focus or change each year. Our AQP is aligned to the five pillars of the audit strategy: Quality; Passionate People; Technology and Transformation; Commercials and Responsible Growth. These are underpinned by our audit culture and behaviours which are fundamentally important to achieving high quality.

Our system of quality management (SoQM) is designed, implemented and operates on an ongoing basis to achieve our quality objectives. This process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm’s internal and external environment.

Internal monitoring is an integral part of the SoQM. This includes our ECR programme, used to assess whether engagements are performed in accordance with relevant standards, and our QMSE programme, where the firm conducts its own review of its compliance with policies and procedures each year, reviewed annually by the firm’s regulators, and also by a PwC Network team independent of PwC UK.

PwC UK is subject to monitoring by a number of regulatory authorities. We hold our reputation for quality in the highest regard and take seriously all the findings identified by the firm’s regulators in relation to the quality of the firm’s audit work. Through our continuous improvement activities we are committed to working constructively with our regulators.

Measuring and assessing audit quality is fundamentally important. There is no single definition or measure of audit quality. The most public measure in the UK is the AQR inspection results, although these are based on a limited, risk-based sample of files inspected. We have developed our own Audit Quality Measurement framework with three key measures of audit quality to provide a more comprehensive view of the quality of our audits: inspection results (both internal and external); the pride our people feel in the quality of our work; and the average score the organisations we audit give to our overall audit quality.

We believe that using Audit Quality Measures (AQMs) and our Audit Quality Indicators (AQIs) together helps stakeholders to understand an audit firm’s approach to, and progress with, audit quality. We are actively engaged with the FRC and other stakeholders, including Audit Committee Chairs, to support their consideration of AQIs and how best they can be used.

Audit Quality Measures

84%

FY23: 85%

The percentage of audit files inspected through Audit Quality Review (AQR), Quality Assurance Department (QAD) and Engagement Compliance Review (ECR) inspection processes that were rated good or limited improvements required (or equivalent rating).

4.6/5

FY23: 4.5/5

The average score audit committees and those charged with governance rated our overall audit quality.

87%

FY23: 86%

The percentage of respondents to our annual audit culture survey who feel proud of the quality of our audit work.

Our audit methodology

Audit methodology

PwC UK operates Audit as a separate, standalone Line of Service that delivers audit and non-audit assurance engagements.

Within other Network firms, it is more common for these services to be offered within a wider Assurance Line of Service. Global Assurance Quality operates at the PwC Network level, and develops and maintains the Network's risk and quality standards and methodologies in relation to Assurance services.

As a member of the PwC Network, PwC UK 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 Audit is developed by the Global Assurance Quality – Methodology Group (GAQ – Methodology). GAQ – Methodology has responsibility for the maintenance and update of global audit policies and guidance, including: the PwC Audit Guide; libraries of audit steps for our global audit software (Aura Platinum); and template letters and other documents for use by engagement teams.

There are a number of review and consultation groups, comprising representatives from member firms including PwC UK, which provide input to GAQ – Methodology via regular conference calls and review of materials prior to release to the PwC Network.

PwC UK is represented on The Global Assurance Quality – Methodology Leaders Group by the UK Chief Auditor. The group exists to ensure global alignment of methodology priorities, sharing of territory emerging matters, providing input on PwC's implementation of new or revised auditing and assurance standards, and acting as a forum for discussion.

Our UK Audit Risk and Quality group (ARQ) is responsible for developing policy and guidance to supplement the global methodology where required to address additional requirements included in UK professional standards and laws and regulations. Any additions to policy are subject to oversight by the UK firm's Audit Risk and Quality Committee, a group of senior Risk and Quality and practice partners.

Comprehensive policies and procedures

PwC UK has policies and procedures governing accounting, corporate reporting, regulatory and auditing practice. These are regularly updated to reflect new professional developments, changes in our operating environment and emerging themes, as well as the needs and concerns of the practice and regulators. These policies and procedures are supported by guidance that PwC UK provides to its professionals on how best to implement them.

The policies, procedures and guidance are available in electronic files, databases and on web based applications. These are readily accessible to our people remotely at any time.



Consultation

Consultation is a key element of quality control. The firm has policies and guidance setting out the circumstances under which consultation on accounting, auditing and risk management matters is either mandatory or discretionary. The firm's technical experts track new developments in relevant areas and provide updates to the appropriate professional staff. Our strong consultative culture also means that our engagement teams regularly consult with each other on an informal basis, as well as with experts, in situations where formal consultation is not required. This consultation culture is supported by the firm's Chief Auditor Network, who field informal consultations and host bitesize sessions based on recurring themes noted.

We use a consultation database within Audit that has been specifically designed to aid the consultation process, ensuring the documentation of consultations within ARQ is in accordance with relevant professional standards. ARQ, whose remit is to establish the UK audit practice's technical risk and quality framework, supports engagement teams in a number of areas, as set out on [page 41](#).

During the year, 7,438 consultations were completed (FY23: 8,327). There are a number of factors giving rise to the year on year change in the number of consultations including, but not limited to:

- further automation of administrative processes that previously required an engagement team to submit a consultation;
- the continuing maturity of the Chief Auditor Network in answering more straightforward or informal questions; and
- the current year being impacted less by changes to auditing standards. Whilst FY24 did include the implementation of ISQM (UK) 1, ISQM (UK) 2 and ISA (UK) 220 (Revised), FY23 included the implementation of ISA (UK) 315 (Revised), which had a more significant impact on our audit methodology, leading to a greater number of consultations.

Hot reviews of financial statements and reports

ARQ's accounting specialists perform quality "hot reviews" on interim financial reports, preliminary announcements and Annual Reports of certain entities prior to issuance. These reviews consider the financial statements' and reports' consistency with relevant laws and regulations (including listing rules) and the relevant accounting framework.

For a selection of audits, ARQ reviews certain aspects of the audit work on a real-time basis, as the audit progresses. These reviews aim to be primarily a coaching exercise and have no set criteria. The reviews are flexible but primarily focusing on risk assessment, the resolution of judgemental matters and our reporting to those charged with governance. On occasion this will involve a more in-depth review of detailed audit working papers.

233 hot reviews of financial statements and reports were completed during the year (FY23: 228).

We continue to monitor our processes and controls in regards to hot reviews and amend these processes as deemed appropriate to ensure the hot review process meets its objective of supporting audit engagement teams.

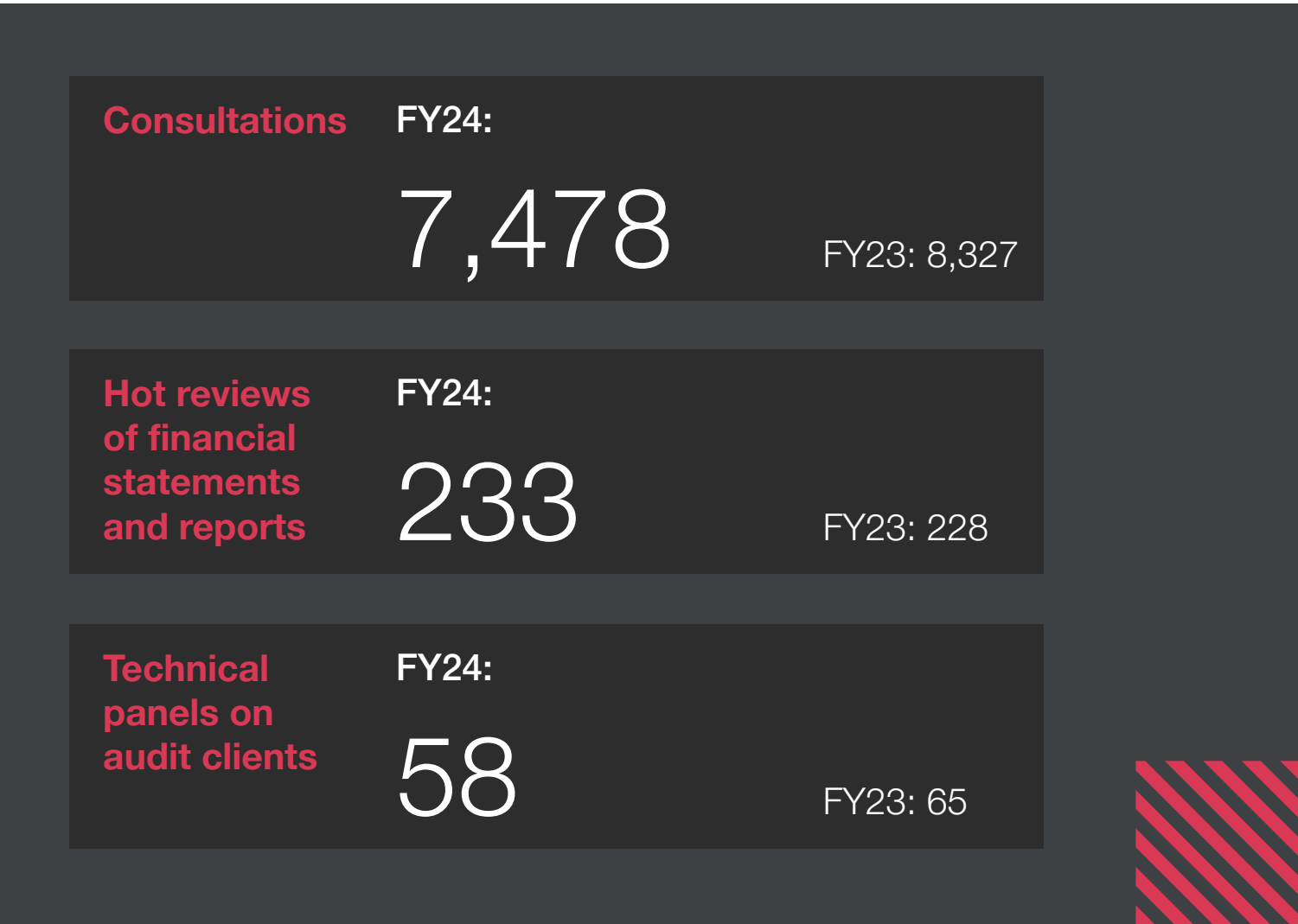


Technical panels

Engagement leaders may consult a panel of experienced client-facing partners and technical experts where an engagement has particular complexities, risk characteristics or auditing or accounting areas requiring significant judgement. For example, in situations where potential uncertainty exists around an organisation's going concern or impairment assessment, specialists in particular audit or industry areas may be consulted through a technical panel.

During the year ended 30 June 2024, 58 (FY23: 65) technical panels took place on audit clients, the majority of which related to the consideration of a client's going concern status.

Protocols exist to resolve potential situations where a difference of opinion arises between the engagement leader and either the Quality Review Partner (QRP), another audit partner or central functions such as ARQ or Compliance. These include the use of technical panels consisting of partners independent of the engagement.



Supervision and review

The engagement leader and senior engagement team members supervise the audit, review the work performed, coach the team and maintain audit quality. Our audit software, Aura Platinum, is designed to help audit team members track the progress of the engagement and therefore make sure that all work has been completed, that work is reviewed by the relevant individuals including the engagement leader and, where relevant, the Engagement Quality Control Reviewer (known in PwC Audit as the Quality Review Partner (QRP)), and that all matters arising have been appropriately addressed.

Some of the key aspects which the engagement leader is expected to perform includes the following:

- actively managing the performance of the audit and its documentation by being proactively and sufficiently involved throughout the audit, including being satisfied that risks have been assessed and responded to appropriately;
- ensuring sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner;
- fostering an integrated coaching culture and demonstrate a willingness to learn and to coach others;
- being responsible for the engagement team undertaking appropriate consultation on difficult or contentious matters, initiating those consultations where necessary;

- driving a cultural mindset that strives for continuous quality improvement by challenging engagement team members to think, analyse, question and be rigorous in their approach. Engagement leaders display, and challenge engagement team members to display, the PwC Audit Behaviours, and they also embody the experiences of our people in how the team delivers the audit and applies professional scepticism;
- being responsible for ensuring that they and the engagement team understand the relevant ethical requirements for the engagement, remaining alert to any breaches of the requirements and taking action where necessary;
- having an ongoing involvement in assessing the progress of the audit, and in making key judgements;
- reporting the findings of the audit to those charged with governance in accordance with relevant standards and requirements;
- implementing the firm's response to quality risks applicable to the engagement and be satisfied that the review, supervision and quality control procedures in place are adequate and effective; and
- having an overall responsibility for the direction, supervision and review of work on the engagement, ensuring that conclusions are reached and documented in a proper and timely manner and taking overall responsibility for managing and achieving quality on the engagement.

Senior engagement team members support the engagement leader by:

- setting an example in the performance of the audit and its documentation by being involved throughout the audit, including identifying the risks and being satisfied that they are responded to appropriately;
- striving for continuous quality improvement, challenging engagement team members and applying rigour to the audit process and displaying and challenging engagement team members to consistently demonstrate the PwC Audit Behaviours;
- fostering an integrated coaching culture and demonstrating a willingness to learn and coach others;
- together with the engagement leader, putting in place arrangements for timely reviews of audit work and documentation, and, taking into account the nature, extent and level of reviews already performed by other members of the team, satisfying themselves that the work performed and documentation are consistent with the understanding of the engagement; and
- reviewing work done and the record of the audit, including considering the quality of the audit process and the results of the work and the documentation of conclusions.

In addition to reviews by the engagement leader and senior engagement team members, all of our people are expected to critically self-review their own work to make sure that it meets the relevant requirements.



Engagement quality control reviews

We appoint a Quality Review Partner (QRP) to conduct engagement quality control reviews of the audits of listed clients, other public interest entities and clients identified as higher risk or higher profile. Higher Profile Clients (HPCs) include:

- any entity with a significant risk over going concern and either:
 - more than 5,000 UK employees; or
 - a pension deficit agreement exceeding 15 years.
- any entity with more than 5,000 UK employees and a pension deficit funding agreement exceeding 15 years;
- private companies which employ 10,000 or more individuals in the UK (excluding subsidiaries of a UK listed company which is audited by PwC UK) not included in other criteria above;
- other entities whose engagement's heightened profile, based on the firm's judgement, could represent a heightened financial risk to the firm or reputational risk to the firm or the Network.

QRPs are experienced individuals, usually partners, who are independent of the core engagement team; they receive training when appointed as a QRP and on an ongoing basis thereafter.

QRPs are appointed to an engagement based on their experience and expertise. The QRP is responsible for reviewing key aspects of the audit including independence, significant risks and responses to these risks, critical auditing and accounting judgements, uncorrected misstatements, documentation of workdone in the areas reviewed, the financial statements, communication with those charged with governance and the appropriateness of the audit report to be issued.

The QRP is also required to understand the firm's monitoring and remediation processes, in particular any identified deficiencies that may impact areas involving significant judgements made by the engagement team. In addition, the QRP is responsible for evaluating the engagement leader's determination that relevant ethical requirements relating to independence have been fulfilled, appropriate consultation has occurred and the engagement leader's involvement is sufficient and appropriate. QRPs are involved throughout the audit process so that their input is timely.

The QRP discusses the results of their review with the key audit partners (which include those engagement leaders of material components in group engagements which are involved in the group audit) on Public Interest Entity engagements defined by the Ethical Standard.

The QRP will challenge the audit team in the judgements they have made and work done. Their review is completed and any matters raised are resolved to the QRP's satisfaction in advance of issuing the audit report.

Certain types of non-audit assurance work requires a second partner to be appointed and, depending on the nature of the engagement, they may fulfil a role similar to that of a QRP on an audit. In other situations, their role is defined and agreed with the engagement leader and evidenced on the engagement working papers.



New standards

We continued to reflect on the lessons learned from the process of implementing ISA (UK) 315 (Revised) and the suite of quality management standards ISQM (UK) 1, ISQM (UK) 2 and ISA (UK) 220 (Revised) in the previous years.

We have invested significant time in the year preparing for the implementation of ISA (UK) 600 (Revised), which is effective for audits of financial statements for periods commencing on or after 15 December 2023. Our work has included revising Aura Platinum workpapers and sections within the PwC Audit Guide to respond to the new Group Audit requirements. Our Chief Auditor Network (CAN) has been upskilled to be able to work in tandem with ARQ to support engagement teams to meet the requirements of ISA (UK) 600 (Revised).

ISA (UK) 600 (Revised) forms a key part of our flagship External Auditor Training programme in 2024, with our people being trained in the classroom on the changes to our methodology as a result of the revised standard. This will be supplemented by e-learns, and planned workshops run out of the CAN.

Engagement documentation

At the end of an engagement, audit teams are required to archive the audit file in accordance with a timeline that is more stringent than that required by professional standards. The act of archiving prevents any further amendments being made to the file.

Unless required for legal, regulatory or internal review purposes, our audit files are only accessible by members of the engagement team or by specific individuals for risk management, quality review and compliance purposes until they are destroyed.

All engagement files are destroyed after periods specified by law or professional standards. In the case of audit files, this is generally seven years after the audit report date, but can be as long as twelve years after the balance sheet date where required by applicable law/standards.

Engagement conversations

PwC UK operates a programme of obtaining direct feedback from the organisations we audit via interviews, undertaken by senior partners independent of the engagement team, as well as client satisfaction surveys. We use this feedback to make sure that we continue to provide high quality services and address any service issues promptly.



Audit Quality Measures (AQMs) and Audit Quality Indicators (AQIs)

Measuring and assessing audit quality is fundamentally important. Using measures and indicators to do this effectively can help the users of audit services and wider stakeholders to engage in a richer discussion about what constitutes a high quality audit and the key elements of a high quality audit practice.

Audit Quality Indicators (AQIs) are complex and the term 'AQI' can often mean different things to different stakeholders. AQIs can be considered at both a firmwide and at an engagement level; and they can also be used internally or externally by audit firms. PwC's use of AQIs includes the following:

- Internally, we monitor AQIs and other management information for our audit practice, and Audit Business Units to identify thematic insights, whilst also using engagement level AQIs within our root cause analysis process. These areas of work combine qualitative insights with quantitative analysis to provide robust conclusions into how we can continuously improve our system of audit quality management.
- Externally, we use AQIs to provide information to the users of audit services and wider stakeholders to enable a richer discussion about what constitutes both a high quality audit and a high quality audit practice. We are actively engaged with the FRC and other stakeholders, including Audit Committee Chairs, to support their consideration of AQIs and how best they can be used with external stakeholders at both a firmwide and engagement level.

We have continued to engage positively with the FRC through 2023/24 in relation to external AQIs and the reporting of a consistent, publicly disclosed set of firm level AQI metrics. We have submitted our first set of AQIs to the FRC in June 2024 as part of the pilot year private reporting process and will continue to work closely with them on any feedback coming out of this submission through to the first set of public reporting in June 2025.



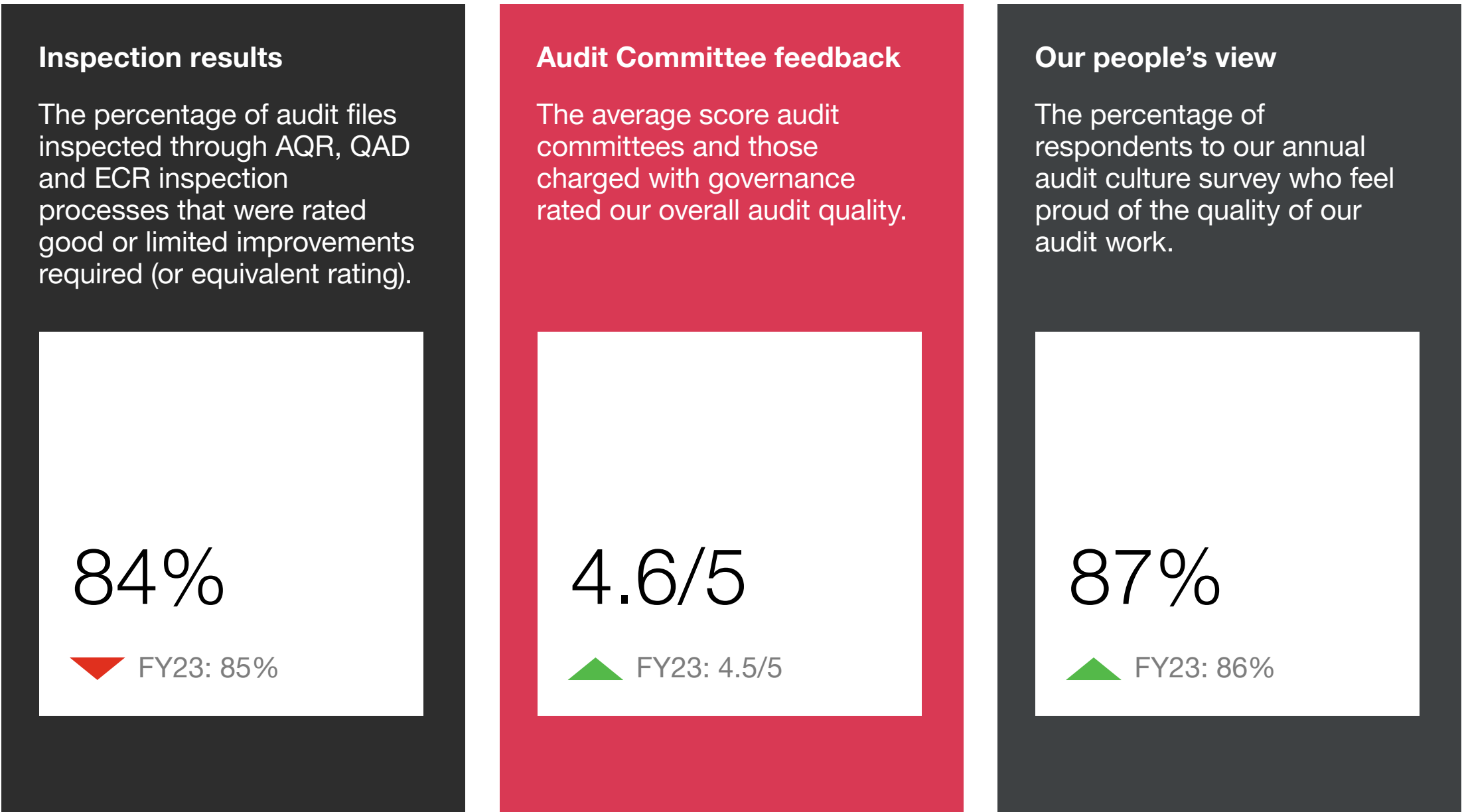
AQIs and measuring audit quality

It is important to understand that AQIs are only indicators of risk to quality rather than actual measures of audit quality. This is because it is still possible to have a high quality audit when particular AQIs might be of concern, because the risks to quality can still be mitigated through controls or other interventions.

There is no single definition or measure of audit quality. The most public measure in the UK is the AQR inspection results, although these are based on a limited, risk-based sample of files inspected. We have developed our own Audit Quality Measurement framework with three key measures of audit quality to provide a more comprehensive view of the quality of our audits. These measures are included in the internal firmwide balanced scorecard that is reported to our Executive Board each quarter.

Our Audit Quality Measures and supporting data, along with our AQIs, are set out in their respective sections below:

Audit Quality Measures (AQMs)



Supporting data

In addition to the inspection and audit committee feedback related Audit Quality Measures, we present below further supporting data referenced elsewhere in this report.

| | FY24 | FY23 | Page |
|--|------|------|------|
| Audit Committee feedback – challenge | | | |
| How the organisations we audit score us when asked whether our teams challenged them during the audit (out of 5) | 4.3 | 4.3 | 67 |
| All audit file inspections | | | |
| Percentage of the audits inspected that did not require a restatement of the financial statements or for the audit opinion to be withdrawn | 98% | 98% | 52 |



| | FY24 | FY23 | Page |
|---|-----------|-----------|------|
| Internal inspections | | | |
| ECR audit file inspections performed* | 151 | 163 | 67 |
| Percentage of the firm’s Responsible Individuals covered by ECR audit file inspections ¹ * | 42% | 47% | 67 |
| ECR audit file inspections graded ‘compliant’* | 84% / 127 | 85% / 139 | 67 |
| ECR audit file inspections graded ‘compliant with improvement required’* | 8% / 12 | 9% / 15 | 67 |
| No. of ECR audit file inspections graded ‘non-compliant’* | 8% / 12 | 6% / 9 | 67 |
| No. of ECR non-audit file inspections graded ‘compliant’ | 76% / 25 | 91% / 32 | 67 |
| No. of ECR non-audit file inspections graded ‘compliant with improvement required’ | 15% / 5 | 6% / 2 | 67 |
| No. of ECR non-audit file inspections graded ‘non-compliant’ | 9% / 3 | 3% / 1 | 67 |
| The overall Audit Compliance Measure reviews compliance score for the year | 94% | 95% | 51 |
| External inspections | | | |
| AQR file inspections graded ‘good’ or ‘limited improvements required’* | 76% / 13 | 82% / 14 | 53 |
| AQR file inspections graded ‘improvements required’ | 24% / 4 | 18% / 3 | 53 |
| AQR file inspections graded ‘significant improvements required’* | 0 | 0 | 53 |
| No. of QAD file inspections graded ‘good’ or ‘generally acceptable’ | 100% / 10 | 90% / 9 | 55 |
| No. of QAD file inspections graded ‘improvement required’ | 0 | 0 | 55 |
| No. of QAD file inspections graded ‘significant improvement required’ | 0 | 10%/1 | 55 |

* These metrics are those which have been mutually agreed with the Policy and Reputation Group (PRG) to be disclosed in Transparency Reports. The PRG is a group made up of representatives from the seven largest UK Audit Firms that develop an understanding of evolving public interest issues and how these might be addressed to help maintain confidence in the profession to support the UK economy, and to participate constructively in shaping public policy.

¹ For FY24 we have updated our methodology and presentation to align with proposed FRC AQI.

Audit Quality Indicators (AQIs)

Presented below are the additional metrics included within this Transparency Report. They include metrics that have been mutually agreed with the PRG to be disclosed in Transparency Reports.

| | FY24 | FY23 | Page |
|--|-------|--------------------|------|
| Metrics from partner and staff surveys | | | |
| I am encouraged to perform a high quality audit | 93% | 91% | 74 |
| I am/my team is allocated sufficient time and resources to perform quality work* ² | 73% | 59% | - |
| I receive enough training and development to enable me to deliver quality audits* ³ | 81% | 77% | - |
| My team regularly shares problems with each other in order to find effective solutions | 88% | 87% | 74 |
| My team regularly challenges each other around whether the course of action we are taking is realistic and/or will deliver a quality audit outcome | 82% | 79% | - |
| I feel confident to challenge others who demonstrate behaviours that put audit quality at risk | 84% | 87% | 74 |
| I understand how the work I do on a day-to-day basis supports the purpose of audit and assurance ⁴ | 94% | 93% | 74 |
| External investigations | | | |
| Decision notices issued against the firm by the Enforcement division of the FRC | 1 | 3 | 57 |
| Audit cases found against the firm by the Investigation Committee of the ICAEW | 0 | 0 | 58 |
| Resource | | | |
| Number of UK people in Audit | 6,176 | 5,924 ⁵ | - |
| People recruited into Audit | 1,314 | 1,539 | - |
| Number of Responsible Individuals ⁶ | 352 | 339 | - |
| Number of PIE Responsible Individuals ⁷ | 141 | 137 | - |
| Ratio of staff to Partner and Directors in the Audit LoS ⁸ | 14:1 | 13:1 | - |

| | FY24 | FY23 | Page |
|--|----------------------|----------------------|------|
| Training | | | |
| 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 ³ | 90 hours per person | 102 hours per person | 79 |
| 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 ³ | 1.6m hours | 1.6m hours | 79 |
| The minimum structured training hours provided to qualified audit partners and staff within the annual mandatory audit, accounting and compliance update programme* ³ | 18 hours per person | 28 hours per person | 79 |
| Digital Academy completions during the year ³ | 2,000 (Audit: 1,000) | 2,800 (Audit: 1,000) | 79 |

* These metrics are those which have been mutually agreed with the Policy and Reputation Group (PRG) to be disclosed in Transparency Reports. The PRG is a group made up of representatives from the seven largest UK Audit Firms that develop an understanding of evolving public interest issues and how these might be addressed to help maintain confidence in the profession to support the UK economy, and to participate constructively in shaping public policy.

² Responses in relation to the question ‘I am/my team is allocated sufficient time and resources to perform quality work’ include both favourable 53% (FY23: 40%) and neutral responses 20% (FY23: 19%).

³ Our training cycles follow the calendar and not the financial year, hence we have presented training metrics for the calendar year to 31 December 2023 in this report.

⁴ The wording of this question was updated in FY24 to ‘audit and assurance’ to reflect the range of work performed by our people.

⁵ FY23 headcount figures have been restated to align methodology with other people-related data in the Transparency Report and other public reporting.

⁶ ICAEW registered at 1 July 2024.

⁷ FRC registered at 1 July 2024.

⁸ Note ‘staff’ includes our Distributed Delivery Model (p.83)

| | FY24 | FY23 | Page |
|--|--------------|-------|--------------------|
| Inclusion and diversity | | | |
| We believe that a diverse and inclusive audit practice enables better quality outcomes. Our commitment to building a diverse and inclusive workforce is further detailed on page 86 , with specific reference to our recruitment initiatives on page 81 . We also report diversity metrics for both gender and ethnic minority, at a firmwide level, on our Integrated Reporting Hub ⁹ . Detailed below is our gender and ethnic minority metrics for the audit partnership, who play a key role in creating a diverse and inclusive culture. | | | |
| Percentage of individuals in the audit partnership that are Female | 31% | 30% | 86 |
| Percentage of individuals in the audit partnership that are Ethnic Minorities | 11% | 11% | 86 |
| Other quality focused activities | | | |
| Consultations completed | 7,478 | 8,327 | 42 |
| Technical panels completed | 58 | 65 | 42 |
| Hot reviews of financial statements and reports completed | 233 | 228 | 42 |

⁹ Source: <https://www.pwc.co.uk/who-we-are/reporting-hub.html>



Audit Compliance Measures (ACMs)

The Audit Compliance Measures (ACMs), which assess compliance against quality measures at an engagement level, are set each year to take account of matters arising from regulatory reviews and the previous year's ECR findings. This ensures that they focus on those aspects of our work where behavioural change and improvements in quality are considered necessary. They also consider areas where our audit methodology has changed, which merit examination to determine how methodology is being implemented.

The ACM checklist for FY24 contained 12 specific areas, covering various aspects of the audit from planning to execution and completion. These metrics are assessed quarterly through the review of files by partners and staff who are independent of the engagement under review. Up to two files for each audit engagement leader are assessed each year and the results are moderated at both a Business Unit and a LoS level. Engagement leaders include the results of ACM reviews in their annual Risk & Quality self-assessment.

The overall metrics for the Audit LoS are reported to the Executive Board. The overall ACM compliance score for the year ended 30 June 2024 was 94.1% (FY23: 94.6%).

These results are analysed by specific questions, as well as by Business Unit, and the results are used to inform the basis of amendments to policies, procedures and training materials.

Overall ACM
compliance score
for the year ended
30 June 2024

94.1%
FY23: 94.6%



External inspections

We operate in a highly regulated field and PwC UK is subject to monitoring by a number of regulatory authorities.

External inspections – UK regulators

Each year, the FRC's Supervision Division team undertakes inspections of the quality of the firm's work as statutory auditors of Public Interest and other entities, and reviews aspects of the firm's policies and procedures supporting audit quality. The Quality Assurance Department (QAD) of the Institute of Chartered Accountants of England and Wales (ICAEW) undertakes an annual inspection of non-FRC PIE audits.

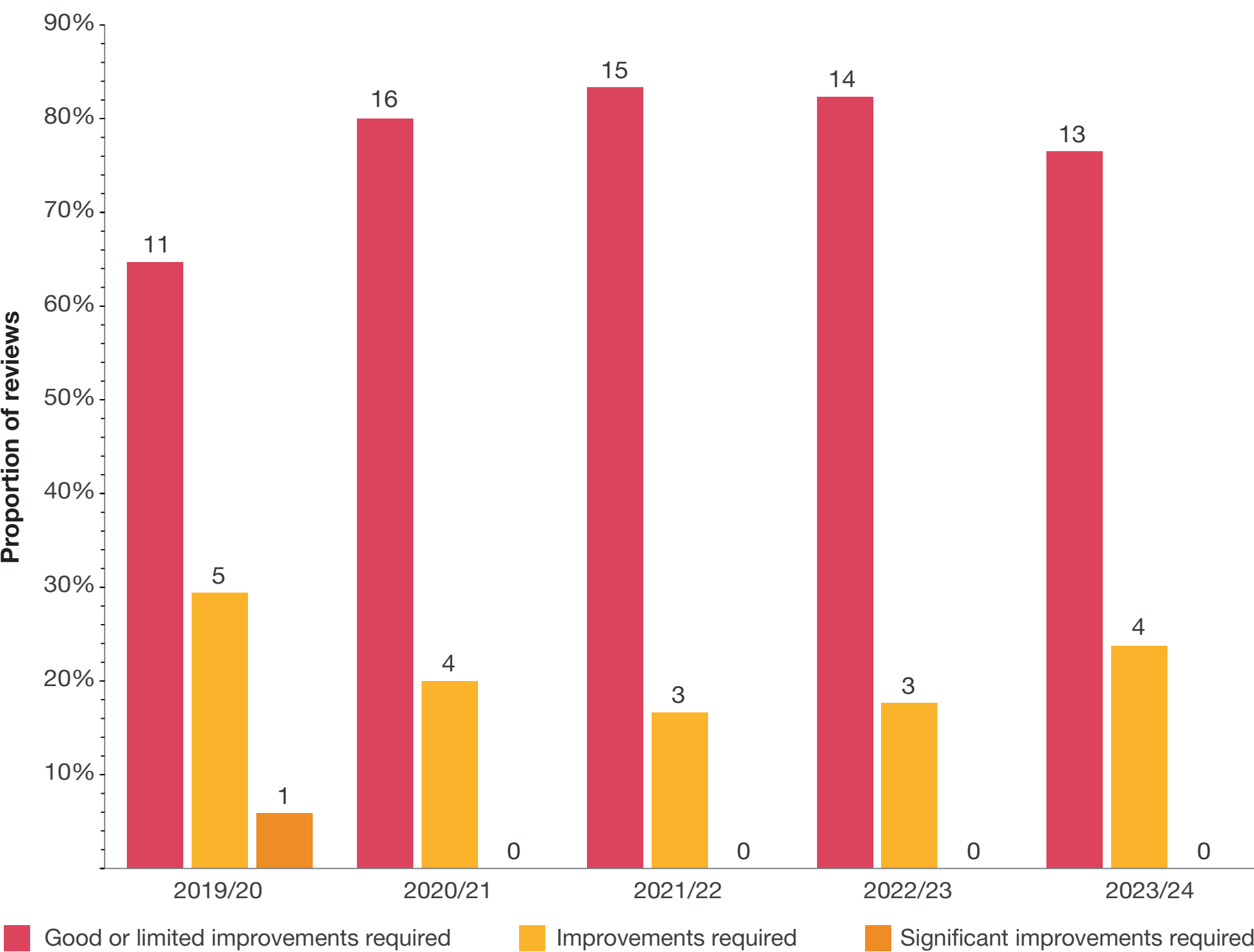
The Audit Registration Committee of the ICAEW (ARC) considers the findings arising from the most recent FRC and QAD inspection reports as part of their annual consideration of the firm's UK audit registration. The ARC also considers the UK firm's registrations as a recognised auditor in Jersey, Guernsey and the Isle of Man.



FRC – Audit Quality Inspection and Supervision Report

The FRC issued its 2023/24 Audit Quality Inspection and Supervision Report on PwC UK on 30 July 2024. Alongside the results of the FRC Supervision activities, including the Audit Quality Review (AQR) inspection, Audit Market Supervision (AMS) reviews and observations from the Audit Firm Supervision team, the report also included the firm’s own 2023 internal quality monitoring results and those of the 2023 annual QAD inspection.

FRC Inspection Results 2019/20 – 2023/24 PwC – All reviews



Source: https://media.frc.org.uk/documents/PricewaterhouseCoopers_LL_P Audit_Quality_Inspection_and_Supervision_Report_2024.pdf

The 2023/24 AQR inspection comprised reviews of 17 (2022/23: 17) individual audit engagements. Of the 17 audits reviewed in the 2023/24 cycle, the AQR assessed that:

- 76% or 13 audits (82% or 14 audits in 2022/23) were graded ‘good or limited improvements required’;
- 24% or four audits (18% or three audits in 2022/23) were graded as ‘improvements required’; and
- no audits (no audits in 2022/23) had ‘significant improvements required’.

We continue to prioritise audit quality and appreciate the insights shared by the FRC during its inspection processes. We are focused on delivering consistently high quality audits that meet the needs of investors, the organisations we audit and wider stakeholders. We are grateful for the continued efforts of our audit teams in seeking to achieve our quality objectives.

The FRC’s report highlighted the following key findings in respect of their AQR individual file reviews, and concluded that PwC should:

- improve the audit of inventory;
- improve aspects of the audit of impairment and valuation of non-current assets, in particular relating to forecasts; and
- improve the audit of the carrying value of investments in subsidiary undertakings (parent company).

Whilst our AQR audit inspection outcomes are consistent with the last few years, we recognise some inconsistency remains and more can be done to address specific matters driving lower inspection outcomes and in the areas reported as key findings. We continue to understand and learn from the AQR inspection findings and other reviews through our established RCA process. Responsive actions have been identified and incorporated into our SQP.

The report also includes examples of good practice identified by the AQR, and it is pleasing that these have been identified across audit planning, execution and completion phases, and in an area where the AQR have also reported findings. We will continue to utilise these examples within our mandatory training programmes.

The FRC AMS team also reported on their review of the firm’s system of quality management (SoQM) following ISQM (UK) 1 coming into effect on 15 December 2022. The inspection cycle also included transitional inspection activity relating to ISQC (UK) 1.

The FRC AMS team concluded that the firm has invested considerable effort into implementing the new standard, including early adoption of most elements, and has already begun the iterative process of improving and refining it, including in response to FRC feedback.

The following areas were reviewed with key findings and areas of good practice reported where relevant:

ISQM (UK) 1 – Risk Assessment, Governance and Leadership, Acceptance and Continuance, Monitoring and Remediation and Annual Evaluation:

The AMS team undertook a focused review of the firm’s implementation of ISQM (UK) 1, focusing on risk assessment, risk completeness, the design and implementation of responses to mitigate quality risks in certain areas, and the monitoring procedures over these responses and the attainment of the firm’s quality objectives. The FRC also reviewed the process, evidence, and outcome for the firm’s annual evaluation of its SoQM. The key findings relating to this review were:

- **Monitoring procedures:** In the small sample reviewed, for the monitoring of the elements of responses with high level of judgement, the firm did not adequately demonstrate how a robust review was performed. The AMS team reported that they had seen this being enhanced in the more recent monitoring process.
- **Assessment of other sources of findings in the annual assessment:** The firm considered other sources of findings including those relating to ethics and independence matters and root causes from audit file inspections on an individual basis.

The firm did not sufficiently justify its conclusion that these individual inputs did not aggregate to a level requiring the identification of additional quality deficiencies or require amendments to risk responses. The AMS team reported that they understood that the firm will further aggregate these inputs in its 2024 annual evaluation.

The AMS team review also identified areas of good practice. These included the evidence of robust design assessments which included mapping responses to specific elements within each risk and clear analysis of relevant design factors; and the granularity of response descriptions which identifies the specific response elements that must operate. This contributed to a structured monitoring approach.

Compliance with the FRC Revised Ethical Standard 2019: The AMS team evaluated the firm’s compliance with the Ethical Standard, focusing on non-audit services. The key findings related to the firm’s controls not preventing or detecting the provision of a non-audit service provided to an Other Entity of Public Interest (OEPI) and an overseas component audit team not confirming compliance with the Ethical Standard to the group audit team. The AMS team welcomed the firm’s commitment to trial exception reporting of non-audit service approvals to FRC PIE/OEPIs to identify where the service is not on the permitted service list.

Training and methodology: No key findings were identified by the AMS team. The report outlines two areas of good practice: the detailed analysis performed over training pass rates for course assessments, and the audit file technology used to identify updates to standard audit procedures.

The firm has considered the findings and examples of best practice identified as part of each of these reviews, and developed responsive actions as appropriate. These actions have also been incorporated into our SQP.

The FRC report also sets out the FRC AMS team’s observations relating to their forward looking supervision activities, including in respect of: the firm’s Single Quality Plan and other quality initiatives; Root Cause Analysis; Continuous engagement and on holding the firm to account; and Emerging risks and trends. The firm was not subject to increased supervisory activities during the year.

The report outlines that in response to the inspection the FRC will:

- continue their inspection of completed audits and how the firm is developing its SoQM, including in response to the inspection findings;
- maintain their review of the SQP using it to monitor the actions taken to improve audit quality, their effectiveness (over the long and short term) and the use of the SQP in complying with ISQM (UK) 1; and

- continue to monitor and assess the firm’s initiatives in relation to audit quality, in particular those in relation to resourcing, culture, conduct and ethics and where plans are refreshed or reinvigorated.

The AMS team also conducted four audit thematic reviews at Tier 1 firms to complement their monitoring of ISQM (UK) 1. These reviews were: Sampling; Hot Reviews; Network Resources and Service Providers; and Root Cause Analysis. Published reviews are available on the [FRC website](#)¹.

The Audit Firm Supervision team has also considered: the Firm’s Single Quality plan and other quality initiatives; Root Cause Analysis; Continuous Engagement and holding the firm to account; and Emerging risks and trends; and provided the Firm with a number of observations and good practice.

Copies of the FRC Audit Quality Inspection and Supervision report on PwC UK are available on the [FRC website](#)¹.

¹ Source: <https://www.frc.org.uk/library/supervision/audit-firm-specific-reports/>

ICAEW – QAD inspection

The QAD audit engagement 2023 inspection results were published within the FRC’s Audit Quality Inspection and Supervision report on the firm on 30 July 2024. They will also be included within the ICAEW’s 2024 Audit Monitoring report, expected to be released in Autumn 2024.

The 2023 QAD inspection comprised standard scope reviews of ten (2022: ten) individual audit engagements, of which:

- Ten audits (nine in 2022) were assessed as ‘good or generally acceptable’;
- No audits (none in 2022) were graded as ‘improvement required’; and
- No audits (one in 2022) was graded as ‘significant improvement required’.

We are pleased that the QAD concluded that overall the work reviewed was of a good standard. All ten files were either good or generally acceptable, with no significant issues arising. The report did not include any key findings. A number of good practice examples were identified in the audit files reviewed. These included examples of: comprehensive documentation including internal consultations, interactions with component auditors and consideration of impairment risks; evidence of challenge of management on accounting matters; and high quality risk assessments informing the audit work undertaken.

Local Audit monitoring

The AQR did not undertake any Local Audits inspections at PwC as part of the 2023/24 cycle.

ATOL inspections

As an Air Travel Organisers License (ATOL) reporting accountant, the firm is subject to inspection as part of the Licensed Practice Scheme. The review takes place on a tri-annual cycle. No review was undertaken during 2023/24.

Other UK regulatory bodies with which we have interactions

As statutory auditors we engage in ongoing dialogue with regulators of entities we audit. For example, where relevant, audit engagement teams meet with the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) on a regular basis. We also have a duty, for example, to report to the PRA and FCA in respect of matters set out in the Financial Services and Markets Act 2000 (Communications by Auditors) Regulations 2001, and to report to the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator (OSCR) and the Charity Commission for Northern Ireland matters required by applicable charities legislation.

We also engage with the PRA and FCA through other roles including reporting as a skilled person under S166 of the Financial Services and Markets Act 2000 and Client Asset/Client Money reporting, as set out in the FCA’s Supervision Manual. Additionally, PwC LLP is authorised and regulated by the FCA for, inter alia, designated investment business and consumer credit related activity; details of our status can be viewed on the [FRC website](#)¹ under firm reference number 221411.

We also work with management of the organisations we audit to enable them to assist the Corporate Reporting Review team of the FRC in their work monitoring public company reporting.

Canadian Public Accountability Board

The Canadian Public Accountability Board (CPAB) is the regulator for the audits of reporting issuers in Canada. No reviews were performed on UK audits in the current year.

The Crown Dependencies

Under arrangements with the relevant regulatory authorities in the Crown Dependencies, the FRC undertakes the review of relevant audits performed by PwC UK of the financial statements of certain entities registered in the Crown Dependencies. In their 2023 inspection of PwC UK, no such audits were reviewed by the FRC.

¹ Source: <http://www.frc.org.uk/>



Public Company Accounting Oversight Board

The Public Company Accounting Oversight Board (PCAOB) is the regulator for the audits of public companies with securities or debt listed in the US. Engagements in scope for inspection by the PCAOB are US registrants including Domestic Filers and Foreign Private Issuers (FPIs), and UK components of groups listed in the US.

The PCAOB commenced its most recent triennial inspection of PwC UK in September 2023, in cooperation with the AQR. The inspection covered two FPI engagements and one UK component of a US listed company. The PCAOB has not yet published its final inspection report but we have not been made aware of any inspection comments on the three engagements inspected. We will report the results of the inspection when available.



Audit investigations

PwC's Office of General Counsel (OGC) manages any Troublesome Practice Matters (TPMs) on behalf of the firm which may arise in relation to completed audits. The Audit Risk & Quality Investigations (ARQI) team assists with resolving any such TPMs, by acting as internal experts who review and assess the quality of audit work under enquiry/ investigation under the instruction of OGC. TPMs may include FRC regulatory enquiries and enforcement actions, investigations by other regulatory agencies, including ICAEW enquiries, as well as at times, overseas agencies, and, in some cases, matters raised by clients and in connection with litigation.

Having an established ARQI team within the Audit Line of Service is part of our recognition that we do not always get things right. We actively work with stakeholders, including our regulators, to progress matters efficiently and effectively.

Where appropriate, we defend our work by being clear about what we do, why we do things and how we comply with our obligations under international auditing standards.

We also accept criticism. We recognise and accept identified shortcomings in our audit work, and acknowledge when our work falls below the professional standards expected of us and that we demand of ourselves. We learn lessons and take remedial actions to address matters raised.

FRC enforcement investigations

The FRC is the 'competent authority' for audits under the UK Audit Regulation and Audit Directive. The FRC is responsible for cases that may raise important issues affecting the public interest in the UK, and investigates whether there is evidence of misconduct (under the Accountancy Scheme) or breach of a relevant requirement (under the Audit Enforcement Procedure) by an accountant or accountancy firm. The FRC conducts enforcement investigations, many of which are publicly announced. As at 30 June 2024, we have the following FRC investigations which have been publicly announced:

- Babcock International Group plc, for the years ended 31 March 2019 and 31 March 2020; and
- Wyelands Bank plc for the year ended 30 April 2019.

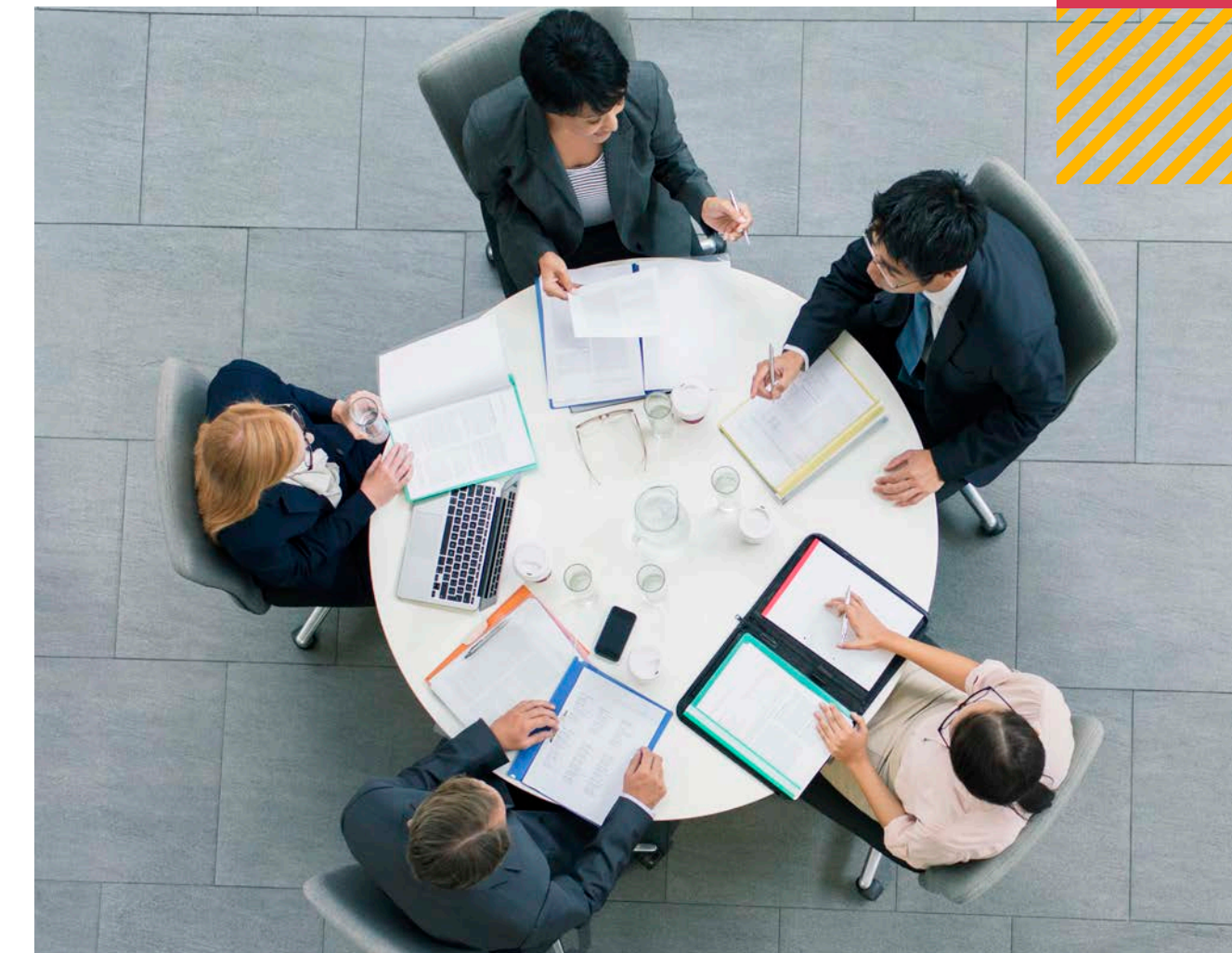
In the year to 30 June 2024, there has been one (2023: three) FRC Final Decision Notice issued against the firm following an investigation by the FRC Enforcement division.

- In May 2024, the FRC published the outcome of its investigation into our audit of London Capital & Finance plc for the financial year ended 30 April 2016. The firm received a financial sanction of £7m, adjusted for admissions and early disposal to £4.9m, and non-financial sanctions which comprised a Severe Reprimand, a declaration that the Audit Report did not satisfy the Relevant Requirements and an order requiring PwC to take specified action, namely to:
 - report to the FRC on the root causes of the breaches, the measures already taken to address the root causes and the effectiveness of those measures, and any further measures that could be taken to prevent a recurrence; and
 - implement and assess the effectiveness of such further measures, as agreed with the FRC.

The Final Decision Notice applicable to this case is available on the [FRC website](#)¹.

In addition, there was one investigation that was closed without action by the FRC Enforcement division.

- In December 2023, the FRC announced the closure of its investigation in relation to our audits of the consolidated financial statements of Intu Properties plc for the years ended 31 December 2017 and 31 December 2018. The FRC determined that in the circumstances of this case, the relevant person(s) should no longer be liable for Enforcement Action.



¹ Source: <https://www.frc.org.uk/library/enforcement/enforcement-cases/outcomes/>

FCA investigation

The Financial Conduct Authority (FCA) regulates the financial services industry in the UK and under the Financial Services and Markets Act 2000 (Communications by Auditors) Regulations 2001 (SI 2001/2587) auditors have certain reporting obligations. The FCA investigated PwC's 2016 audit of London Capital & Finance (LCF) and found that the firm failed to report to the regulator the belief that LCF might be involved in fraudulent activity. The firm was fined £15m. The breach was found to not be reckless or deliberate.

The FCA investigation concluded in August 2024 and the Final Notice applicable to this case is available on the [FCA website](#)¹.

Case assessment and enquiries

The FRC's Case Assessment team makes enquiries to determine whether there is a question as to whether the firm or a Statutory Auditor has breached a relevant requirement. Following their assessment, the FRC Case Examiner may decide to: (i) take no further action; (ii) arrange for Constructive Engagement (see below); or (iii) refer the matter to an FRC committee to determine whether or not it is appropriate to commence an FRC enforcement investigation (see previous page) or to another regulator for investigation.

The FRC may seek to resolve cases through Constructive Engagement. This may be used where audit quality concerns can be appropriately and satisfactorily addressed, and the risk of repetition mitigated through engagement with the firm, without the time and expense of full enforcement action. A key part of resolving an enquiry through Constructive Engagement is for the FRC and the audit firm to agree appropriate remedial actions. These actions have included, for example, issuing additional guidance in the form of the firm's up to the audit practice.

Throughout the year, we have resolved enquiries from the Case Assessment team by promptly responding to enquiries and closing a number without action. We are committed to working with the FRC to constructively resolve our open enquiries, and to proactively take the steps needed to improve audit quality.

Further details of the Case Assessment process, the Accountancy Scheme and Audit Enforcement Procedures can be found on the [FRC's website](#)¹.

ICAEW

In the year to 30 June 2024, there were no audit cases (2023: nil) found against the firm by the Investigation Committee of the ICAEW. We have ongoing enquiries with the ICAEW which we are committed to continuing to work to resolve. Further details of the ICAEW's disciplinary process can be found on the [ICAEW's website](#)².

Complaints and allegations

If the organisations we audit are not satisfied with the services we have delivered, or have suggestions for how we can improve, they may contact either the engagement leader, or the firm's General Counsel and Chief Risk Officer, who is located at our registered office. We look carefully and promptly at any complaints or allegations we receive.

The ICAEW or the institute of which the individual PwC UK partner or member of staff is a member, may also be contacted directly.



¹ Source: www.frc.org.uk/library/enforcement/enforcement-overview/

² Source: www.icaew.com/regulation/complaints-process

Our system of quality management

International Standard on Quality Management 1 (ISQM 1)

In December 2020, the International Auditing and Assurance Standards Board (IAASB), approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including ISQM 1. This standard, which became effective 15 December 2022, required all firms to have designed and implemented the requirements of the standard and evaluate their System of Quality Management (SoQM) under the new standard by 15 December 2023. In the UK, three interrelated quality management standards have been issued by the FRC:

- ISQM (UK) 1;
- ISQM (UK) 2; and
- ISA (UK) 220 (Revised).

ISQM (UK) 1 is an objectives-based approach that expects firms to have a SoQM that operates in a continuous and iterative manner taking into consideration the conditions, events, circumstances, actions and inactions that impact a firm.

It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

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

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

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



The PwC Network’s
QMSE framework

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

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

The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC Network firms that integrates quality management into business processes and the firm-wide risk management process. In the UK under QMSE, our overall quality objective is supported by a series of underlying quality management objectives and our SoQM is designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM (UK) 1, is achieved with reasonable assurance.



Overall quality objective

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

Integrated and aligned in the right way

ISQM (UK) 1 includes the following components:

- the firm’s risk assessment process;
- governance and leadership;
- relevant ethical requirements;
- acceptance and continuance of client relationships and specific engagements;
- engagement performance;
- resources;
- information and communication; and
- the monitoring and remediation process.

Our SoQM includes quality objectives which are aligned to these components as well as any additional objectives the PwC Network has identified in the QMSE framework.

To help us achieve these objectives, the PwC Network invests significant resources in the continuous enhancement of quality across our Network. This includes having a strong quality

infrastructure supported by the right people, underlying tools and technology at both the Network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC Network’s Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

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

The Quality Management Process

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

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

This involves the integrated use of Audit Quality Indicators, Real Time Reviews 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.



Our firm's system of quality management

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

Our risk assessment process

The past several years have seen unprecedented challenges and our SoQM has helped us navigate and respond to the impact that identified factors had on our ability to achieve the overall audit quality objective – to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result in:

- new or changing quality risks to achieving one or more of the quality objectives;
- changes to the risk assessment of existing quality risks; and/or
- changes to the design of the firm's SoQM, including the risk responses.

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

In the 2023 QMSE year, which runs from 1 January to 31 December, we saw various factors impact our SoQM but in particular, some of the more meaningful conditions, events, circumstances, actions and/or inactions that necessitated changes to our SoQM included the following:

Investment in training

The investment in the development and delivery of high quality training to support our people is an important aspect in maintaining audit quality.

During the QMSE year there was a focus on increasing headcount in the internal training function responsible for developing training materials. There was also an emphasis on ensuring sufficiency of tutors who support the delivery of the training courses.

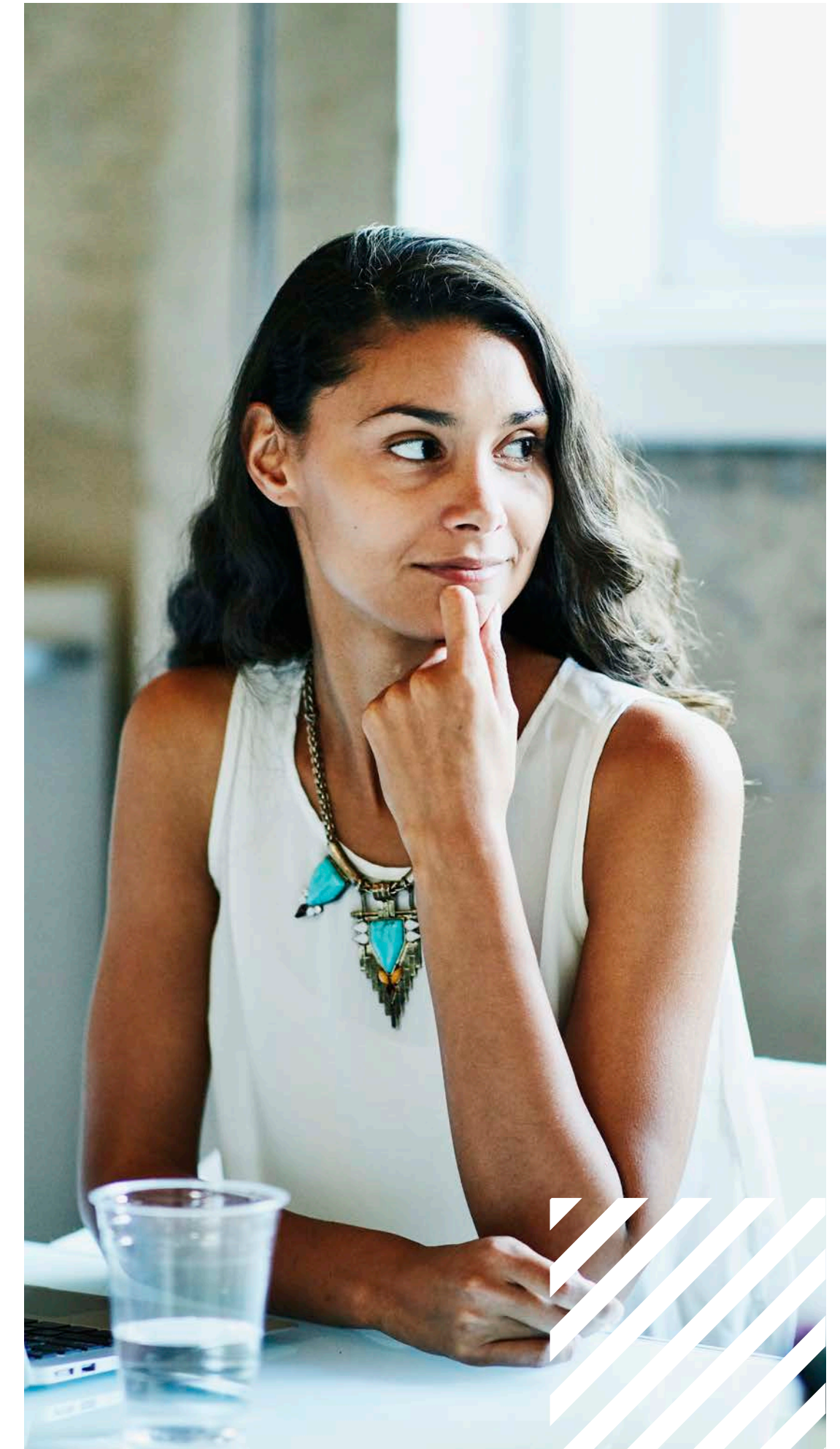
Preparation for sustainability reporting and assurance standards

With significant changes in the volume and complexity of sustainability reporting in the near future, this presents additional attention around how we develop skills and guidance to address the implications of changing corporate reporting requirements on ESG.

An additional QMSE risk was added in the year focused on this area of change. Additional risk responses added include the development of training, guidance and governance considerations.

Training integrity and unethical behaviour

Responding to training integrity and related risks around unethical behaviour and training integrity has remained a continuing area of development in the QMSE year. We expect the market and regulatory focus on training integrity and ethical behaviour in the profession to continue.



Audit Quality Indicators

We have identified a set of Audit Quality Indicators that support our Audit leadership team in the early identification of potential risks to quality. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM. In the section, Audit Quality Measures and Audit Quality Indicators, on [page 46](#), we have described how the firm has implemented and uses our AQIs to measure audit quality.

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

As mentioned above, some of our policies and procedures are provided by the PwC Network which we have assessed to determine that these resources are appropriate for use as part of our SoQM and in the performance of engagements.

Our monitoring and remediation process

Our firm’s monitoring includes:

- Ongoing monitoring: routine activities built into the firm’s processes and performed on a real time basis to assess whether the policy, procedure or control is operating as intended.
- Periodic monitoring: this testing is performed annually by a separate team to determine whether the firm’s SoQM is designed and operating effectively.

We have designed, implemented and are operating ongoing and periodic monitoring to provide relevant and reliable information about our firm’s SoQM. This helps us to identify deficiencies and take appropriate actions so we can remediate those deficiencies effectively and on a timely basis.

To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and is operating a root cause analysis programme that is described further on [page 70](#).

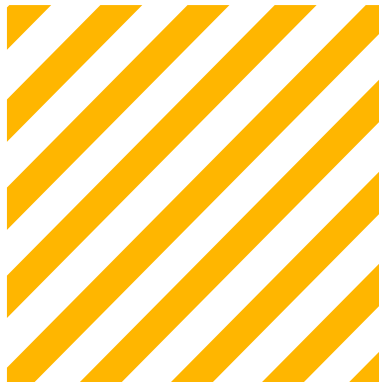
The information gathered from our monitoring and remediation process along with other sources of information, such as external reviews, is used to help us evaluate our SoQM.

Statement on the firm’s system of quality management

During the year, we completed our evaluation of the firm’s system of quality management under ISQM (UK) 1. On behalf of PricewaterhouseCoopers LLP, the Executive Board and Head of Audit evaluated whether our firm’s SoQM provides us reasonable assurance that:

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

Based on the evaluation of the firm’s SoQM, as at 31 December 2023, we believe our SoQM provides us with reasonable assurance that the objectives of the SoQM noted above have been achieved.



Engagement Compliance Reviews (ECR)

ECR reviews are an integral part of the firm's system of quality management. The key features of the annual ECR programme are:

- a cold review of completed audit engagements of individuals in the firm who are authorised to sign audit reports (known as Responsible Individuals);
- an audit engagement of each Responsible Individual is reviewed at least once every three years as required by the Institute of Chartered Accountants in England and Wales (ICAEW) Audit Regulations;
- completed audit engagements of market-traded companies incorporated in the Crown Dependencies (i.e. Jersey, Guernsey and the Isle of Man) are reviewed once every three years as required by the Crown Dependencies' Audit Rules and Guidance;
- in addition, the firm maintains a list of clients with a high public profile (HPCs) and the audits of these clients are reviewed twice in a six year period;
- a review of a sample of completed non-audit assurance engagements in scope of ISQM 1 (or equivalent national standards). The sample aims to reflect the range of different non-audit assurance work and its significance to the firm;
- engagement compliance reviews are led by partners, supported by teams of partners, directors and senior managers who are all independent of the Business Unit and engagement leader being reviewed; and
- the results are reported to the Audit Executive, the Audit Oversight Body, and to PwCIL. The FRC and ICAEW also obtain these results as part of their annual inspections.




Each engagement reviewed is assessed using the following categories:


- **‘Compliant’** – relevant auditing, assurance, accounting, professional standards and policies have been complied with in all material respects;
- **‘Compliant with improvement required’** the following circumstances would generally lead to this conclusion:
 - Required assurance procedures relating to a significant account, or area not performed, or not documented substantially in accordance with standards, but it is determined that due to the audit evidence in other sections of the archived work papers no additional procedures are required to be performed or documented.
 - Assurance procedures that failed to detect a departure from applicable accounting standards that was considered both quantitatively and qualitatively insignificant.
 - Evaluation of control weaknesses was not performed substantially in accordance with professional standards, but the impact was not considered to be sufficiently significant to require modification to the audit report on internal control over financial reporting if applicable and/or adequate consideration was not given to any necessary modifications to the substantive approach applied due to the control weaknesses.


However, in all cases, sufficient audit work has been performed in all other respects.

- **‘Non-compliant’** – relevant auditing, assurance, accounting, professional standards and policies were not complied with in respect of a material matter.

In addition, we annually assess engagements for our ‘Quality Recognition Award’. These are engagements where all relevant auditing, assurance, accounting and professional standards have been complied with in all material respects and key aspects of the work made the engagement stand out from others as an example of best practice. This is designed to celebrate the achievements of engagement teams that bring the Audit Behaviours of Team first, Challenge and be open to challenge and Take pride to life on their engagement to drive exceptional audit quality.

**Team first**

**Challenge and be open to challenge**

**Take pride**

In the case of an engagement awarded a ‘Quality Recognition Award’, there is a mechanism to ensure that the high quality work is recognised as part of key personnel’s annual performance assessment.

In the case of a non-compliant engagement, follow up reviews are undertaken as soon as practical, the engagement leader will be reviewed again in the subsequent year’s ECR and there are financial implications for the individual engagement leader. Following root cause analysis, consideration is also given as to whether additional support, training and/or monitoring of the engagement leader is required.

The circumstances giving rise to non-compliant findings are also considered in order to assess whether additional work is needed to support the report, if the auditor’s report needs to be withdrawn, or if a correction in the entity’s previously issued financial statements or information is required.

For engagements which were found compliant with improvement required, the engagement leader is included in the following year’s ECR, and this may also lead to financial implications depending on that engagement leader’s previous quality track record.

The firm undertakes Root Cause Analysis (RCA) for all inspections with non-compliant outcomes and a number of compliant with improvement required and compliant engagements, including engagements awarded a ‘Quality Recognition Award’

The ‘Quality Recognition Award’ analysis helps identify success factors that inform potential actions. Following RCA, a Quality Improvement Plan (QIP) is developed to respond to the drivers of systemic issues and specific matters arising from the ECR and the actions are prioritised and included in the Single Quality Plan (SQP). Responsive actions may be identified at either the engagement delivery and/or Line of Service levels. All quality action plans are monitored by the Audit Risk and Quality leadership, the Audit Executive and the AOB.

Internal monitoring

Internal monitoring

Quality monitoring is an integral part of the firm's continuous improvement activities. We constantly seek to improve policies, procedures and the consistency of the quality of our work. Instances of failure to meet defined performance standards are treated seriously and the engagement leader responsible will be counselled and supported to improve performance. In addition, under our Recognition and Accountability Framework, financial penalties can be imposed on engagement leaders in case of adverse quality findings. Similarly, engagement leaders for any files that are awarded a 'Quality Recognition Award' can have their reward positively impacted.

PwC UK's monitoring programme is designed to meet the requirements of ISQM (UK) 1, the ICAEW Audit Regulations and requirements of our other registrations including the Crown Dependencies' Audit Rules and PCAOB regulations and includes the requirement to undertake an annual Audit Compliance Review (ACR).

This monitoring programme comprises of two parts:

1. The ECR programme is used to assess whether engagements are performed in accordance with relevant auditing, assurance, accounting, professional standards and policies. Partners and staff are informed on a timely basis about the review results to enable them to apply any relevant learnings and for appropriate action to be taken.
2. Whole firm review of policies and procedures adopted by PwC UK in respect of audit quality and ISQM (UK) 1 compliance. The firm conducts its own review of its compliance with policies and procedures each year as part of its Quality Management for Service Excellence (QMSE) review programme. This process is subject to review by the firm's regulators and annually reviewed by a PwC Network team independent of PwC UK as part of the Quality Management Review (QMR) programme. The Global Assurance Quality function informs engagement leaders of our firm who are responsible for group audits involving crossborder work about relevant quality review findings in other PwC firms which enables our partners to consider these findings in planning and performing their audit work and take action if needed to mitigate any quality issues identified by either the firm or individual engagement leader.



Engagement Compliance Review (ECR) results

The key features of the annual ECR programme, formerly the Engagement Quality Review programme, are outlined on [page 64](#). The programme is an integral part of the firm’s internal monitoring. Experienced reviewers select a number of focus areas to tailor the review based on risk as appropriate.

Details of the coverage and results of the 2024 ECR are as follows:

- 151 audit engagements (FY23: 163) were reviewed in FY24, covering 42%* (FY23: 47%*) of the firm’s Responsible Individuals. 33 non-audit assurance engagements (FY23: 35) were also reviewed.
- 127 audit engagements (FY23: 139), representing 84% (FY23: 85%) of the audit engagements reviewed were classified as ‘compliant’. 12 audit engagements (FY23: 15), representing 8% (FY23: 9%) of the audit engagements reviewed were classified as ‘compliant with improvement required’, and 12 audit engagements (FY23: 9) representing 8% (FY23: 6%) of the audit engagements reviewed, were classified as ‘non-compliant’.
- 25 non-audit assurance engagements (FY23: 32), representing 76% (FY23: 91%) of the 33 non-audit assurance engagements reviewed were classified as ‘compliant’. 5 non-audit assurance engagements (FY23: 2) representing 15% (FY23: 6%) of those reviewed were classified as ‘compliant with improvement required’. 3 non-audit assurance engagements (FY23: 1) representing 9% (FY23: 3%) were classified as ‘non-compliant’.

Responsive actions have been identified and incorporated into our SQP following completion of RCA both in respect of findings and ‘Quality Recognition Award’ outcomes.

* For FY24 we have updated our methodology and presentation to align with the proposed FRC AQI. FY23 has been restated to provide the relevant comparative. The coverage is the percentage of the firm’s Responsible Individuals that signed an audit opinion during the year.

Audit ECR results

| | Compliant | CwIR | Non-compliant | Total |
|------|-----------|------|---------------|-------|
| FY24 | 127 | 12 | 12 | 151 |
| FY23 | 139 | 15 | 9 | 163 |

Non-audit ECR results

| | Compliant | CwIR | Non-compliant | Total |
|------|-----------|------|---------------|-------|
| FY24 | 25 | 5 | 3 | 33 |
| FY23 | 32 | 2 | 1 | 35 |



Audit Quality Plan (AQP) and continuous improvement

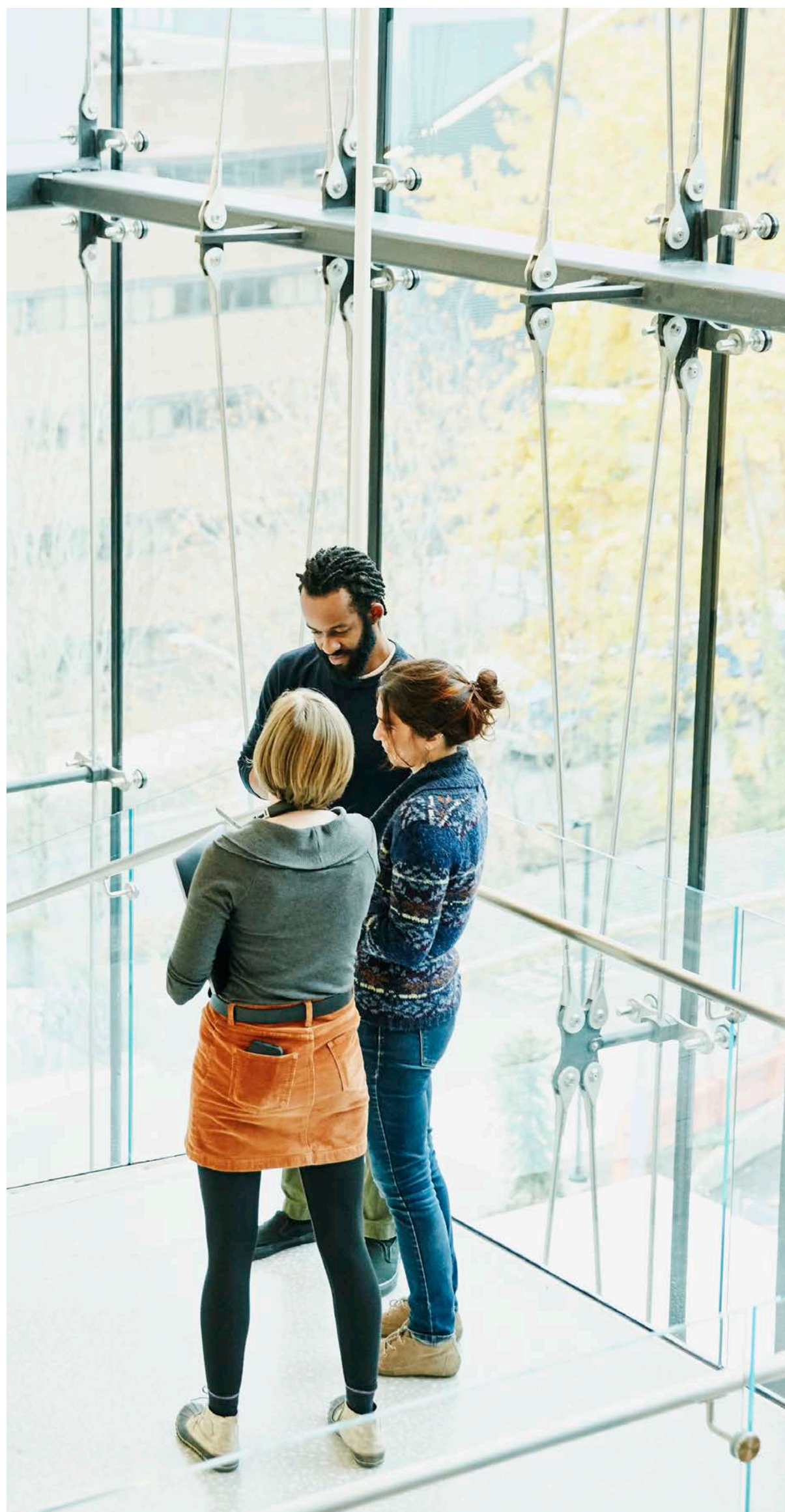
Our annual Audit Quality Plan (AQP) sets out our core processes and controls that support audit quality, and flags any areas of significant focus or change each year. Our AQP is aligned to the five pillars of the audit strategy: Quality; Passionate People; Technology and Transformation; Commercials and Responsible Growth. These are underpinned by our audit culture and behaviours which are fundamentally important to achieving high quality.

Our system of quality management (SoQM) is designed, implemented and operates on an ongoing basis to achieve our quality objectives. This process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment.

The Single Quality Plan (SQP) is a detailed action plan which contains all of the actions we are taking to continually enhance audit quality and supports the AQP. This includes high priority focus areas in line with the AQP pillars covering methodology implementation, people initiatives and transformation programmes. The SQP is approved by the Audit Executive and is discussed with, and challenged by, the Audit Oversight Body (AOB). The AOB has the responsibility to oversee the FRC's objective to enhance audit quality by ensuring that people in the audit practice are focused on delivery of high-quality audits in the public interest; to promote a culture supportive of the public interest; and to support (as appropriate) the firm's senior management in the execution of their responsibilities under the principles through robust oversight and constructive challenge.



| Audit Quality Plan | | | | |
|---|---|---|--|--|
| FY24 Audit vision: We will deliver the highest quality audit, combining passionate people with leading technology to build trust in society. | | | | |
| Quality | Passionate people | Technology and transformation | Commercials | Responsible growth |
| Objective | | | | |
| We will deliver consistently high quality audits and assurance that meet the needs of investors, stakeholders and the organisations we audit and have regard to the public interest. | We will be an inspiring and inclusive place to work where the best people want to stay and build their careers. | We will innovate and transform using the latest technology to improve the quality of what we do, the efficiency and effectiveness of our audits, the insight we provide and our working experience. | We will achieve a return that allows continual investment in our people and technology with a focus on quality. | We will balance our portfolio and work with organisations who share our standards, values and commitment to quality and auditing. We will invest in our future through the development of products and services to build trust in our chosen markets. |
| Core activities that drive audit quality (additional focus / significant changes for FY24 in bold) | | | | |
| <ul style="list-style-type: none"> • Methodology and Risk Management • Consultations and technical panels • Chief Auditor Network • Real Time Review Programme • CRS hot reviews • Engagement Compliance Reviews • Audit Compliance Measure reviews • QMSE / QMR • Root Cause Analysis and action tracking • Audit Quality Indicators • Recognition and Accountability Framework | <ul style="list-style-type: none"> • Recruitment and onboarding • Technical training • Leadership development, wellbeing and coaching • Engagement leadership • Resourcing • Performance management • Career progression • Reward and retention • Future Talent Development Model | <ul style="list-style-type: none"> • Aura Platinum • Next Generation Audit • Distributed Delivery Model • Breaking the audit cycle (Inc Client Contracting) • Digitising the audit | <ul style="list-style-type: none"> • Execution of consistent Commercial strategy • Implementation of global pricing policy and Network engagement. • Pricing guidance, including addressing economic cycle specific issues such as inflation; a focus on the cost of delivery • Pricing confirmations and commercial assessments | <ul style="list-style-type: none"> • Market strategy • BU bid reviews and ATAP • Acceptance and Continuance • Audit client listening programme |
| Culture and behaviours | | | | |
| Team first | Challenge and be open to challenge | | Take pride | |



Root Cause Analysis and action planning

We hold our reputation for quality in the highest regard and take seriously all the findings identified by the firm's regulators in relation to the quality of the firm's audit work. Through our continuous improvement activities we are committed to working constructively with our regulators.

Our Continuous Improvement (CI) Team are a separate team independent from engagement teams, and they are responsible for undertaking all Root Cause Analysis (RCA) on a continual basis. The team proactively gathers intelligence from a range of sources including findings from external inspections, internal reviews and other live data sources to identify risks and issues as they emerge. RCA is also undertaken on other firmwide activities, processes and controls which impact audit quality.

The RCA process is well established and is performed on a continuous basis across the quality spectrum. In conducting RCA, the CI Team applies a consistent methodology that utilises a range of quantitative and qualitative techniques. The team assesses the relevant data, and conducts interviews and focus group discussions against a taxonomy of risk factors that incorporates key behavioural factors. This approach drives consistency in the identification and analysis of the risk and causal factors impacting audit quality and enables analysis of patterns and trends of both causal factors and other quality indicators over time.

We evaluate the results of our RCA to identify and develop actions either at an engagement level or across the practice, and build these into the SQP. Each action has an individual sponsor at the Audit Executive level and a clear timeline for completion. Regular status meetings take place to monitor outstanding actions and individuals are held to account where actions are not completed without an acceptable justification.

To support our overall assessment of audit quality, the CI team assesses action effectiveness through our SQP. The framework for assessing the effectiveness is to monitor the package of actions under the priority areas as a whole, rather than the individual actions. For each priority area, an effectiveness measurement approach has been developed in order to determine whether actions have been effective and what we expect the quality benefits to be. We track the overall progress toward achieving the benefits as for each priority area as well as whether actions are completed.

The learnings from RCA are shared with the audit practice in a number of different ways, including at learning and development events; in Audit communications, including mandatory webcasts; and through the CAN.

People

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People

In order to prioritise quality, it is fundamental that we have the right people with the right skills in our audit practice. We aim to attract the top talent by creating an inclusive culture, recruiting through a variety of accessible schemes and then developing, retaining and rewarding our people throughout their career.

Our purpose, culture and values define who we are as a firm and empower our people to be their best. During FY24, we introduced the Evolved PwC Professional (EPP) framework, a behavioural model that clearly defines the daily behaviours essential to our purpose, strategy and values. The EPP framework is underpinned in our audit practice by our specific Audit Behaviours. Take pride, Team first and Challenge and be open to challenge are integral to continuously driving a quality-first approach in our work. In our Audit Culture and Behaviours survey, 93% (FY23: 91%) of our people responded that they are encouraged to perform a high quality audit.

Throughout their careers, our people engage in many learning and development opportunities. We combine delivery methods including classroom, virtual classroom, on demand learning and on-the-job coaching to provide both core mandatory audit training and a wide variety of optional modules to our partners and staff.

The core mandatory training curriculum reinforces our risk-aware and resilient culture, while the availability of other training gives our people the ability to develop skills in areas of particular focus or interest to them.

It is imperative to us that work is allocated fairly whilst balancing capacity and demand requirements across the practice over the year. Our partners and staff are assigned to engagement teams by our internal resourcing function, based on their experiences, competencies and grade. Our engagement teams include members of our Distributed Delivery Model (DDM). The model consists of remote-based teams, comprising not only additional resource to support with the standardisation of tasks but also specialists based in our Centres of Excellence, focusing on technical and judgemental areas.

We assess the performance of our people by ‘what’ they do (their business impact) and also ‘how’ they do it (their behavioural impact) within a high performing culture that establishes monitoring contribution, impact and behaviours as a year-round activity. Remuneration and promotion are based on an individual's performance through transparent processes that balance the quality of the work delivered with the economic climate, external market, engagement and recognition of hard work, performance of the firm and investment for the future.

¹ Our diversity programmes are comprised of Women in Business, Black Talent in Business and the Social Mobility programme.

664,887



Individual pieces of mandatory training issued and tracked to completion

15



ICAEW institute prizes awarded to PwC staff

316



Undergraduate students joined our Diversity Programmes¹

Culture

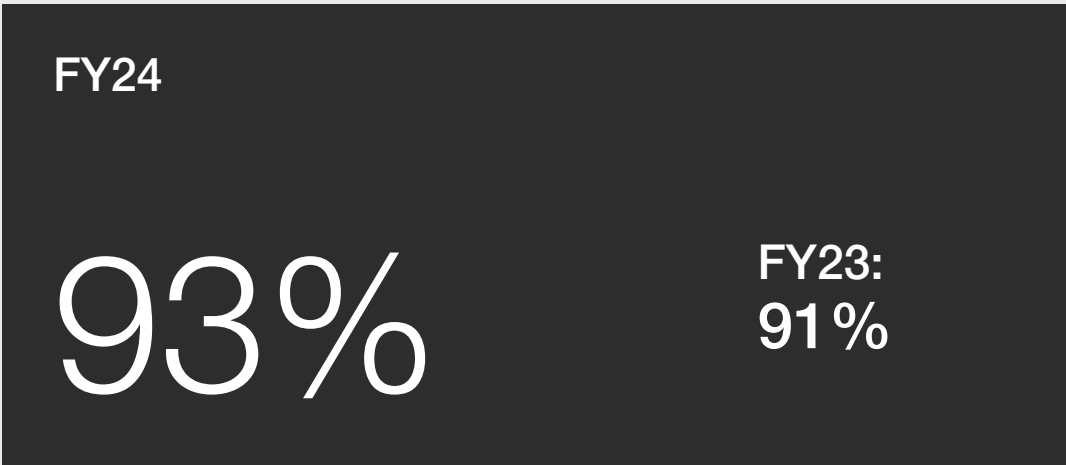
Having the right people with the right skills is fundamental to audit quality and we aim to attract, develop, reward and retain top talent by creating an inclusive culture where the best people want to stay and build their careers.

Our purpose, culture and values are inextricably linked and together they define who we are as a firm. Our firmwide culture, which is supported by our values, guides how we deliver our purpose, our strategy and act in the public interest. It sets the tone for how we behave and how we work together to deliver high quality outcomes that have a positive impact on the organisations we work with and our communities.

Our culture means our people are empowered to be the best they can be, embracing change and opportunities in a technology driven world. This is underpinned by a strong team-working ethos creating an inclusive environment where everyone feels valued, and that they can bring their whole self to work. Importantly, our culture is also supported and reinforced by our firmwide consideration of ethics, explained in more detail within the ‘Ethics and independence’ chapter.

During FY24, we introduced the Evolved PwC Professional (EPP) framework, a behavioural model that clearly defines the daily behaviours essential to our purpose, strategy and values. This framework sets us apart by guiding our actions to ensure we deliver quality and uphold integrity, reinforcing our commitment to transparency, accountability, and continuous improvement as valued members of the PwC Network. The EPP is supported by specific Audit Behaviours to drive audit quality.

I am encouraged to perform a high quality audit¹:



Our values



Act with integrity

We expect and deliver the highest quality outcomes, speak up for what’s right, even in difficult situations, and make decisions as if our personal reputation is at stake.



Make a difference

We stay informed and respond with agility to the ever-changing business environment in which we operate - always looking to create a positive impact on our colleagues, clients and society.



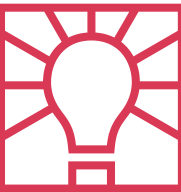
Care

We aim to understand every individual and what matters to them, recognising each person’s value and contribution, while enabling them to grow in a way that brings out their best.



Work together

We collaborate, share ideas and integrate a diverse range of perspectives to improve ourselves and others.




Reimagine the possible


We empower innovation and challenge the status quo by keeping an open mind to the possibilities in every idea.


¹ Responses from our Audit Culture and Behaviours survey, see [page 74](#) for further information

Audit Culture and Behaviours

In Audit, our people are focused on the delivery of consistently high quality audits in the public interest. To support this focus we have three Audit Behaviours that set clear expectations for our auditors and have been embedded into everything we do, from audit training to delivery and the evaluation of our people’s performance. Our behaviours are:

Team first

Challenge and be open to challenge

Take pride

Team first

Our teams are inclusive and work together, encouraging a ‘problem shared’ ethos. We invest in our teams’ personal and professional development, coaching with purpose, openly communicating expectations and being present.

Challenge and be open to challenge

Being comfortable to challenge the organisations we audit – and each other – is fundamental to audit quality. It’s vital our teams make a safe space for challenge, role model constructive challenge and empower challenge.

Take pride

Our people are deep specialists and we encourage them to take pride in the work they do. Taking pride in their day-to-day work is also critical to achieving high quality.

Audit Culture and Behaviours survey

Throughout each year we undertake a number of different activities to gain insight into how well the audit behaviours are embedded and identify any barriers to demonstrating them. This includes conducting our annual culture survey, observing audit teams delivering engagements, holding focus groups and analysing feedback to assess how our Audit Behaviours are embedded in the day to day interactions of our audit teams. We use these findings to inform our activities to ensure our culture continues to drive high quality.

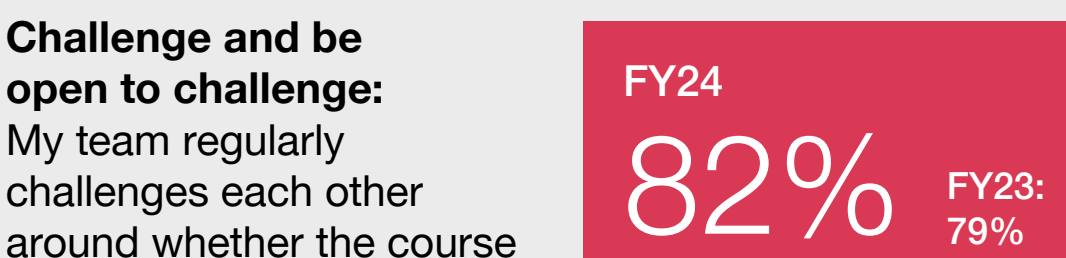
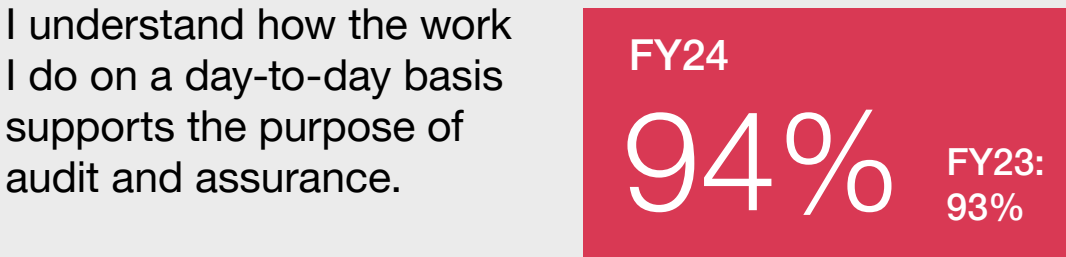
By understanding our people’s experiences and perceptions of the actions of those around them we are able to track our progress in embedding the behaviours. This insight enables the continued refinement and tailoring of our cultural programme to meet the current needs of the practice.

Culture is a fundamental element of our Single Quality Plan (SQP). Over the last year, key areas of focus have included:

- encouraging greater consistency in team contracting and expectation setting;
- enhancing the psychological safety in our teams, with particular regard to supporting team members to learn from mistakes; and
- reinforcing the importance of ethical behaviours.

We believe that these will help further empower our auditors and support quality in everything that we do.

Our 2024 Audit Culture and Behaviours survey showed:



Diversity and wellbeing

We continue to drive firmwide behaviours and have both internal and external commitments to building an inclusive culture, where our people have the opportunity to develop, progress and thrive and reach their full potential. Aligned to our five point inclusion plan and our people strategy, our actions ensure that we can attract, retain and progress diverse talent. The launch of our Evolved PwC Professional in May 2024 signals the continued focus on driving inclusive behaviours at all levels.

Additional focus this year has been on our enablement strategy, to improve disability awareness, enablement and confidence among our people. We continue to promote disability inclusion through improving our workplace adjustments approach, making our recruitment processes more inclusive and increasing the accessibility of our office spaces. We have raised awareness through sharing stories, continuing our Disabling Bias podcast and distributing sunflower lanyards to all our offices to support our colleagues who have hidden disabilities and who would like to signal to colleagues that they may need more support or understanding.

To build racial awareness and empathy, we have expanded on our virtual-reality-delivered inclusive leadership training. In the year we launched 'Great minds (don't think alike)', a bespoke neurodiversity learning programme for our people, in all roles and grades across the firm. The training was developed in collaboration with DAWN, our disability awareness employee network, with the aim of increasing colleagues' awareness of the meaning, impact and experiences of neurodiversity, how to support neurodivergent individuals, and how we all can create a neuro-inclusive culture.

'Great Minds (don't think alike)' was accessed by almost 3,500 colleagues in its first four months and it recently won the 2024 Disability Smart Inclusive Workplace Experience award.

We continue to review and monitor interventions and measure progress against our diversity targets, including regular meetings with our People Partners, and our Executive Board review on a quarterly basis as part of the balanced scorecard report. With current targets running to 2025, we have commenced planning and review of future targets to ensure we maintain focus.

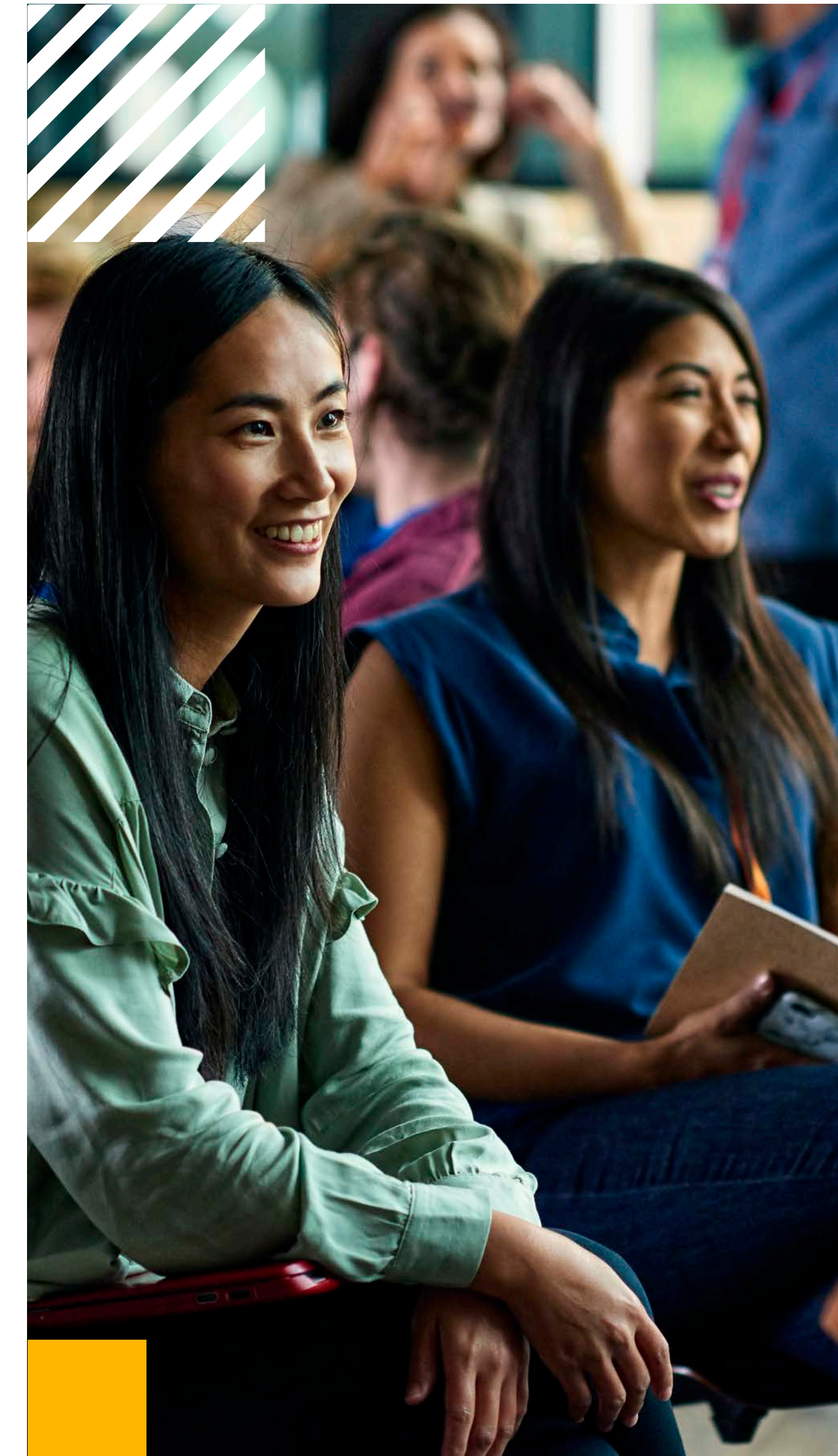
All targets and the progress against them are included in our [Integrated Reporting Hub](#)¹ and [Annual Report](#)² in accordance with our obligations under both HM Treasury's Women in Finance Charter and also Business in the Community's Race at Work Charter.

In 2021, we began to report our Socio-Economic Background (SEB) and our disability pay and bonus gaps and in 2022 our sexual orientation pay and bonus gaps (lesbian, gay and bisexual). Our focus on improving social mobility was recognised this year as we ranked first in the 2023 Social Mobility Foundation's Employer Index, and Kevin Ellis received a special recognition at the Social Mobility Awards for outstanding contribution to social mobility, reflecting the significant progress the firm made under his tenure as Senior Partner.

We have continued the work we do with local communities, including school students from lower socio-economic backgrounds and other disadvantaged groups. We offer work experience, office visits and skills sessions in schools. We've piloted our primary school engagement programme, engaged with teachers and continued our work with a number of refugee charities.

¹ Source: <https://www.pwc.co.uk/who-we-are/reporting-hub.html>

² Source: <https://www.pwc.co.uk/who-we-are/annual-report.html>



Advancing social mobility is only possible through collaboration and using our collective influence to make positive change. With this in mind, late last year we published a report with [insights on our social mobility journey](https://www.pwc.co.uk/who-we-are/purpose/insights-on-a-social-mobility-journey.pdf)¹ to share our experiences, reflections and good practice with other organisations. We hope this will amplify our impact across other businesses and organisations.

In relation to gender and ethnicity, we continue to publish our pay gaps, going beyond the Gender Gap Regulations to also include partners in our data. We include a breakdown showing our Black, Asian, Mixed Ethnicity and Chinese pay and bonus gaps to give us additional information and understand where focus and attention is needed. Our gaps continue to be driven by the fact there are fewer ethnic minorities and women in senior roles within our business.

However, this is different from equal pay. We are confident that our people are paid equally for doing equivalent jobs across our business and our reward team carries an annual exercise to ensure this is the case. We continue to take action to address any gaps and to make sure our policies and practices are fair.

Performance against our gender and ethnicity targets and actions taken to support our firm's work to increase diversity and inclusion are recognised financially as part of partner performance and remuneration.

To continue engaging with our people we have a number of employee voice groups including the staff diversity council and people council. We also have 14 employee resource groups called People Networks, all of which support the culture of the firm and give challenge and invaluable insight into what our people are feeling.



¹ Source: <https://www.pwc.co.uk/who-we-are/purpose/insights-on-a-social-mobility-journey.pdf>

Wellbeing

We continue to strive to create a health-promoting workplace where our people are able to be themselves and feel and perform at their best. We want to be recognised as an employer that is proactive in helping people stay well, by empowering our people to prioritise their wellbeing and providing them with the best support should they need it. Using our brand and expertise we want to drive change across industry, influencing the wellbeing conversation and making a difference for working people and their families.

Although we are a couple of years post pandemic, we can see some are still experiencing the impacts of this and therefore we have maintained a focus throughout the year on mental wellbeing. We have a refreshed mental health strategy, and have put in place focused upskilling for all new career coaches and talent coaches to ensure they understand mental health, and can support and signpost people to relevant interventions and providers where needed.

We understand that our new joiners, particularly those starting from university, may need additional support. We have therefore included maintaining good mental health in our induction programmes. Our flagship learning events include wellbeing elements and options for our people to experience. Additionally, at these events, mental health first aiders are on call to support anyone who feels they need this.

This year PwC was again awarded the Health Creation accreditation from the Mind Forward Alliance and Kevin Ellis, our former Senior Partner, was highly commended in the inaugural Global Thriving at Work Awards in the Leadership category for his efforts to champion workplace wellbeing both internally and externally to PwC, and the significant impact he has left on our people.

In October 2023, in response to the conflict in Gaza, we engaged with Cognacity, who were able to run confidential listening sessions for those in our Muslim and Jewish networks who felt they would benefit from being able to listen to and share how they were feeling with others. We engaged and consulted with the Network's partner sponsors and chairs to ensure we were providing the right support at the right time, including the offer of 1:1 in person, onsite consultations with clinicians under our Private Medical Scheme.

We continue to work with all our providers to ensure we are giving our people the support they need.

With challenges on financial health, we have continued to host 'financial expert led' activities throughout the year, including a joint event with our social mobility partner sponsor and a financial expert to share insights into empowering individuals to understand financial decisions. We now have a year round programme of live events with our financial wellbeing benefits provider covering a range of topics, from supporting early careers through to retirement planning, savings and investments, parents and carers and money and mental health.

After signing the Working with Cancer pledge to demonstrate our commitment to continuing to build a supportive workplace for those who are living with cancer, we have launched our working with cancer toolkit. The feedback on our peer to peer support for people who have been affected by cancer, whether directly or indirectly has been incredible, with our people valuing the ability to share their stories and connect with others.

We recognise that tragically, one in four women and one in six men will experience domestic abuse over the course of their lifetime. Continuing to demonstrate care to our people, we have extended our domestic abuse toolkit which is designed to help give people the confidence to provide the appropriate level of care and empathy to someone experiencing domestic abuse. It also allows anyone personally affected to quickly access the practical and expert support we provide. This support has been expanded, and now includes:

- safe leave – special paid leave for employees experiencing domestic abuse; and
- emergency accommodation – access to two nights' accommodation for any employee (and their children) requiring emergency support to escape an abusive situation (with additional discretion for the business to extend this). Bookings are confidential and the cost is covered by the firm.

Training

This year in numbers*

664,887

Individual pieces of mandatory training, across the firm, were issued and tracked to completion for the year.

4.5/5

Feedback scores on Audit mandatory training programmes exceeded local stretch targets with an average of 4.5/5 across all programmes.

3,700

External Auditor Training (EAT) programme was delivered to around 3,700 qualified (and equivalent grade) staff and partners.

68,589

Individual assessments taken to support learners' ongoing development through reinforcement of key technical topics (both across Year 1 to 4 assessments and EAT topic based assessments).

1,980 (Firmwide)
998 (Audit)

Digital Academy completion during the year. This course has been running since FY20 and therefore is now focused at new joiners to the firm.

8,200

Partners and staff supporting Audit completed the Important Behaviour Reminders training module.

The learning landscape

Throughout our people's careers, they are presented with a variety of learning and development opportunities. These are a combination of classroom, virtual classroom (live and recorded) and on-demand learning (both formal and informal), as well as on-the-job real time coaching. Our extensive training portfolio allows individuals to personalise their development journey with access to a variety of learning resources to supplement their formal training. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience.

We make a significant investment on an annual basis to support our people in achieving a professional qualification. This supports our firm's commitment to quality through consistent examination and certification standards.

For new joiners, a firmwide induction is provided to all staff followed by a Line of Service event. In addition, the Audit Line of Service has specific mandatory training for new hires before they can work on engagements, as well as certain other specific training requirements necessary to perform work on a specific job (for example, PCAOB training for SEC registered clients).

15

institute prizes awarded to PwC staff in FY24.

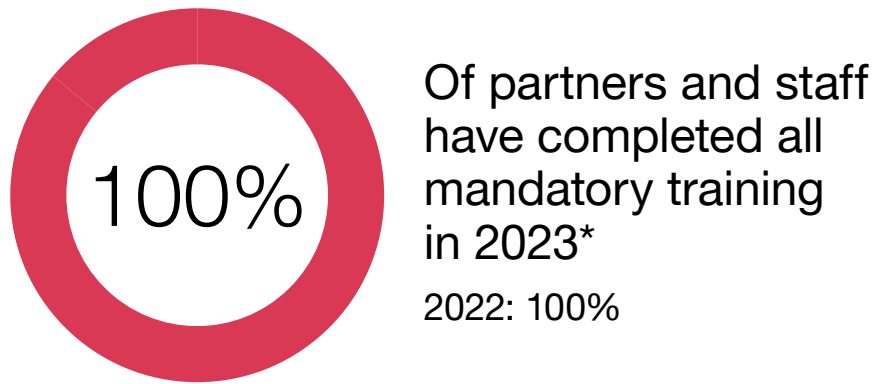
* Our training cycles follow the calendar and not the financial year, hence we have presented training metrics for the calendar year to 31 December 2023 in this report.

Audit mandatory training

The firm’s core mandatory audit training is categorised into pre-qualified pathways and a post-qualified curriculum, covering both technical and broader skills content. Experienced joiners follow a defined series of onboarding activities prior to joining the post-qualified curriculum. Core audit training is supplemented by US, Financial Services and other industry curricula for those individuals deployed on such engagements. Certain roles, such as Quality Review Partners, also require specific additional training.

In addition, all partners and staff in Audit complete annual mandatory compliance training (as is the case on a firmwide basis) to reinforce our risk aware and resilient culture.

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 of mandatory training, up to and including dismissal.



Our Training Needs Analysis is prepared in consultation with the practice and Audit Risk & Quality**. The process identifies new training topics which may be technical,non-technical or areas needing reinforcement. This includes a consideration of areas of current regulatory focus and Root Cause Analysis findings.

Emerging training needs are considered on an ongoing basis and we release new guidance and training materials as appropriate throughout the year. This allows us to respond promptly when areas for improvement are identified. An example of this is the Important behavioural reminders training that was completed by our auditors to address the sanctions imposed on PwC by the Financial Reporting Council.

We continue to invest in our training curriculum so that our people are informed, prepared and empowered to deliver high quality work whilst navigating an increasingly complex political, economic, technological and regulatory landscape.

We are proud of what we have achieved in the year, receiving consistently positive feedback whilst continuing to drive improvements in quality.

| Metric | 2023 (calendar year) | 2022 (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. | 18 hours per person | 28 hours per person | This movement is largely attributable to 1.5 days less of EAT training, because in 2022 an additional day for ISA (UK) 315 Revised was needed. There was also a reduction in self-study training in 2023. Our partners and staff complete supplementary training in addition to the minimum requirement in order to meet their Continuing Professional Development (CPD) requirements. |
| 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. | 90 hours per person | 102 hours per person | Average hours per person reduced in line with reduction in minimum structured training hours. |
| 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. | 1.6 million hours | 1.6 million hours | Increase in overall headcount means that despite a reduction in average hours, overall hours remain consistent at 1.6 million. |

* Our training cycles follow the calendar and not the financial year, hence we have presented training metrics for the calendar year to 31 December 2023 in this report.
** Team consisting of central technical audit and accounting subject matter experts.

Recruitment and resourcing

PwC UK aims to recruit, train, develop and retain the best people who share the firm's commitment to delivering high quality services. We encourage students and graduates to join us at any stage of their academic careers, offering a range of programmes from work experience to permanent roles, across the whole of the UK.

Across the firm in FY24, this included:

3,132

Total recruits

▼ FY23: 5,705

1,901

Graduates*

▼ FY23: 1,984

51

One year placements

▼ FY23: 124

915

Shorter placements

▼ FY23: 1,034

68

School leavers

▼ FY23: 121

599

Summer interns

▼ FY23: 614

* Including flying starts and school leavers

Selection process

Our human-led, tech-powered selection process assesses behaviours that bring together the Evolved PwC Professional framework and PwC Values, and competencies/skills identified as critical for Early Careers at PwC. Candidates are required to submit an application form and are assessed via a range of methods from online assessments, a video interview and an assessment centre. Some candidates also have a final round senior interview, conducted in person.

We focus on our candidates having the opportunity to demonstrate their potential throughout our process rather than focusing on their past experience. Once an offer has been made, we offer various touch points including in-person events, online drop in sessions, newsletters and recruiter connect calls.



Inclusion and diversity programmes

Partners and staff are assigned to engagement teams based on their experience, competencies and grade. By investing resources into furthering the diversity of our early careers hires, and promoting invaluable, inclusive opportunities for students, we believe that stronger, more well-rounded client solutions will be achieved. In FY24, we maintained a strong focus on inclusion and diversity across Early Careers.

We hired 316 first and penultimate year undergraduate students onto our Diversity Programmes in April 2024, made up of 218 Women in Business, 77 Black Talent in Business and 21 Social Mobility programme students.

We work with a range of partner organisations to tackle diversity and inclusion challenges and to make our programmes more accessible. We have continued to partner with Talent Foundry on our Pathway to Flying Start programme. This has seen 200 female Year 12 students, who meet social mobility eligibility criteria, visit our Manchester and Birmingham offices, and participate in an engaging a 3-part event programme, aimed at supporting LSEB (lower socio-economic background) students become more informed about their post-18 options including our Flying Start Accounting or Technology Degree Apprenticeship.

Apprenticeships

Alongside our graduate programme, we recruit and support a high volume of students into our Apprenticeship programmes.

Our Technology Degree Apprenticeship Programme has been running since 2018, and to date we have enrolled 790 apprentices onto one of our Degree Apprenticeship programmes. The programme has expanded and evolved to meet business needs, we now have apprentices in five locations.

Flying Start Accounting

The PwC university paternship degree, Flying Start Accounting, has welcomed 610 students on 3-4 month placements into our Audit Line of Service this year. 135 Flying Starts successfully graduated and joined the firm to continue their careers as Senior Associates.

The Flying Start Accounting programme has seen applications increase by 26% this year. We continue to offer a financial bursary to eligible applicants on Flying Start, which is aimed at supporting students with day-to-day costs of university life.

Experienced talent

We remain competitive in the market in sourcing talent and acquiring the skills that we need to deliver client requirements. In FY24, we welcomed a total of 1,231 experienced joiners, i.e. new hires with previous work experience.



Assignment of engagement teams

Partners and staff are assigned to engagement teams, based on their experience, competencies and grade. Our internal resourcing function (split by teams that support each Business Unit (BU) within each Line of Service) oversees the placement of our people into client assignments to maximise the best match of skills and experience required for the role, and to allocate work fairly whilst balancing the capacity and demand requirements within the Line of Service at that time. The assignment of our people is managed by the resourcing team within each of the BUs, allowing the management of skills to be considered more accurately.

The nature of competence and skill required will differ between industry, size and/or nature of the clients. For certain types of work, specified levels of experience and specific additional training may be required to ensure that the individuals are competent to undertake the work (for example only certain individuals can lead or undertake certain types of work, such as capital market transactions and due diligence work). Factors such as independence or security clearance requirements will also be considered.

In addition, some teams, such as Financial Services BUs in the Audit Line of Service (that service a specialised industry) will require a Financial Services specialism and accordingly, this will be considered when staffing teams.

Each Line of Service has an established process for an engagement team to assess capacity before taking on work, and escalate and report resource shortfalls when performing work. If demand is greater than the capacity available in a Line of Service we consider whether there is sufficient capacity with the appropriate capability elsewhere in the firm that can support the engagement. This may include rebalancing other engagement teams to ensure sufficient and appropriate resources are made available.

The Audit Line of Service uses a transformational tool that provides an effective, clear and consistent way for each team to prepare a budget for their engagement and to build resource plans. These plans are recorded in the firm's Staffing & Development system (that records individuals' job allocations and capacity). The Audit Line of Service also uses an automated optimisation tool to schedule resources for its junior staff to engagements in accordance with predefined business rules and priorities for deployment to maximise quality resource allocations. Senior grades are directly assigned by the resourcing team, in conjunction with the business.



Our Distributed Delivery Model (DDM)

We continue to evolve the way we deliver our audits to enhance audit quality, the experience for both our people and the organisations we audit, and create the economic capacity to invest in the future. We recognise that the way we operate needs to continually evolve, as the technological world around us changes.

Our Distributed Delivery Model (DDM) supporting our Audit front line delivery teams consists of five key elements:

1. **Service Delivery Centres:** Delivering tasks that do not require audit judgement, from Katowice and Kolkata.
2. **Competency Centre:** Delivering lower complexity areas, where some judgement is required, from Bradford.
3. **Operate – Controls:** Working alongside our front line delivery teams to support with testing primarily on Business and IT controls, from Belfast.
4. **The Remote Team Model (RTM):** Working alongside our front line delivery teams at the direction of the engagement leader, performing audit work across engagements in the same way as our onshore team, effectively acting as an extension of the UK team, from Kolkata. The RTM team receive equivalent training to their UK audit counterparts.
5. **Centres of Excellence:** Delivering highly complex technical and judgemental areas, from primary locations in Manchester, Glasgow, Newcastle, Leeds and Birmingham.

The DDM enables us to deliver on our ambitions by:

- enhancing the quality of the work we do, by creating centres to deliver our work in specialist areas and in turn drive increasing levels of standardisation;
- standardising, with the support of technology to automate where possible, much of what we currently do manually;
- increasing efficiency to add further value to our clients; and
- improving the working experience of our partners and staff.

Talent, performance and reward

Performance evaluation

Performance is defined for our people as both ‘what’ you do (business impact) and ‘how’ you do it (behavioural impact). As part of our high performing culture, managing contribution, impact and behaviours is intended to be a year round activity and all of our people have regular meetings with their Career Coach*.

Our people set goals on an annual basis. This includes firmwide and LoS goals, cascaded to all partners and staff to set the strategic context; BU/function goals include measurable KPIs/targets and expectations where appropriate; and individual goals define how the individual will achieve these priorities in their role in the year ahead. For the Audit LoS, all of our people set goals focusing on quality and responsible growth in the way that we deliver our audits, through demonstration of the Audit Behaviours.

Our people are encouraged to hold quarterly check-in conversations with their Career Coach. This provides regular opportunities to discuss progress against goals, review their feedback, discuss their wellbeing and any other concerns. As part of embedding our continuous feedback culture, we expect regular informal feedback conversations with colleagues and formal written feedback to be provided throughout the year by all staff and partners using our core people management tool Workday. For the Audit LoS, our people use an Audit engagement specific feedback template, evaluating Audit Quality Behaviours.

The performance year runs from 1 April to 31 March. We formally evaluate the performance of our people annually to recognise their contribution and impact in delivering their goals, KPIs, feedback themes and contributing to the firm’s strategy. Individuals self-evaluate their performance which is passed to Career Coaches for review and comment, and facilitates a coachee/Career Coach year end performance conversation.

For the Audit LoS, everyone is also required to complete a supplementary Audit quality assessment form as part of annual self evaluation. This outlines how Audit staff delivered their Audit quality goals, with examples of where they had shown the Audit Behaviours of Team first, Challenge and be open to challenge and Take pride.

The contribution and impact of each of our people is initially assessed by their Career Coach based on the evidence available, taking into account context and individual circumstances to enable a more holistic view. A robust moderation takes place, including Career Coaches and Relationship Leaders, to ensure fair, objective outcomes for our people.

We use a rating scale for performance outcomes to achieve peer relativity and differentiate people delivering the greatest value and impact. ‘Exceptional Performance’ (EP/rating 1) is the highest and ‘Below High Performing’ (BHP/rating 4) is the lowest, with a simplified scale for our most junior grades. Individuals with lower performance will progress more slowly and, where performance is unsatisfactory, corrective action is taken.

Our bonus plan is aligned to an individual’s rating, with higher performers receiving a higher bonus. Individuals with sustained higher performance also have the opportunity to progress more quickly.

During the year the FRC reviewed our compliance with the FRC Revised Ethical Standard 2019. See [page 54](#) for further details.

* Each member of staff has a Career Coach assigned to them, who supports them with career planning and development.

Remuneration

In determining remuneration for our staff, we carefully balance several elements including: the quality of the work our people deliver; the economic climate; the external market; engagement and recognition of people’s hard work; the performance of the firm; and investment for the future. We have common firmwide reward principles, but in rewarding our people we reflect different markets and skills. We have a firmwide bonus plan, but individual bonuses are determined by each Line of Service.

We continue to see a reduction in the majority of our pay gaps compared to FY23. This reflects our commitment to delivering against our five-point action plan. These actions serve to strengthen our talent pipeline.

In FY24 our median gender pay gap was 2.1% (FY23: 4.3%) and our single figure ethnicity pay gap was below zero at –0.9% (FY23: –2.8%). Our single figure gender and ethnicity pay gaps do not take into account objective reasons for pay difference such as grade, location or performance level.

We publish our earnings gap, which includes partners, voluntarily. This data, unlike the regulatory pay gap data, is based on actual pay and bonus for employees and financial year distributable income for partners.

Our median gender earnings gap was 7.0% (FY23: 7.1%) and the median ethnicity earnings gap was 4.5% (FY23: 0.0%). Pay gaps continue to be primarily driven by under-representation in senior roles within our business which is why we set new targets last year to accelerate our progress over the next five years. Very simply, delivering our targets is essential to closing our pay gaps. We have also expanded our pay gap reporting to publish pay gaps by sexual orientation, disability and socio economic background, and we also publish our ethnicity pay gap broken down by ethnic group.

Working towards our 2026 targets, we have laid a strong foundation for our future and we will continue to focus on all drivers of any pay gaps.

Click here for further information on the five-point action plan¹ >

Click this link for further information on the PwC Annual Report² >

¹ Source: <https://www.pwc.co.uk/who-we-are/our-purpose/empowered-people-communities/inclusion.html>
² Source: <https://www.pwc.co.uk/who-we-are/annual-report.html#diversity-and-inclusion>

Median pay gap

| Gender | Ethnicity |
|----------------|------------------|
| 2.1% | -0.9% |
| April 23: 4.3% | April 23: – 2.8% |

Our median pay gaps are calculated following regulatory methodology, excluding partners, as at 5 April.

Median earnings gap

| Gender | Ethnicity |
|------------|------------|
| 7.0% | 4.5% |
| FY23: 7.1% | FY23: 0.0% |

Our median earnings gaps are calculated including partners, for the financial year ended 30 June.

Promotion

Any promotion in the firm is based on an individual’s performance, their skills and the business case. In the case of promotion to director or admission to partnership, the process is particularly thorough and involves the Line of Service leadership teams and the firms’ Executive Board. Pathway 2 Partner (P2P) is our development pathway for potential partner candidates and is designed to enhance professional skills and readiness for partnership.

Each Line of Service nominates partner candidates for the Internal Partner Admissions (IPA) process. The Partner Affairs Committee, a subcommittee of the Supervisory Board, conducts and manages the overall assessment validation process for all partner candidates. All potential admissions to partnership are considered by the Executive Board and the Partner Affairs Committee and are put to the full partnership for consideration.

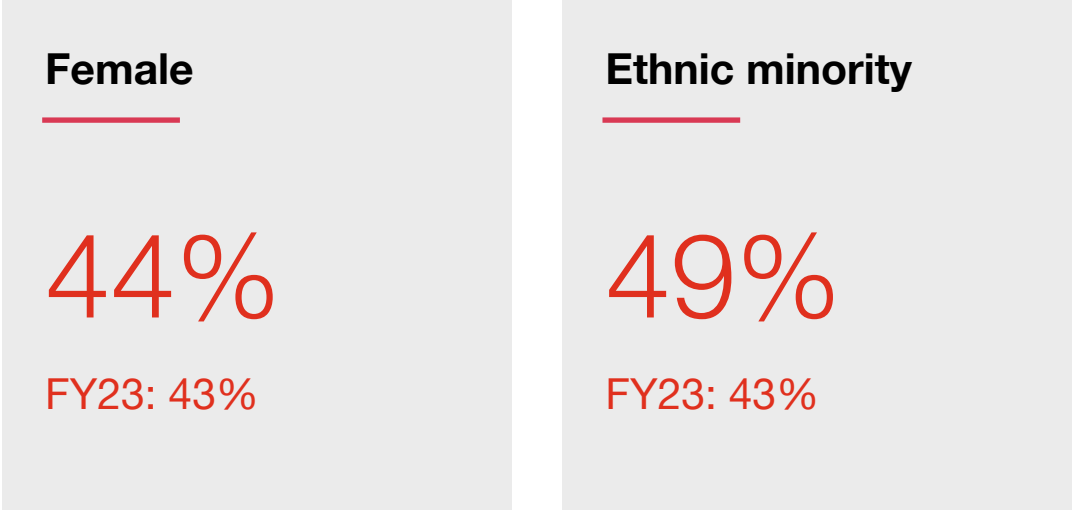
Within Audit, the process for promotion to director and admission to partnership involves a formal assessment of the quality of the individual’s work and their adherence to ethical requirements and professional standards.

The process includes a written assessment against the Evolved PwC Professional framework and the proposed business case for promotion, and an interview with a panel of partners who seek to corroborate that assessment and business case.

Diversity in Audit

Women account for 44% of our audit workforce and we continue to make good progress in strengthening our pipeline of female talent resulting in higher levels of representation at engagement leader level. This year 32% of our newly promoted audit partners were female and women make up 31% of the total audit partnership.

Ethnic minorities account for 49% of our audit workforce and we continue to take specific action to ensure we meet our ethnicity targets. This year 11% of our newly promoted audit partners were from an ethnic minority background and ethnic minorities make up 11% of the total audit partnership.



Case study: The Connected Development Programme

The Audit Connected Development Programme was introduced this year as part of our broader investment in our people's development. The programme was introduced to support and upskill graduates joining our teams through one to one coaching. It encourages pairings to build strong and trusted coaching relationships, enabling junior team members to accelerate their development.

An Associate (in the first year of their career) is paired with a Senior Associate for a three-to-four-month period where the Associate is booked on the same engagements as their

Senior Associate, creating a continuous learning environment. Associates are also allocated an Engagement Leader mentor (one of our Audit partners or directors) during this period, providing direct access and support from a senior leader within the practice. In a world that is changing at pace, with rapidly evolving technology, investing in our graduates and accelerating their development is an area of focus. The Connected Development Programme allows work traditionally performed by our Senior Associates to be completed, with dedicated coaching and support, by more junior members of the team.

Case study: Celebrating high quality work at our annual Audit Awards

Culture is really important to us at PwC, and is fundamental to delivering high quality audits. To drive a culture that supports quality, we have three Audit Behaviours: Team first; Challenge and be open to challenge; and Take pride.

Our annual Audit Awards are a chance to celebrate the achievements of individuals and teams from across the practice. The Awards are based on our Audit Behaviours, with three awards per Behaviour.

There is also an 'Overall Audit Behaviours award' to the team that embodies all the Audit Behaviours, bringing them to life on their engagement, driving quality and demonstrating the purpose of the work we do.

The judging panel is composed of Partners from across the practice. They are supported by some of our 'Culture Champs', a group of around 70 of our people who work closely with leadership and our audit teams to share ideas and shape how we integrate the Audit Behaviours into everything we do.



Ethics and independence

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Ethics and independence

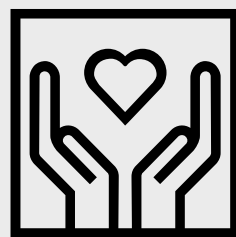
At PwC, we adhere to the fundamental principles of both the International Ethics Standards Board for Accountants (IESBA) and the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics for Professional Accountants as well as the Financial Reporting Council (FRC) Revised Ethical Standard 2019.

In addition to regulatory requirements, the PwC Network Standards (applicable to all PwC Network firms) cover ethics and business conduct for our partners and staff; all of whom undertake annual mandatory training, as well as submitting annual compliance confirmations. Compliance with internal and external ethical requirements are taken seriously but we also strive to embrace both the letter and the spirit of the requirements.

In addition to our PwC Values and Purpose, PwC UK has adopted the Network’s Code of Conduct and related policies that clearly define and describe the behaviours expected of our partners and staff. These behaviours are broad to cover a variety of potential circumstances, however they are designed to ensure we live our Network’s purpose of building trust and solving important problems.

To support our ethics, independence and risk management policies, PwC UK has access to a number of Network-wide systems and tools which support the firm and our personnel with compliance and execution. The UK firm also has a number of UK specific systems and processes to further support this process.

IESBA and ICAEW fundamental principles



Integrity



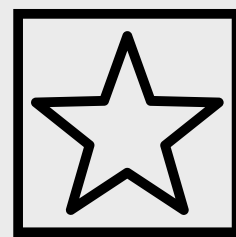
Objectivity



Professional Competence and Due Care

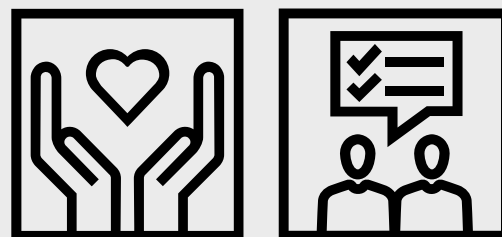


Confidentiality

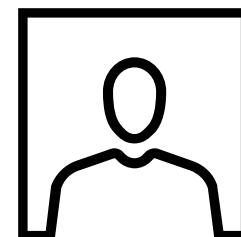


Professional Behaviour

FRC Ethical Standard



Integrity and Objectivity



Independence



Our systems of ethics and independence

Ethics

At PwC, we adhere to the fundamental principles of both the IESBA and the ICAEW Codes, which are:

- 1

Integrity: to be straightforward and honest in all professional and business relationships.
- 2

Objectivity: to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- 3

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.
- 4

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.
- 5

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

As well as adhering to the fundamental principles of IESBA and the ICAEW, PwC also adheres to the Financial Reporting Council (FRC) Revised Ethical Standard 2019 (the Ethical Standard), following the overarching principles of:

1. **Integrity and objectivity:** The firm, its partners and staff shall behave with integrity and objectivity in all professional and business activities and relationships.
2. **Independence:** In relation to each engagement, the firm, and each covered person, shall ensure (in the case of a covered person, insofar as they are able to do so) that the firm and each covered person is free from conditions and relationships which would make it probable that an objective, reasonable and informed third party would conclude the independence of the firm or any covered person is compromised.

In addition to these regulatory requirements, the PwC Network Standards (applicable to all PwC Network firms) also cover a variety of areas including ethics and business conduct, independence, anti-money laundering, antitrust/fair competition, anti-corruption, information protection, firm’s and partner’s taxes, sanctions laws, internal audit and insider trading.

We take compliance with these internal and external ethical requirements seriously and strive to embrace both the spirit and the letter of the requirements.

As part of this, all partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations. This is part of the firm’s system to support appropriate understanding for the ethical requirements under which we operate and to monitor compliance with these obligations.

Code of Conduct

In addition to the PwC Values (Act with integrity, Make a difference, Care, Work together, Reimagine the possible) and Purpose, PwC UK has adopted the PwC Network's Code of Conduct and related policies that clearly describe the behaviours expected of our partners and other professionals – behaviours designed to enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal – to ensure that we live our Network's purpose of building trust and solving important problems.

In October 2023 we published our updated [Code of Conduct](#)¹ and [Tax Code of Conduct](#)². These codes provide a framework that articulates the core values that define how we, as PwC professionals, should work to achieve our Network's purpose. They emphasise the importance of speaking up when something isn't right, and acting with integrity. They outline a practical framework for helping us decide the right thing to do when navigating different circumstances.

To bring the updated Code of Conduct to life, the UK firm launched an internal firmwide campaign at the end of 2023 which

has involved the sharing of practical stories and examples of the principles to reinforce our culture. These include a focus on the PwC Values and four key behaviours: Speak up; Consult; Act with integrity; and Keep things confidential.

As part of recruitment to the firm or admission to the partnership, all staff and partners of PwC UK are provided with a copy of the Code of Conduct. They are expected to live by these values in the course of their professional careers and have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing behaviours inconsistent with the Code of Conduct. PwC UK has adopted an accountability framework to facilitate remediation of behaviours which are inconsistent with the Code of Conduct.

The Code of Conduct emphasises that speaking up is part of our culture, and includes a framework for helping us decide the right thing to do in specific circumstances. The Code of Conduct can be found on our external website and internally. Further information on how PwC UK embeds the Code of Conduct and other resources and adapts them for local requirements and policies is included below.

PwC UK has an Ethics Partner, who has responsibility for the adequacy of the firm's policies and procedures relating to our Code of Conduct; compliance with these; the effectiveness of their communication to partners and staff within the firm; and providing related guidance to individual partners and members of staff. The Ethics Partner reports directly to the Chief Risk Officer and General Counsel.

Risk Management Principles

Each Line of Service (LoS) has a Risk Management team which is led by a Risk Management Partner. The risk management teams support engagement teams on a wide range of risk and regulatory topics including audit independence, reputational risk, client and engagement acceptance procedures; and anti-money laundering procedures. These activities are designed to ensure that the firm complies with all appropriate laws and regulations and that the correct engagement contracts and protection are in place when providing services to our clients.

Speak Up helpline³

We are committed to dealing responsibly, openly and professionally with any genuine concerns raised. The Code of Conduct encourages partners and staff to speak up in good faith, fairly and honestly about behaviour that doesn't seem right. Our people are encouraged to raise concerns through local channels such as their career coach, relationship leader, or risk management contact in the first instance. Where this route may not be appropriate, the 'Speak Up helpline', PwC UK's whistle-blowing phone and online reporting tool, offers a secure channel for partners, staff and third parties, to report concerns anonymously or in confidence. In FY24, the firm received 278 Speak up cases.

As the Code of Conduct also states, PwC is committed to protecting our people against retaliation – a serious misconduct.

All matters reported are handled by trained individuals within our Business Conduct team and are discussed regularly with the firm's Ethics Partner, who is responsible for making sure that the issues raised are appropriately investigated and resolved. These may be escalated and more formally investigated by the appropriate Partner Office, OGC, Employment Relations or HC management teams. The Ethics Partner discusses any significant matters with the firm's Chief Risk Officer and General Counsel, the Management Board member responsible for Risk and Quality and Compliance, and there are annual updates provided to the firm's Executive Board; the Public Interest Body and the Risk Committee of the Supervisory Board.

¹ Source: www.pwc.co.uk/who-we-are/code-of-conduct.html

² Source: <https://www.pwc.com/gx/en/services/tax/code-of-conduct.html>

³ Source: <https://secure.ethicspoint.eu/domain/media/en/gui/105406/index.html>

Procedures for managing potential and actual conflicts of interest

Conflicts of interest and sensitive situations

PwC has established processes and procedures in place to identify and manage conflicts of interest and sensitive situations. These procedures are completed before PwC commits to delivering services. The details of each new opportunity and any third party entities which are relevant to it will be included on our central conflict checking database. When we are considering possible future engagements, this record will alert our central teams to actual or perceived conflicts arising out of the opportunity.

Where potential conflicts of interest or sensitive situations are identified, we either decline the prospective engagement or we put in place appropriate safeguards to make sure that the potential conflicts of interest are appropriately managed.

Where we believe conflicts of interest and/or sensitive situations can be appropriately managed, we will apply a variety of safeguards (including, but not limited to, obtaining consents and implementing ethical walls) to ensure that our objectivity is maintained (both in fact and appearance), and that confidential information is appropriately protected.

With this in mind, we have clear policies, guidance and training which are provided to partners and staff so that they recognise that potential conflicts of interest need to be dealt with carefully and sensitively to protect the best interests of the firm, its clients and its stakeholders. These policies and procedures are then reinforced with engagement-specific measures such as the use of appropriate consents and/or the establishment of ethical walls or other forms of physical or digital separation barriers.

Anti-bribery

We are opposed to bribery in any form. The PwC Code of Conduct makes it clear that it is unacceptable for our people to solicit, accept, offer, promise or pay bribes whether directly or through a third party. Policies, training and procedures designed to prevent bribery and disciplinary procedures if bribery is detected, are in place.

Preventing facilitation of tax evasion

We are opposed to tax evasion and the facilitation of tax evasion. In accordance with the PwC Code of Conduct, it is unacceptable for anyone providing services for or on behalf of PwC to evade tax or to facilitate tax evasion. Policies, training and procedures designed to prevent the facilitation of tax evasion are in place.



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 engagements, including audits, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our stakeholders.

The PwC Global Independence Policy, which is based on the IESBA Code of Ethics for Professional Accountants, contains minimum standards with which the PwC Network has agreed to comply, including processes that are to be followed to maintain independence from audited entities and their affiliates, where necessary.

PwC UK supplements the PwC Global Independence Policy where required to ensure compliance with additional independence requirements issued by the UK's Competent Authority, the Financial Reporting Council (FRC), in relation to audits of UK incorporated entities and their related entities via their Ethical Standard. PwC UK also supplements the Global Independence Policy to include additional independence requirements of the United States Securities and Exchange Commission (SEC) and those of the US Public Accounting Oversight Board of the United States (PCAOB).

PwC UK has a designated partner (known as the Partner Responsible for Independence or PRI), who is responsible for implementation of the PwC Global Independence Policy including managing and updating the related independence processes and guidance when changes arise such as updates to laws and regulations or in response to operational matters.

Independence policies and practices

Our Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to entities PwC audits and their 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;
- acceptance of new audit and assurance engagements, and the subsequent acceptance of non-assurance services for audited entities; and
- the rotation of audit engagement personnel.



Independence related systems and tools

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

- **Central Entity Service (CES)**, which contains information about corporate entities which we audit including public interest and SEC restricted entities as well as their related entities and issued securities. The CES assists partners and staff in determining the independence restriction status of entities audited by PwC UK and those audited by other PwC member firms before entering into new non-audit engagements or business relationships. This system also feeds into the Independence Checkpoint and Authorisation for Services (AFS) systems.
- **Independence Checkpoint** facilitates the pre-clearance of publicly traded securities by all partners and managerial practice staff prior to acquisition by indicating whether a potential security is permissible for an individual based on their role within the firm and/or the services they provide to clients. The system also records any subsequent purchases and disposals of financial interests so that when a PwC member firm wins a new audit, the system automatically informs those holding securities in that entity of the requirement to sell the security where required.
- **Authorisation for Services (AFS)** is a system that facilitates structured communication between a non-audit services engagement leader and the audit engagement leader, regarding prospective non-audit services. It assists in the documentation of any potential independence threats created by the service and proposed safeguards and acts as a record of the audit partner's conclusion on the overall permissibility of the service and fee arrangements.
- **Global Breaches Reporting System (GBR)**, which is used to report any breaches of external auditor independence regulations (e.g. those set by regulation or professional requirements) where the breach has cross-border implications (e.g. where a breach occurs in one territory which affects an audit relationship in another territory).
- **Joint Business Relationship Application** is a system for recording the approval of significant business relationships with third party entities entered into by the firm (other than the purchase of goods and services in the normal course of business). These relationships, once approved, are reviewed biannually to ensure that they continue to remain permissible.

PwC UK also has a number of UK specific systems and processes designed to support compliance with independence requirements including:

- A **rotation-tracking system** that monitors compliance with the firm's audit rotation policies for engagement leaders, other key audit partners and senior staff involved in an audit. It also tracks entities subject to the mandatory firm rotation rules and calculates when we are required to rotate off an audit engagement.
- **Automated Investments Recording (AIR)**, automated data feeds from certain financial institutions and brokers which automatically updates individual PwC partner and staff Checkpoint portfolios for new acquisitions and disposals of investments held with that provider.
- **Walled Gardens**, collections of centrally monitored and pre-approved investments arranged with certain providers to help simplify independence compliance.
- **'SaFE' (Suitable for Everyone) lists** for financial arrangements and fund groups, showing at a glance which organisations are suitable for everyone to use, subject to conditions.
- **Checkpoint Partner Support**, a 'concierge' service designed to provide active support and assistance to our partners (and certain senior directors) in accurately maintaining their Checkpoint portfolios.



Independence training and confirmations

Annually, all partners and practice staff receive mandatory training on the firm's independence policies and related topics. Completion is monitored and non-completion leads to disciplinary action. Additionally, ad-hoc face-to-face training is delivered by the firm's independence specialists and Risk Management teams, as required.

All partners and practice staff are required to complete an annual compliance confirmation, where they confirm their compliance with relevant aspects of the firm's independence policy, including their own personal independence. In addition, all partners and directors are required to confirm that all non-audit services and business relationships for which they are responsible comply with the firm's policies and procedures. These confirmations serve two primary purposes: to identify potential inadvertent breaches of independence that may have arisen and to act as an important reminder of the firm's independence policies and procedures.

These annual confirmations are supplemented by:

- specific independence confirmations from engagement team members prior to working on the firm's larger financial services clients which provide financial products to the general public;
- standalone Checkpoint confirmations where individuals who have Checkpoint portfolios are asked to confirm that this has been reconciled and is up to date. These are issued in January and April each year and supplemented with the more detailed firmwide Annual Independence Confirmation in August. Additionally, a Checkpoint confirmation is also issued to all our people promoted to manager grade and above as well as all new joiners to the firm of manager grade or above within a month of their new role; and
- a Checkpoint Healthcheck call, made with every individual receiving a Checkpoint portfolio for the first time, to talk through the logging requirements, check common omissions and help ensure their portfolio is accurate from the outset.



Independence monitoring and disciplinary policy

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

- engagement reviews to confirm compliance with the firm's risk management procedures, including independence;
- compliance testing of independence controls and processes;
- procedures to review the personal independence compliance of partners at least once every five years (and more regularly for certain other partners, including annually for those on the Management Board and Supervisory Board), as well as procedures to review a selection of staff and all partner candidates;
- central monitoring of independence KPIs; and
- an annual assessment of the member firm's adherence with the PwC Network's Standard relating to independence.

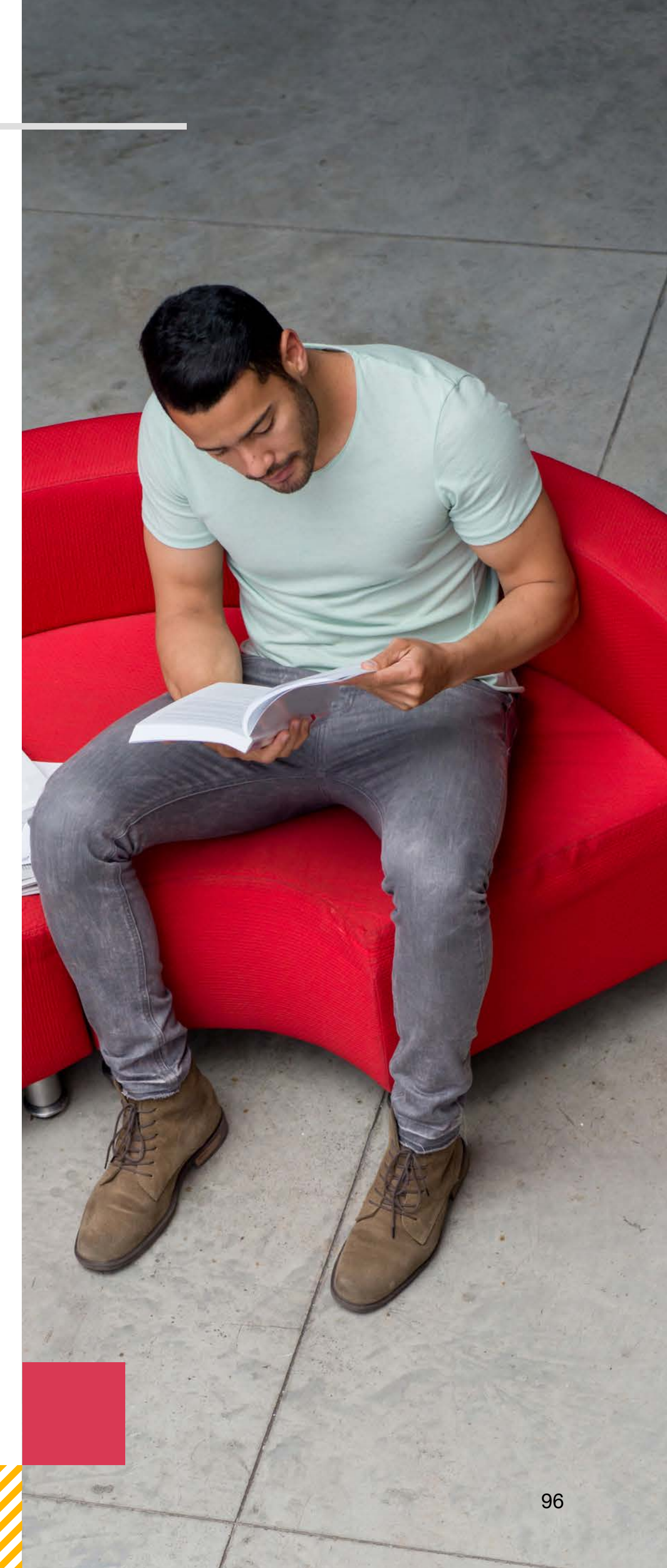
The results of the firm's monitoring and testing are reported to the Executive Risk Committee (a sub-committee of the firm's Management Board) at the end of each quarter, and any personal independence breaches by partners are also reported to the Partner Matters Committee and Partner Affairs Committee.

Our firmwide procedures are also subject to an annual review by the FRC and a triennial review by the PCAOB, and any potential issues or recommendations arising from these reviews are carefully considered and action is taken in order to address them.

Potential breaches of the firm's independence policies that are identified from self disclosures, independence confirmations, personal independence audits, engagement reviews and other monitoring activities are investigated by the firm's Independence, Conflicts & Ethics team to determine if a reportable breach has occurred. PwC UK has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

Where a violation of independence policies by a partner or staff member is identified it has consequences that may include a fine or other disciplinary action up to and including dismissal. In addition, it would include discussions with the entity's audit committee, or those charged with governance where there is no 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 need for safeguards to maintain objectivity.

Although most breaches are minor and attributable to oversights, 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 systems and processes and for additional guidance and training.



Engagement leader, Quality Review Partner (QRP) and Key Audit Partner rotation policy

We comply with the rotation requirements of the independence rules published by IESBA, the FRC and the SEC as applicable to a particular audited entity. Where more than one set of requirements is relevant to an engagement, we apply the most restrictive. We may also elect to apply more restrictive rotation rules as a matter of UK firm policy, for example in the case of QRPs.

For entities designated as Public Interest Entities (PIEs) under the Ethical Standard, the engagement leader, key audit partners¹ and the QRP have a tenure set at five years, with a five year cooling off period. Key partners involved in the audit engagement (KPIE)², other partners and senior staff members have a tenure of seven years with a two year cooling off period.

For entities that are subject to SEC independence rules, or listed entities that are subject to FRC independence rules, but are not Public Interest Entities as defined by the FRC, engagement leader tenure is set at five years, with a five year cooling off period and key partners involved in the audit engagement (KPIE)³ tenure is seven years with a two year cooling off period.

The QRP on SEC engagements has a five year tenure with a five year cooling off period, other partners and senior staff members have a ten year tenure with a two year cooling off period. For public interest and listed entities that are subject to FRC independence rules the tenure of QRP is set at five years with a five year

cooling off period and the tenure of other partners and senior staff members is set at seven years with a two year cooling off period.

For entities which meet the IESBA or our internal definition of Public Interest Entity, the tenure for engagement leader and KPIEs is set at seven years, the QRP tenure is set at five years and the tenure of other partners and senior staff members is set at ten years. Engagement leaders have a five year cooling off period, the QRP has three years, KPIEs, other partners and senior staff members have a two year cooling off period.

For all other entities, neither the IESBA code nor the Ethical Standard set out a required period of tenure or cooling off, therefore we have determined our own policy, which sets tenure for engagement leader, KPIE, other partners and senior staff members at a maximum of ten years with a two year cooling off period. The QRP tenure has been set at five years with a two year cooling off period.

Where any audit team enlists the use of specialists or experts to work on their audit, an individual will take overall responsibility for the work being performed. We consider this individual to be in a rotation role. The individual is considered to be either a KPIE or another partner, depending on the materiality and assessed audit risk of the matter that they are involved in auditing.

¹ Key audit partners are engagement leaders on any material component of a PIE group which is involved in the group audit.

² Key partners involved in the audit engagements of entities designated as Public Interest Entities (PIE) under the Ethical Standard are those involved at group level and responsible for key aspects of the engagement, including decisions or judgments on significant matters or risk factors that relate to the engagement for the entity.

³ Key partners involved in the audit engagements of entities designated as listed entities under the Ethical Standard, subject to SEC independence rules, or PIEs under the IESBA Code are individuals who are either involved at group level and responsible for key aspects of the engagement, including decisions or judgments on significant matters or risk factors that relate to the engagement for the entity, or primarily responsible for the engagement work in respect of a significant affiliate, division or function of the entity.



Engagement acceptance and continuance

Acceptance and Continuance (A&C) considerations

Our principles for determining whether to accept or continue an audit appointment are fundamental to delivering high quality, which we believe goes hand-in-hand with our purpose to build trust in society.

We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we have the necessary capabilities and resources; can comply with relevant ethical requirements, including independence; and have appropriately considered the integrity of the entity and its management.

We reassess these considerations in determining whether we should continue in an audit appointment and have in place policies and procedures related to withdrawing from an engagement or client relationship where necessary.

Assessing an opportunity

All audit and non-audit opportunities are subject to a rigorous Business Unit Audit Tender Approval Panel (ATAP) process, with input from a defined combination of the Business Unit Leader, risk management partner, commercial partner and market leader of the relevant Business Unit.

Those opportunities that meet pre-defined commercial, resourcing or risk criteria (or where the Business Unit ATAP has requested it) are further considered by the National ATAP. The National ATAP is a subcommittee of the Audit Executive, chaired by one of its members, and includes an eligible risk management representative. The proposed engagement leader and, typically, the respective Business Unit Leader and market leader also attend.

Both the Business Unit and National ATAPs consider a range of commercial, operational and engagement risk aspects of the opportunity including whether the potential client meets our quality objectives; whether we have sufficient appropriate resources to support both the bid process and the subsequent engagement; and whether the commercial outcomes of the tender meet our goals.

In addition, the Client Committee, a sub-committee of the Clients and Markets Executive (CME), will convene to consider engagement or client acceptance decisions, and in some cases continuance decisions, that carry significant risks to the firm or that relate to particularly sensitive or confidential circumstances. The opportunities that are considered by the Client Committee are those that meet certain pre-defined risk-based criteria or those that are referred from National ATAP.

For matters relating to the Audit Line of Service, where a potential engagement may have significant issues of public interest, the Client Committee may decide an additional objective view would be appropriate and seek the views of the AOB.





Supporting systems and tools

Within the Audit Line of Service, two IT systems (A&C for audit work and Clientwise for other work) are used when determining the acceptability of a given engagement.

Both systems serve as automated tools to support engagement teams in complying with policies and responding to risks identified as they make acceptance and continuance decisions as follows:

- using automated criteria to trigger required consultations with appropriate individuals or committees within business units and/or at the firm level; this allows the right people to make the right decisions at the right time and enables the firm to put in place safeguards to mitigate identified risks;
- providing an overview of the risks associated with accepting or continuing with entities and engagements across the client portfolio; and

- enabling engagement teams to:
 - document their consideration of matters required by professional standards related to acceptance and continuance;
 - identify and document issues or risk factors together with their resolution, which may include consultation, adjusting the resource plan or approach to the engagement, putting in place other safeguards to mitigate identified risks or declining to perform the engagement; and
 - facilitate the evaluation of the risks associated with an engagement, including whether or not PwC UK should be associated with a particular entity, its management and/or the proposed services.

Engagement acceptance and continuance

The firm's Independence, Conflicts and Ethics team, which includes our Relationship Checking team, provide engagement leaders with regulatory compliance subject matter expertise, not only during the acceptance of prospective engagements, but throughout every step of an engagement's life cycle.

Relationship checks and independence assessments

Before accepting any new engagement, the firm's specialist Relationship Checking team performs a variety of specific checks designed to identify pre-existing or prospective relationships that might be considered to impact on our objectivity in relation to the organisations we audit or their related entities.

Conflicts of interest and sensitive situations

Where potential conflicts of interest or sensitive situations are identified, we either decline the prospective engagement or put in place appropriate safeguards to make sure that the potential conflicts of interest are appropriately managed.

Where we believe potential conflicts of interest and sensitive situations can be appropriately managed, we will apply a variety of safeguards (including but not limited to, obtaining consents from impacted parties and putting in place ethical walls to ensure that our objectivity is maintained (both in fact and appearance), and that confidential information is protected in line with our policies).

With this in mind, we have clear policies, guidance and training which are provided to engagement leaders and staff to recognise that potential conflicts of interest need to be dealt with carefully and sensitively to protect the best interests of the firm and its stakeholders. These firmwide policies and procedures are then reinforced with engagement-specific measures.

The use of specific consents and/or information barriers, including ethical walls, is normally identified as a result of performing a relationship check (whether at the start or during an engagement, if matters change) and the Relationship Checking team are responsible for coordinating and leading the implementation and monitoring of these throughout the life of the relevant engagement.

Whilst the Relationship Checking team generally lead the identification and implementation of safeguards, engagement leaders are ultimately responsible for ensuring their teams comply with the safeguards which apply to their engagement. Engagement leaders are also responsible for promptly updating the Independence Conflicts and Ethics team, and their Line of Service risk management teams, with changes to the scope of the engagement or any individual's role in connection with the engagement to ensure that appropriate checks are completed on any new element of the work/team composition.

In the case of new audit clients, an Independence Assessment is performed to identify and assess all relevant independence considerations which may impact the firm's objectivity in connection with the prospective organisation before the appointment is accepted. The nature and complexity of either the relationship or the structure of the prospective audit client determines whether the assessment is performed by a dedicated team within Independence, Conflicts and Ethics or by the prospective audit engagement team with advice from Independence, Conflicts and Ethics Team.

The Independence Assessment is designed to enable the firm to identify existing connections with the prospective audit entity (and its related entities), including business relationships, non-audit services and firm and personal arrangements, whether in the UK or elsewhere in the PwC Network.

Once any such connections have been identified, they are individually assessed to determine whether:

- they are prohibited by the Ethical Standard and need to be terminated before we can be appointed as auditors. Where this is possible, and the prospective audit client is in agreement, the relevant partners and staff are instructed to terminate the service or relationship and required to confirm to the prospective audit engagement leader that they have done so. If we are unable to terminate the non-audit service or relationship before becoming auditor, we would decline the audit appointment; and
- for those relationships which are permissible, or where the service can be amended to be made permissible (and can therefore continue after our appointment as auditor), there may still be a threat to our independence and objectivity. Where such threats are identified and appropriate safeguards can be put in place, these are discussed and agreed with those charged with governance prior to appointment. Where safeguards are not acceptable, or the nature of the service could be considered by third parties to be inappropriate given our prospective role as auditor, the non-audit service/relationship would again be terminated in advance of our appointment or we would decline to accept the audit appointment.





Liability Limitation Agreements (LLAs)

In response to the changing litigation risk profile in the UK, and in line with the provisions of the Companies Act 2006, we have introduced LLAs as part of our standard terms and conditions for certain companies that we audit. We have taken this step to ensure proportionate accountability, enabling us to remain committed to, and competitive within, this section of the audit market. These LLAs came into effect for financial periods commencing on or after 1 January 2023.

Such terms are commonly used across professional services in the UK and overseas. It is our view that an increased adoption of LLAs in the long term serves to enhance audit quality by providing proportionate accountability, greater resilience and more choice within the audit sector.

Withdrawal from an engagement

Policies and procedures are in place for circumstances in which we determine that we should, or are required to, withdraw from an engagement. We have previously resigned from audit appointments for a variety of reasons, which include:

- UK, US, EU or other sanctions being imposed on the entity, its parent company or its ultimate beneficial owner;
- threats to our independence being, in our judgement, too great to apply effective safeguards;
- where we have been provided evidence in the course of our audit that our testing has revealed to have been falsified;
- where management has, without reasonable cause, failed to provide us with information that we have requested or has otherwise obstructed our audit; or
- because we are required to under the UK's mandatory firm rotation rules.

Our policies in this area include the need for appropriate consultations, both within the firm and with those charged with governance at the entity, together with ensuring compliance with legal and professional obligations. This may include informing our and/or the entity's regulators of the reasons for our resignation.

We have processes in place to make sure that we notify those charged with governance in good time, when mandatory firm rotation rules require the entity to rotate their auditor, or put the audit out to competitive tender.

Our policies and procedures also deal with circumstances where we become aware of information after accepting an engagement which, had we been aware of it earlier, would have led us to decline the engagement.

Confidentiality and information security

PwC operates an Information Security Management System (ISMS), to preserve the confidentiality, integrity and availability of client confidential data.

The ISMS has been certified by the British Standards Institute (BSI) as compliant with the requirements of ISO 27001 since 17 June 2011, and has been subject to subsequent periodic external reviews by BSI against the Code of Practice for Information Security Management, within the certification scheme underwritten by the United Kingdom Accreditation Service (UKAS). The latest recertification was in April 2023.

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 cyber security strategy, to proactively safeguard its assets and client information.

In addition to maintaining our ISMS, PwC also maintains UK Cyber Essentials and Cyber Essentials Plus certifications.

PwC takes the protection of confidential and personal data very seriously. The firm's Head of Technology and Investment is the UK Management Board member responsible for information security. In this role they are supported by the Cyber Committee, which was chaired by the Chief Operating officer, responsible for providing oversight and governance of policy and strategic direction on information risk and cyber security matters.

As a firm regulated by the Institute of Chartered Accountants in England and Wales (ICAEW), all partners and staff are required to comply with the ICAEW's fundamental principle of confidentiality. In addition, there are other legal and regulatory obligations on staff concerning the handling of confidential information and personal data. Contract terms with clients may also require the implementation of specific data handling requirements.

The firm recognises that maintaining confidentiality requires all its partners and staff to exercise appropriate judgement when sharing and using information. It provides regular training and awareness campaigns to support the right behaviours for maintaining confidentiality, and uses scenarios, together with story-telling by senior leaders, to drive the right tone from the top.

In addition to contractual requirements and the use of Non-Disclosure Agreements (NDAs) where appropriate, enhanced controls are in place to ensure that confidentiality is maintained in particularly sensitive situations. For example, where a partner or member of staff is interacting with third parties in a particularly higher risk situation, they would be expected to consult and individuals may need to take specific actions including registering these interactions, establishing any specific confidentiality requirements, identifying any potential Conflicts of Interest to determine if such interactions are appropriate, and undertaking additional training.

The firm provides information security and data protection training to all new joiners to the firm, annual update training for all partners and staff thereafter, and training to various departments on an ad hoc basis throughout the year. We also have in place an accountability framework and the appropriate technical and organisation measures to promote compliance with both the UK and EU General Data Protection Regulations, and other relevant worldwide data protection regulation.

We are registered with the UK Data Protection authority. Our registration can be seen on the Information Commissioner's Office website under reference Z7486412. Our [standard privacy notice](#)¹ is publicly available.

Our Privacy Information Management System (PIMS) has been certified by the British Standards Institute (BSI) as compliant with ISO 27701.

¹ Source: www.pwc.co.uk/who-we-are/privacy-statement.html

Technology



6

Executive summary

Technology

At PwC, we employ a human-led, tech-powered approach to deliver a high quality audit. The use of technology is embedded in our end-to-end audit lifecycle, from risk assessment analytics in planning, to the use of artificial intelligence, data auditing and visualisation techniques in our audit testing.

Technology at PwC is about more than just our technology tools and our data specialists. It is deeply rooted into our people's mindsets and behaviours. The creation of a digital mindset for all our people, with innovation and responsible adoption of technology embedded within the audit practice, is important to us. This is evident in the way that our digital audit team draws from the Audit Line of Service, giving audit specialists specific technology training.

We have Digital Accelerators – auditors with specialised technology training – in every Business Unit, as well a designated Change Leader and Digital Driver who are focused on driving forward the digital agenda. We run Digital Academies where our people can gain hands-on training in data manipulation and visualisation technologies. And our Digital Lab platform and Digital Quest app helps teams plan how to increase the use of technology on their engagements and ensures technology built by one audit team can quickly be adopted and used by others.

With the emergence of GenAI, our people continue to drive innovation through the ethical, transparent and responsible use of technology. In June 2024, we rolled out ChatPwC, a GenAI intelligent assistant owned and controlled by PwC. Ahead of full roll-out, over 400 ideas for how we could use AI on our audits were generated by our people. Our people are empowered to get the most of the technology, with training on the fundamentals of using ChatPwC, and the business rules we've put in place being mandatory before our people can access the tool. A dedicated team of audit subject matter experts, data scientists and innovation managers, have come together to create our Audit GenAI hub, all focused on scaling potential use cases for GenAI in the audit. As GenAI continues to evolve, our human-led, tech-powered approach will be critical to maximise knowledge, skills and effectiveness.

FY24 Metrics

1,170+

Number of engagements where our teams have run our innovative Digital Quest app

150+

Number of Digital Accelerators

72,000+

Number of Digital Lab asset uses

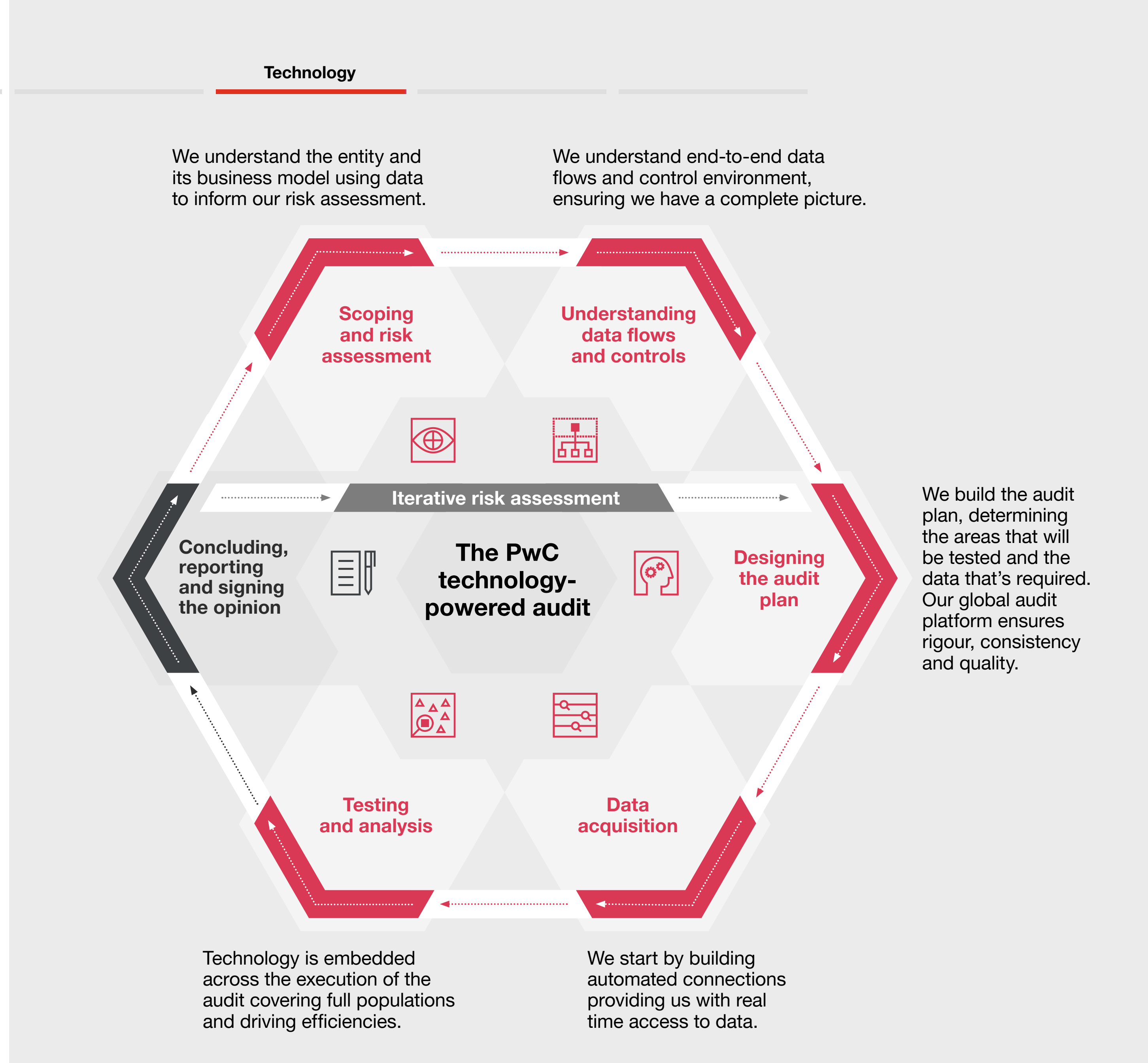
The PwC technology-powered audit

We bring together the deep industry and functional expertise of our auditors with powerful technology tools and capabilities developed in-house and by our technology alliance partners.

Technology is central to how we operate, and the use of technology is embedded in our end-to-end audit lifecycle, from risk assessment analytics in planning to the use of artificial intelligence, data auditing and visualisation techniques in our audit testing. By strategically harnessing technology, our auditors are empowered to uncover valuable insights and focus on the risks and judgements that truly matter.

Our advanced technology drives:

- high quality audits, with the increasing use of data auditing enhancing efficiency and scalability across multiple entities and jurisdictions;
- deeper insights around data, systems and people, as our tools enable us to access and analyse vast amounts of data efficiently and quickly, with a more comprehensive understanding of our clients processes;
- seamless collaboration between audit teams, the organisations we audit and other stakeholders with effective communication and integrated real time project management; and
- transparency and clarity over important audit judgements.



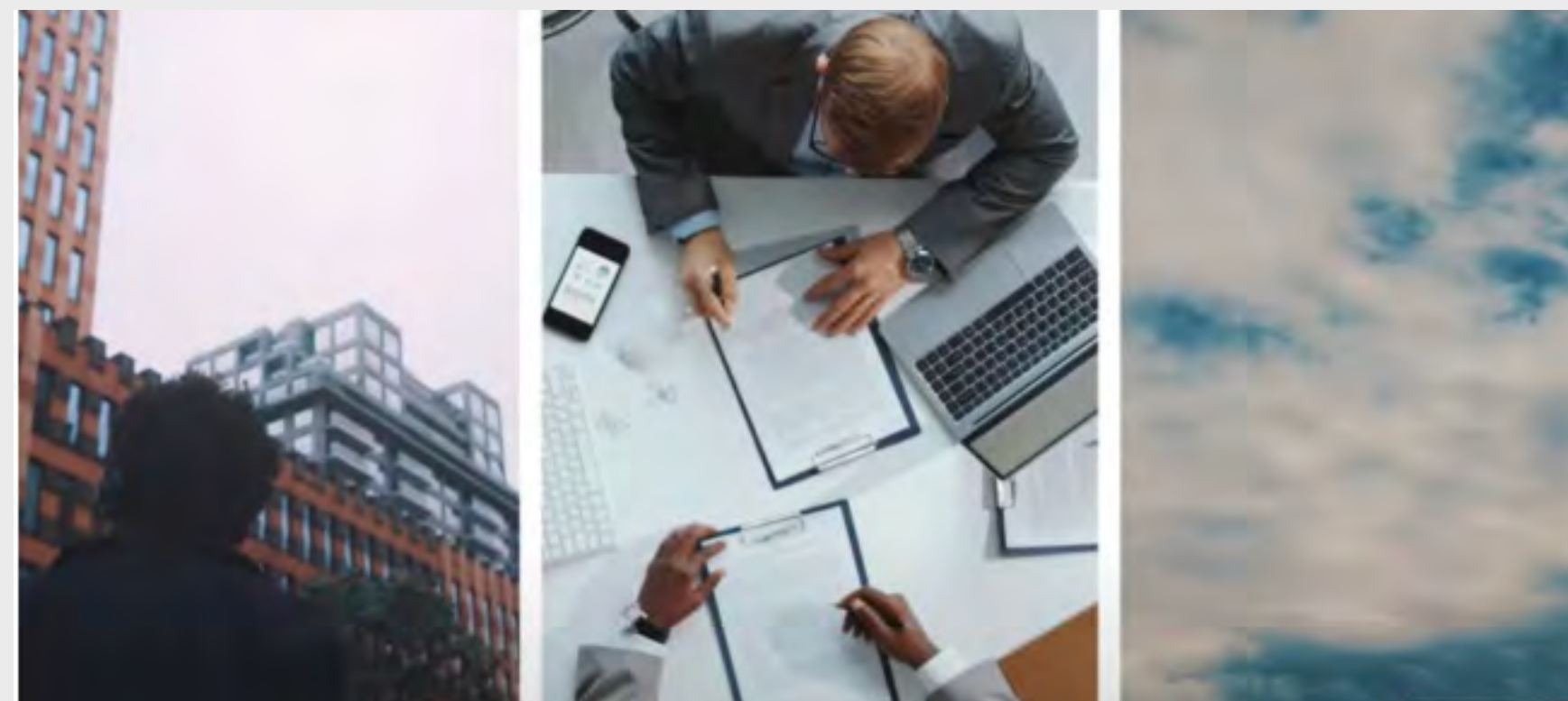


Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC Network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our current core technologies. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of generative AI and other emerging technologies, providing a transformed audit experience focusing on continuous quality enhancement. [PwC's vision for NGA¹](#) is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders.

As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.

There have been significant investments across the PwC Network into Generative AI as we seek to reimagine how we further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage of AI while supporting ongoing interest and quickly evolving potential use cases for AI including Generative AI. This is described further on [page 111](#).



¹<https://www.pwc.com/gx/en/services/audit-assurance/next-generation-audit.html>

Our core technology



Data Acquisition is the process of connecting to our clients' systems through a common PwC Platform, allowing us to access and collect the data in a standardised format with little or no manual intervention. It allows data to be extracted securely and correctly the first time, enhancing audit quality through eliminating the risk of incorrect or incomplete data being extracted.



Connect is our collaborative platform that allows the organisations we audit to quickly and securely share audit documents and deliverables.

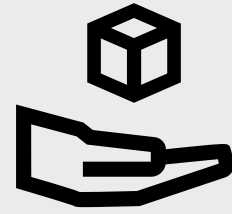
Connect also eases the burden of tracking and communicating the status of deliverables by automatically flagging outstanding items. It is a central platform for all requests and communication during the audit and provides increased visibility leading to more immediate attention and resolution.



Halo, our series of data auditing tools, test 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. This makes it easier for engagement teams to explore and visualise the data in order to identify client journal entries to analyse and start the testing process.

Halo for Funds can gather, ingest, and transform funds data, in combination with third party valuation information, to quickly yield high-quality visualisations and perform automated audit tests.



Aura Platinum

Our global audit 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 linkages 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 and real time dashboards show a team's audit progress and the impact of scoping decisions.



Connect Audit Manager streamlines, standardises and automates the coordination of group and component teams 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.



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



PwC Confirmations is our web based confirmations platform integrated into Aura Platinum, which facilitates, automates, and standardises the end-to-end process for all types of external confirmations. This allows our engagement teams to create requests and receive external confirmations in a secure environment that helps mitigate the risks associated with receiving confirmation responses electronically.

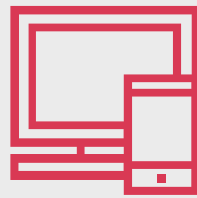
Reliability and auditability of audit technologies

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

Citizen-led innovation

Innovation at PwC is about more than just technology and using our data specialists. It is deeply rooted into our people's mindsets and behaviours. We achieve this by providing our people with tools and training so they feel empowered to think about how they can make the best use of technology on their audits.

This is our citizen-led innovation approach which is focused on five key drivers:



Digital Academies

Hands-on training in data manipulation and visualisation technologies such as Alteryx and PowerBI. Our people are digitally upskilled to be citizen innovators, continually seeking opportunities to automate audit tasks for greater accuracy and smarter working.



Digital Accelerators

A mix of deep technical specialists and change agents, our Digital Accelerators are deployed across our whole audit practice. They are auditors with specialised technology training to encourage our people to use the latest tools and technologies in our audits.

Leadership and upskilling training is provided to empower our Digital Accelerators to act as change agents on the ground, spotting audit areas suitable for digital enhancement and building the automations to make it happen. They create, and encourage others to create, customised audit innovations.



Digital Lab

Our citizen-led collaboration platform for developing and sharing automations across our practice. This ensures technology built by one audit team can quickly be adopted and used by other teams.

Since its inception, hundreds of new tools have been created which have been applied to audits. In the period 1 July 2023 to 30 June 2024 there have been over 72,000 asset uses (which includes, runs, downloads) and over 1,250 digital assets actively deployed in our audits.



Change network

Across the Audit Line of Service, we have implemented a change network structure so that each individual BU (split by either location or financial services industry type) has a designated Change Leader and Digital Driver to support the delivery of the central digital strategy. These are people within the BU who understand the day-to-day operations but have a focus on driving forward the digital agenda.



Digital Quest

Digital Quest is our intuitive, web-based app that is designed to assess our digital readiness across the audit practice and help us apply a digital mindset. The focus of Quest is to help our teams understand what digital tools they are currently engaging with, and most importantly, helps them plan how to increase their use of technology on the engagement going forward. Quest underwent significant enhancements in the year with a key change being the introduction of the extended teams feature. This helps audit teams consider which extended teams, such as DDM, could best assist them in delivering a high quality, efficient audit alongside the use of digital tools.

Example audit assets designed and developed by our auditors that are available for every engagement team to use include the following:



IFRS 16 Lease Liability Calculator – a tool for auditing leases under IFRS 16 which automates the calculation of the opening and closing lease liability, total repayments and total interest charge, total depreciation charge, and accumulated depreciation.

Related Party Director Search – an automation which performs an Application Programming Interface (API) call for a company number to the UK Companies House and returns a list of directors and their other appointments.

Credit Ratings Tool – provides a simple and quick way for users to access the credit ratings for all major UK banks from one place.

Search for Unrecorded Liabilities Tool – a tool which identifies transactions that can be target tested based on value and risk for the search for unrecorded liabilities testing.

Identify Reversing Journals in Listings – this workflow identifies debits and credits that net to nil within client listings. The output separates reversing entries into separate tabs and provides a listing without reversing entries ready to input into a sampling tool.

ITGC Access Management – Joiners and Leavers workflow – this workflow performs a reconciliation between one or more user/system access listings and one HR listing which contains employee joining/leaving dates, to identify joiners/leavers who have access to the system.

Insurance: calculate Unearned Premium Reserve in Alteryx – an Alteryx workflow which calculates unearned premium for a general insurer with a straight line earning pattern, based on 100% of gross written premium for the year.



Data at the heart

Examples of advanced technology used by our engagement teams on our audits:



Automated Revenue Testing

A digital mindset and data-driven approach is at the heart of our audit proposition. A key area in which we have continued to evolve is using data to automate our approach to revenue testing.

Our data acquisition technology allows us to extract and analyse large volumes of data, transforming the way we can audit revenue with analytics and transactional population testing that can trace, reconcile, and test revenue from the general and sub ledger all the way through to cash and other settlements, delivering up to 100% coverage.

Key benefits

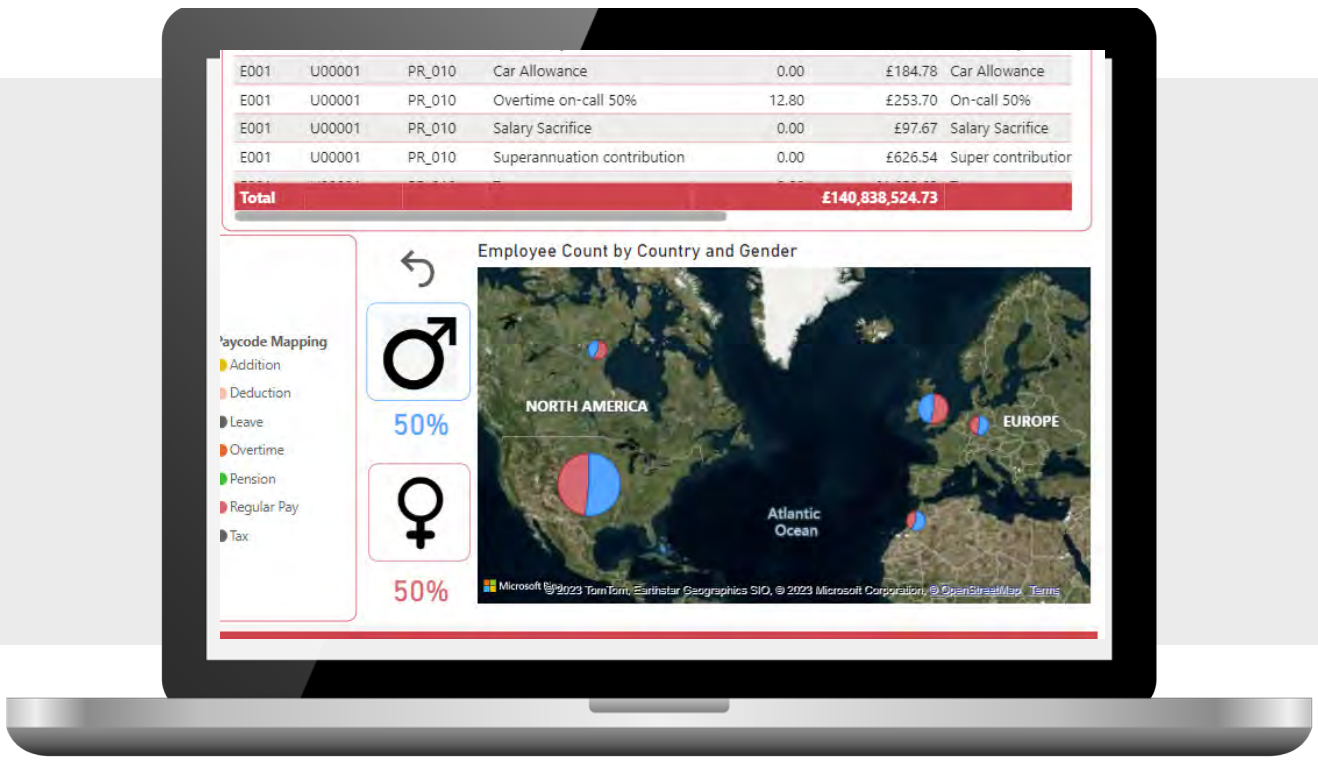
- Greater coverage in the audit of revenue and scalability across multiple entities and jurisdictions.
- Analytics and intuitive outputs through data visualisation that provide insights into the revenue cycle by highlighting anomalies and allowing target based risk testing to be conducted.
- Deeper understanding of the processes and controls in the organisations we audit.



Group Scoping

We continue to drive innovation in every aspect of the work we perform. Group Scoping is our intelligent tool that performs group scoping by considering different scenarios and quantitative factors to obtain the most optimal audit coverage across the group, all in real time. From here, we can plan our audit procedures rigorously to address the audit risks for the balances in scope. In FY24, ISA 600 (Revised) changes have required us to further enhance our Group Scoping technical capabilities to ensure our teams continue to plan rigorous audit procedures in the most innovative way.

- Automated scoping of components to reduce the extent of manual intervention and likelihood of human errors.
- Instant and continuous transparency into our scoping decisions and gives clarity over our important audit judgements by clearly visualising and articulating the results.
- Continuous updates to the audit plan as balances change over time.



HC Payroll

HC Payroll is our system-agnostic data technique that can be used in support of the audit approach over staff costs. Through this tool, we are able to test 100% of employees' basic pay, PAYE, NI and other costs, and reconcile it to cash. Additionally, a number of risk assessment and fraud response tests are also incorporated for our audit teams to consider.

- Analysing 100% of employee costs.
- Interactive dashboards enable further risk assessment through data visualisations.

Using Artificial Intelligence (AI)

Generative AI

In response to the ever-evolving landscape of technology and business, we have developed a GenAI Hub in Audit. This is a team of data and computer scientists and audit Subject Matter Experts, who are wholly dedicated to deploying and scaling GenAI across our audits.

The Hub uses existing GenAI tools available in the market to boost productivity with a strategy of GenAI for all. The Hub developed a proof of concept for ChatPwC, focussing on prompt engineering and validation practices to support the scaling of approaches such as document summarisation, analysis and drafting initial process documentation.



Case study: ChatPwC

We continue to drive innovation in every aspect of the work we perform and in FY24 we have focused our view on where AI can be applied across Audit. One GenAI tool that we have rolled out is ChatPwC.

ChatPwC is an intelligent assistant that uses generative AI to respond to text-based questions within a secure PwC environment. It is capable of engaging in diverse conversations and answering a wide array of questions, thanks to the extensive knowledge it has acquired from being trained on large volumes of text data. This makes it a versatile tool for various applications. ChatPwC does not use prompts or responses to train the underlying model and it doesn't learn from usage.

As part of an initiative to explore GenAI usage in audit, a competition was set up in summer 2023 within our Audit practice with a chance for our auditors to get early access to ChatPwC. The goal was to generate ideas of how AI could be used on our audits. The competition received over 200 applications with over 400 ideas generated, demonstrating the energy and excitement there is around the power of technology within our firm. A second competition in January 2024 generated many more ideas and resulted in 1,000 of our auditors having access to the tool as part of an expanded pilot.

Alongside this, our audit practice set up the Audit GenAI Hub, which is a dedicated team made up of audit subject matter experts, data scientists and innovation managers focused on exploring the potential of GenAI in the audit and scaling potential use cases. This group is spearheading the GenAI vision, generating tools and prompts for the audit practice to help drive adoption. Our Digital Lab now has a section for GenAI prompts and offers our people a library of standard prompts to assist them in getting the most from the technology. The Hub has also launched a Vodcast series, which releases regular updates about our GenAI strategy within Audit and what is to come in the near future.

Through our GenAI for All strategy within Audit, every auditor can now have access to ChatPwC, and can use a range of approved GenAI use cases on their engagements. However, there are a number of important considerations that must be applied, which include where GenAI can be used, what GenAI technologies are allowable (ChatPwC and Github Copilot for audit) and the clear documentation needed where it has been used.

The recent advancements in GenAI highlight the importance of our human-led, tech-powered global strategy. While the benefits are undeniable, we continue to foster a culture of responsible AI at PwC with our people leading by example through ethical, transparent and responsible use. To access the tools, all Audit staff must complete specific training which deals with the fundamentals of GenAI and the Audit business rules for its usage, as well as training that helps get the most out of GenAI through prompting.

While GenAI can help augment skills, we maintain professional scepticism over the outputs and perform all necessary quality reviews. As GenAI continues to evolve, ongoing learning and development is critical to maximise knowledge, skills and effectiveness while also improving awareness and professional judgement in identifying GenAI-related risks and mitigation strategies.



Key features of ChatPwC:

- A user-friendly interactive chat interface integrated with Azure OpenAI services.
- Ability to upload a document to provide additional context to the model.
- Secure PwC environment.

Functionalities/use cases:

- Providing answers to specific questions.
- Summarising text and documents in specific styles.
- Drafting emails, templates, data requests.
- Summarising notes into a list of key takeaways.

Building trust

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Building trust

We are operating in a complex, ever-changing and challenging environment with a wide group of stakeholders. There is a growing demand for robust independent assurance and insights across organisations' non-financial information, with stakeholders calling for reporting they can trust on in both established and emerging areas. Our approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. Our approach combines expertise in audit and compliance activities with a drive to expand specialist capabilities in other areas.

As stakeholder expectations continue to evolve, we remain committed to invest in the development of our people and technology. We are able to provide robust, high quality assurance over a broader range of reporting.

Our teams are dedicated to work with the stakeholders to understand their needs, both on the assurance of today and tomorrow.



Non-financial assurance

Providing assurance over ESG, regulatory, third party and other non-financial reporting

Organisations are now being judged on much more than just their financial performance. Information on areas such as ESG, regulation and technology play an important role in helping stakeholders to understand an organisation's risks and opportunities, and the actions that management is taking to address them.

Bringing our purpose to life



Corporate reporting is the first port of call for many stakeholders, which means non-financial reporting needs to be relevant, reliable and trusted.

In response to this changing environment companies are continuing to expand their corporate reporting to meet the increasing demand for more information and to respond to more complex reporting requirements, creating a gap between the information organisations report and what is assured.

One particular area of focus is sustainability reporting. In our view, clear, accurate and consistently reported sustainability information, over which there is high quality assurance, is a public interest priority. It is also important for economic growth in the UK, which is underpinned by trusted information. We were, therefore, pleased that the FRC recently chose to conduct a Market Study focused on understanding and addressing the challenges in the market for sustainability assurance.

In our view, if the UK is to be competitive in international markets and meet stakeholder needs, it needs to endorse a suitable sustainability reporting framework and have that reporting assured to a recognised standard by an independent assurance provider that is subject to an appropriate regulatory regime. Without this, the UK risks falling behind global competitors, not meeting the needs of stakeholders, and consistently failing to address the broader public interest.

As a firm, we continue to invest in our people, skills and technology to address the demand for independent, robust assurance over non-financial information that is in the public interest.

A summary of the non-financial services currently being delivered from our Audit Line of Service, in line with the Ethical Standard for permissible work, are outlined below.



ESG assurance



The ESG regulatory environment is rapidly evolving, with requirements such as those relating to the EU Corporate Sustainability Reporting Directive (CSRD) proving to be both a challenge and an opportunity for companies.

We work as one integrated financial and non-financial assurance team, combining deep sustainability subject matter expertise with audit know-how to deliver robust assurance outcomes over disclosures and related measures.

To transparently demonstrate the rigour of what we do, we provide a ‘long form’ reporting opinion, the same as for the financial audit. Our report clearly identifies the materiality we have applied to form our opinion, the areas we have focused on, the work we have done on these areas and findings arising from our work.

The ESG measures we currently assure include:

- Sustainability and carbon reporting**

Making sure that reports of the organisations stand up to rigorous scrutiny. This is about more than just data – it is about challenging the measures and context they are using to tell the story of your progress and ensuring compliance with the relevant reporting standards.
- Diversity and inclusion reporting**

From reporting on gender pay to equal employment opportunities, stakeholders expect organisations to be creating an equitable, inclusive and progressive workplace. We’ll make sure you can stand behind this information.
- Social impact reporting**

Providing assurance over how companies are measuring the positive impacts their actions are having on society.
- Supply chain management reporting**

Providing assurance that organisations understand and control your supply chains. From Health and Safety data to waste and water usage.
- Green, social and sustainable financing**

Checking that investors funds are deployed in the manner intended.
- Corporate governance**

Making sure companies have adequate processes and controls over the governance considerations that matter most to your stakeholders – and that those processes and controls are working as intended.

94%

of investors believe corporate reporting on sustainability performance contains some level of unsupported claims (up from 87% in 2022), including 15% who think they are there to a “very large extent”.

The proportion who said unsupported claims are present to a moderate or greater extent is up one percentage point on last year at 79%.

[PwC 2023 Global Investor Survey](#)¹

¹ Source: <https://www.pwc.com/gx/en/issues/c-suite-insights/global-investor-survey.html>

EU Corporate Sustainability Reporting Directive (CSRD) assurance

CSRD is European Union (EU) legislation requiring significant disclosures on Environmental, Social and Governance matters. CSRD is the first and most comprehensive set of mandated sustainability reporting standards to be required by regulators, requiring some 50,000 companies – approximately 10,000 outside of the EU, including the UK – to report more about their sustainability performance than any other piece of regulation to date.

CSRD reporting and assurance is mandatory and will be phased in over the next few years, with some of the first UK organisations impacted for 2024 calendar year ends. It requires that companies in scope report a comprehensive set of information on a wide range of metrics and qualitative disclosures. The scope covers areas such as workforce, communities and business conduct in addition to the environment, and includes ESRS and EU taxonomy. Independent assurance is required and provided on:

- the process to identify the information to be reported (referred to as the Double Materiality Assessment); and
- compliance with the disclosure requirements of the European Sustainability Reporting Standards (ESRS), EU Taxonomy Regulation, and compliance of the Sustainability Statement with European Single Electronic Format Regulation.

More information on how we provide assurance over ESG (including CSRD), third party, regulatory, and other non-financial reporting can be found on our [Non-financial assurance page](#)¹.



¹ Source: www.pwc.co.uk/services/audit/non-financial-assurance.html

Third-party assurance



Service providers are increasingly judged on more than just the services they provide.

Customers of service providers are exposed to a broader and evolving set of risks such as operational resilience, cyber attacks, data loss, regulatory compliance, sourcing and the potential use of slave labour. Customers are demanding greater transparency on how service providers are responding to and effectively managing these risks. Global regulation around areas such as Operational Resilience continue to increase the focus on the role of third party service providers.

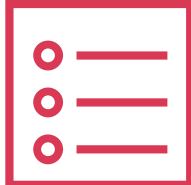
We provide assurance and reporting over:

- financial services businesses, from assuring the financial controls of asset and wealth managers and supporting platforms, through to the technology and resilience systems of clearing, settlement and exchange intermediaries (SOC1, SOC2, ISAE3402 and AAF);
- IT systems and platforms, including assurance over market infrastructure, eCommerce, fulfilment and logistics platforms;
- critical business systems, such as payment infrastructure and payroll systems;
- cyber security systems, assuring resilience, privacy and security controls;
- emerging risks, such as those associated with the use of artificial intelligence, cryptocurrencies; and
- supply chain, covering service levels, sustainability and regulatory/legal commitments.





Regulatory assurance



In today's increasingly complex and innovative marketplace, adherence to regulation is of paramount importance for organisations, particularly in the financial services sector. As regulations evolve to respond to changing risks and products, stakeholders demand higher levels of transparency, accountability and trust. Independent audits play a pivotal role in providing assurance regarding compliance with these regulations, offering valuable insights to organisations and their stakeholders. Whether mandated by regulatory bodies or undertaken voluntarily, audits can have numerous benefits that go beyond simple compliance verification.

We provide assurance over regulated activities, including:

Client assets and money

For authorised investment firms, we scrutinise the processes and controls that are being operated to ensure their clients' funds are being adequately segregated from their own.

Benchmarks and indices

Nearly three million benchmarks and indices are in use globally. They are so embedded and trusted to the point their failure could pose a systemic risk to certain markets, or at least pose a risk to consumers. We test policies, processes and controls to make sure organisations produce indices transparently and in accordance with their methodologies; avoid conflicts of interest; and play their part in protecting customers and investors.

Safeguarding

For authorised Payment Institutions (PI) and Electronic Money Institutions (EMI), we scrutinise their ability to protect customers' funds.

Prudential reporting

Risk-weighted assets (RWA) Assurance. Scrutinising the reporting provided to regulators, to assess for compliance with prudential requirements.

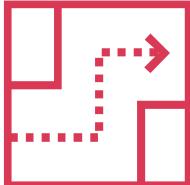
Data privacy

Subjecting processes and controls of organisations to rigorous testing, so regulators can be confident that personal data and sensitive information has been adequately controlled and protected.

Anti-Money Laundering (AML)

Providing assurance to stakeholders that organisations apply appropriately regulatory compliant systems and controls to manage their AML obligations, reducing the risk of money laundering and terrorist financing.

Emerging assurance



As stakeholders are looking for assurance in new and emerging business areas, we will build assurance models to effectively scrutinise and challenge the data, metrics and controls that are being established. When these areas need specific expertise – from AI to blockchain to cybersecurity to social impact to offsets – we engage subject-matter experts from across our firm who bring industry or technical knowledge to help us design the right assurance approach.

Interaction with stakeholders

Investor engagement

We have a dedicated team that works with shareholders and other members of the investment community, including asset owners, asset managers, analysts, corporate governance and stewardship professionals, proxy advisers and credit ratings agencies.

Through this engagement we listen to the views of investors on a range of reporting, regulatory and governance issues facing UK companies, as well as hear their thoughts on assurance matters and the role of the audit profession in their work. This dialogue ensures that we understand the needs and expectations of investors and that we are discussing those issues of most concern and importance. This enables us to help our engagement teams, as well as our clients' executive and non-executive directors, to better respond to shareholder needs.

Some highlights of our investor engagement work this year include the following:

Investor-focused events and publications

We engage with institutional investors, retail investors and analysts throughout the year on relevant and topical issues. These engagements cover a variety of themes including implementing major new accounting standards, tax reporting, audit reform, political developments and climate reporting. Over the course of FY24, we sought investor input into multiple PwC research reports and publications, including our 2023 [Global Investor Survey](#)¹ and our work on evolving the auditor report.

In particular, as part of our ongoing initiative to assess the usefulness and value of audit reports, we engaged with investors through a series of roundtable discussions to gain insights into their utilisation and the value derived from these reports and where they could be improved.

We also hosted investors at PwC's Building Trust Awards (PBTA), and at our Trust and Transparency Forum, which are further described in the "Engagement across stakeholder groups" section below, and a Trust in AI event.

Alongside this, we arranged for investor input and participation in the following panel sessions:

- 'Expanding the role of the Audit Committee' event aimed at non-executive directors and Audit Committee Chairs;
- 'Meet the Experts', Europe's longest running and largest annual conference dedicated to financial reporting aimed at standard-setters, regulators, preparers, industry professionals, and investors; and
- [CFO Quest](#)², our programme designed to prepare future finance professionals as they progress towards Chief Financial Officer roles.

Based on our regular dialogue with investors on the topics most important to them, we have also refreshed our investor events outreach to focus on educational roundtable discussions covering: carbon offsets as part of the net zero transition; Financial Conduct Authorities' Primary Markets Effectiveness Review; and ESG assurance perspectives.

Research and insights

As part of our ongoing work to understand the views of the investment community, we conducted a [Global Investor Survey](#)¹ in August 2023. A UK extract of the survey was issued in February 2024, with 102 investment

professionals and analysts focused on the UK market responding to the online survey. The survey ran in tandem with in-depth conversations we held over August and September 2023, to obtain qualitative insights from the investor community and enhance the survey. Some key findings from the survey are also outlined below:

Impact of sustainability risk and opportunity

The survey found that, in particular, transparency on the impact of sustainability risk and opportunity was important to investors' decision-making, however there are still improvements to be made in closing the reporting trust deficit in this area, i.e. where investors' concerns around greenwashing are eroding trust in what companies say they are doing to address the sustainability risks and opportunities facing their business. Investors are also pressing to understand how companies embed sustainability into their decision-making.

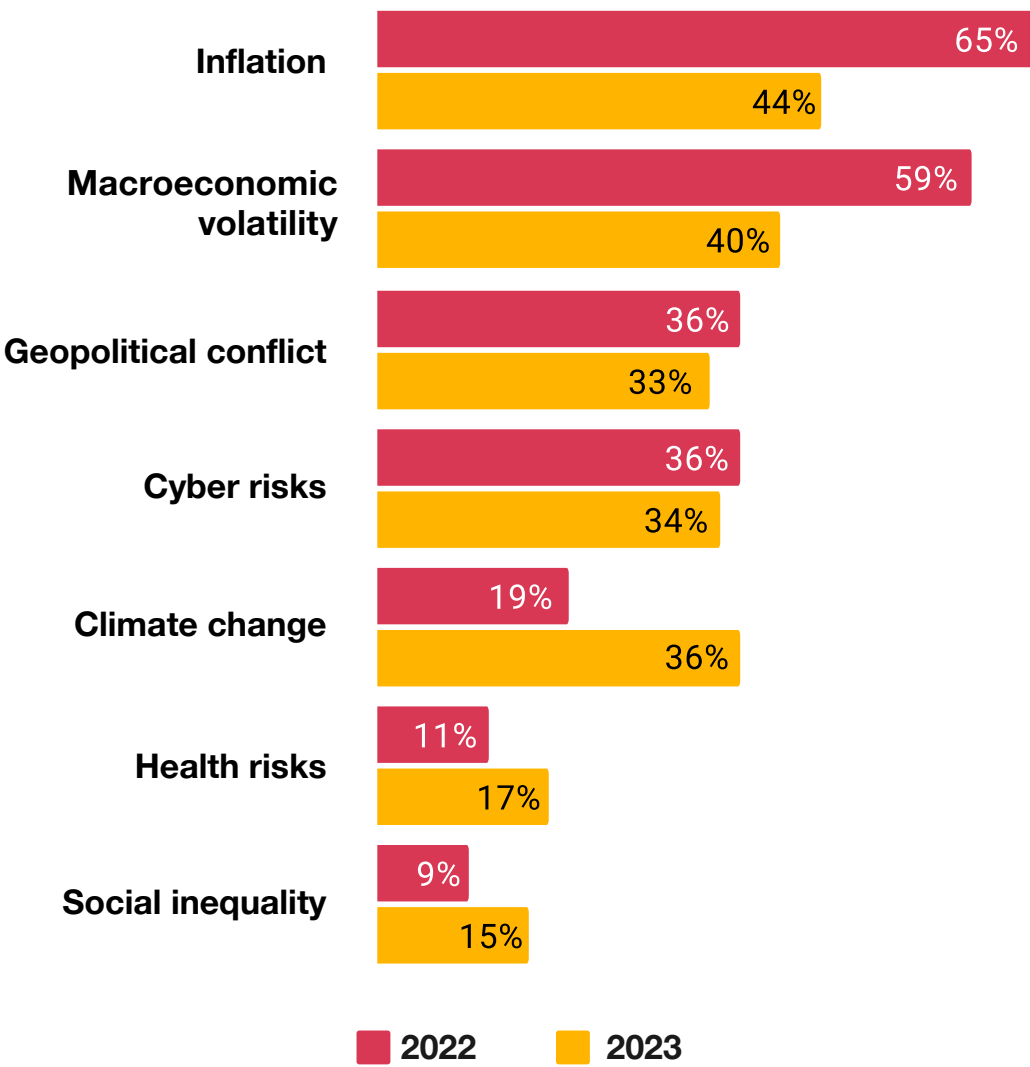
"It may not be possible to report all information to an assurable standard, or on the same time scale of an Annual Report yet. But I think that has to be the goal."

UK based investor

Navigation of complex operating environments

The survey found that investors want to understand how companies are navigating today’s complex operating environment. Investors’ worries about macroeconomic volatility and inflation have declined from last year’s high levels, although these risks remain significant relative to others. Investors’ concerns on the near-term threats of climate change and social inequality grew this year, highlighting a shift in focus – the biggest change in risk perceptions since our 2022 UK Investor Survey.

Share of respondents who think companies will be highly or extremely exposed to near-term threats in the next 12 months:



The impact of new technologies and business reinvention

Investors ranked innovation and emerging technologies (including AI, the metaverse, and blockchain) among their top priorities when evaluating companies, with 64% saying that faster adoption of AI within companies they invest in or cover is very or extremely important.

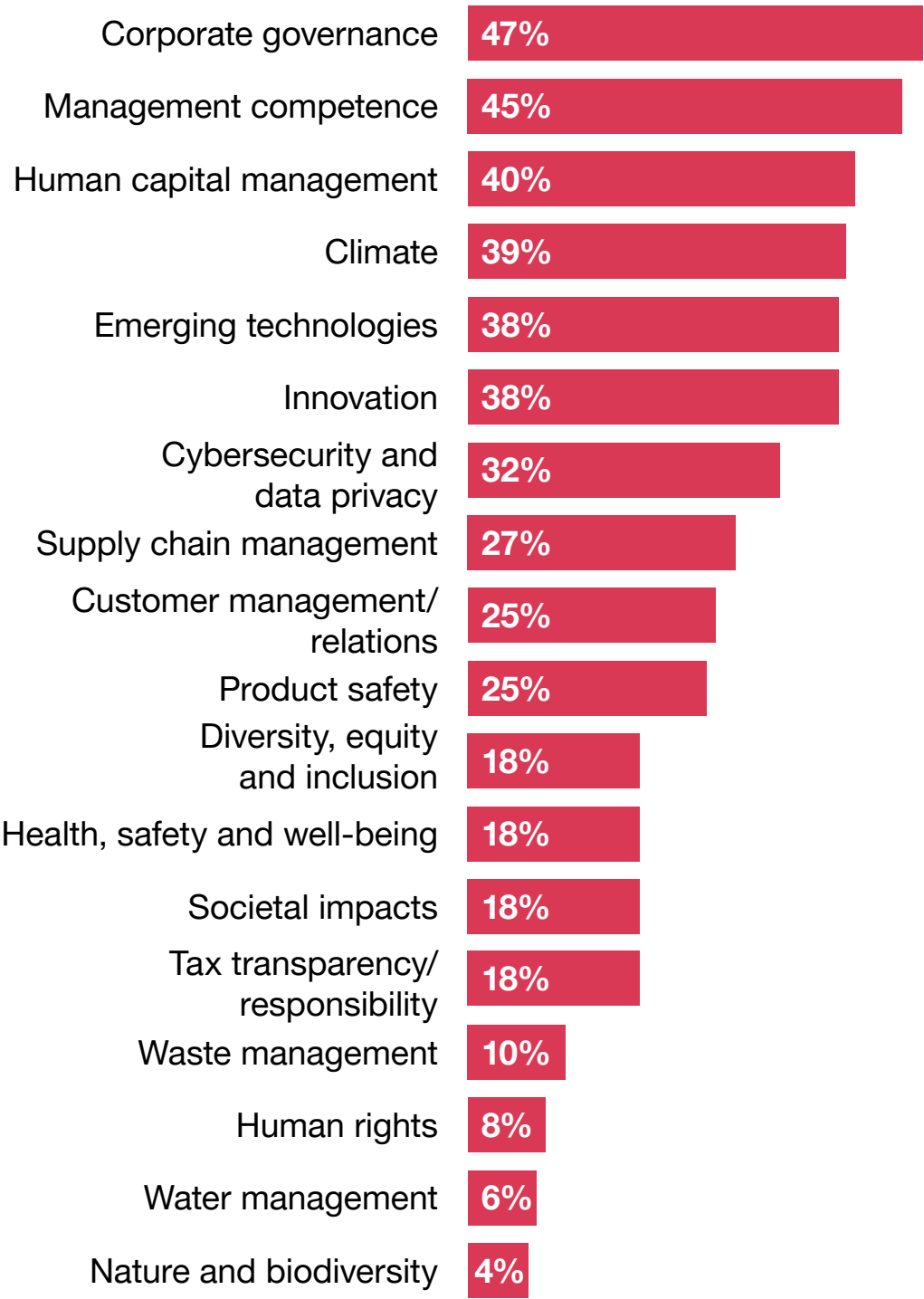
Investors also perceived considerable challenges for businesses in the adoption of AI. Investors highlighted data security and privacy, insufficient governance and controls, misinformation and bias and discrimination as their most concerning risks with AI adoption.

Overall, investors identified technological change as the most likely factor to influence how companies create value over the next three years and that reporting on the use and deployment of new and emerging technologies was important to their investment analysis.

A focus on corporate governance, management competence and human capital management

Investors are focused on multiple factors when evaluating companies — driven by differences in industry, region and personal or client preferences. Against this backdrop, companies should focus on those issues material to their business.

The top three considerations for investors are corporate governance, management competence, and human capital management.



Corporate Reporting Users’ Forum (CRUF)

We continue to provide secretariat support to the CRUF in the UK and across their global network. The CRUF is a network of investors and analysts engaged in debates about accounting, governance and regulatory issues. As secretariat, we provide administrative support for meetings, liaise with standard setters and regulators to facilitate the submission of comment letters and provide assistance on technical points when requested. This year we have continued to help the CRUF raise awareness of the group and their views on reporting.

Ongoing dialogue between the investment community and partners

Over the last year experienced partners have met with shareholders, analysts, investors, corporate governance and stewardship professionals across a number of sector specialisms. Through one-on-one meetings, various technical topics were discussed, including audit reform, corporate reporting, accounting standards, AI and sustainability-related matters including climate reporting. The strong relationships and open dialogue we have with the investment community enable high quality engagement on a range of topics of mutual interest.

Detailed dialogue on climate risk in the financial statements and audit

Investors are demanding that companies provide greater transparency on their emissions, more detail on their environmental strategies, and further insight into how climate change will impact their business in the future. Furthermore, they are demanding more transparency from auditors on how climate risk has been considered in their audits.

Investors’ steadfast interest in ESG and sustainability investing is predominantly driven by the regulatory environment and potential to protect returns. Our 2023 UK Investor Survey revealed that 70% of survey respondents believe that companies should invest in addressing ESG issues even if it reduces short-term profitability. However, more than half (56%) of CEOs from this year’s [UK CEO Survey](#) say their climate efforts are inhibited to some extent by concerns about lower returns on climate-friendly investments.

¹ Source: <https://www.pwc.co.uk/ceo-survey.html>

For premium listed companies there are mandated climate-related disclosures, and other businesses are now also choosing to include climate-related statements in their reporting. With the embedding of new regulation, businesses must navigate their way through layers of complexity in order to ensure clarity and transparency.

Climate risk has remained a critical area of audit focus over recent years and we have made significant strides in responding to the growing expectations in this area, including:

- providing all of our qualified auditors with training on climate-related risks and their impact on the statutory audit;
- encouraging the sharing of knowledge through our audit climate change industry networks;
- setting up a climate audit technical team to provide practical support to our people; and
- engaging in ongoing dialogue with Carbon Tracker and authors of the 'Flying Blind' series of reports.

From a policy perspective, below are some of the actions we have taken in recent years:

- mandatory consideration of climate-related risks in all audits; and
- policy requiring specific reference to our audit work on climate in our extended audit reports.



Audit committee engagement

Throughout our audits and other engagements, and through specific events, initiatives and publications, we have regular dialogue with audit committees (those charged with governance) to understand their needs and expectations and to inform them of the latest developments in audit, reporting and broader regulatory matters.

Some of our key areas of audit committee engagement include the following:

Regular reporting to audit committees at the organisations we audit

When reporting to audit committees and those charged with governance in organisations where no audit committee exists, we place particular emphasis on communicating our audit scope and approach, together with our assessment of audit risk. During the course of the audit we communicate threats to auditor objectivity, including independence, the significant risks and judgements that impact the reported financial performance and position, and the manner in which the information is presented in the Annual Report.

This includes highlighting judgements made by management in preparing the financial statements, that we believe are important to an understanding of the performance and position being presented. The nature of accounting and the need to make judgements and estimates means that there is often not a precise answer, and this is reflected in our reporting. It is also our role to inform the audit committee whether we can conclude that what is reported externally is true and fair within established norms of materiality, including considering both qualitative and quantitative aspects of accounting and reporting.

We are continuing to engage with audit committees on the potential implications of the planned reforms to the UK's audit and corporate governance regime, and await further details from the Government to understand the details underpinning the reform in due course.

Audit Committee Network

The role of the Audit Committee is becoming more challenging due to increasing demands from regulation and an expanding risk environment. The PwC Audit Committee Network supports Audit Committee Chairs and members in an ever changing market landscape. We offer a series of workshops designed for Audit Committee Chairs and members. Our workshops include updates on regulatory, accounting and corporate reporting developments, as well as other topics high on the Audit Committee agenda. Further information can be [found here](#)¹.

The Spring Report

[The Spring Report](#)² is the result of a project initiated by the Audit Committee Chairs' Independent Forum (ACCIF) and published in June 2023, which convened experienced Audit Committee Chairs, auditors, and FRC executives with the goal of considering ways to enhance audit quality. PwC participated in the project and provided secretariat and logistical support.

One year later, ACCIF has initiated a follow-up review to assess the report's impact and identify further actions, with PwC participating and actively supporting.

Engaging across stakeholders

We continue to conduct or participate in a number of events and initiatives that bring together various stakeholders, these include:

PwC's Building Trust Awards

PwC's Building Trust Awards (PBTA) are a celebration of those UK companies who best communicate with their stakeholders in a transparent and engaging way. The awards have a rich history of engagement with the investment community with many of the foundations of our criteria based on research carried out with investors around what they consider to be key components of good reporting. Every year selected investors also form part of our judging panel taking the PwC suggested shortlists and debating them to provide an ultimate winner. We also host investors at our awards event and host them on panel discussions at our sector-specific presentation workshops. Further information on the PBTA can be found on our [website](#).³



Trust and Transparency Forum

We actively invite members of the investment community, alongside Audit Committee Chairs, non-executive directors and other stakeholders, to our Trust and Transparency Forum. The most recent forum was held in November 2023 and is an important part of our commitment to transparency and building trust in our approach to audit.

At the forum, guests have the opportunity to hear from our people, including our leadership team, on multiple topics, such as climate reporting and the use of technology, our commitment to audit quality and the future of audit and assurance.

¹ Source: <https://www.pwc.co.uk/who-we-are/the-leadership-exchange/the-audit-committee-network.html>

² Source: <https://accif.co.uk/ACCIF%20-%20The%20Spring%20Report%20-%20full%20Report%20June%202023.pdf>

³ Source: <https://www.pwc.co.uk/who-we-are/pwc-building-trust-awards.html>

Policy and Reputation Group (PRG) and Centre for Public Interest Audit (CPIA)

We have demonstrated our contribution to continuous improvement in the audit profession as follows:

- **PRG:** We are active participants in the PRG, a group made up of representatives from the seven largest UK Audit Firms, plus an observer from a Group A firm and representatives of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants of Scotland (ICAS). The PRG meets frequently to consider evolving public interest issues and how these might be addressed to help maintain confidence in the profession to support the UK economy, and to participate constructively in shaping public policy.

A regular meeting is also held between the PRG and the UK's largest regulators and Government, to discuss public policy matters, including the FRC, FCA and Department for Business and Trade.

- **CPIA:** We, along with the other PRG firms, ICAEW and ICAS have recently supported the establishment of CPIA to support best practice in auditing public interest entities, advance knowledge and education in relation to auditing public interest entities, support newer entrants into the public interest entity audit market, and to provide thought leadership on matters that impact the quality of audits of public interest entities.

Professional bodies

We have significant involvement in numerous committees and working groups within ICAEW and ICAS.

Membership of these groups is drawn from across the firm, ensuring we bring a wide variety of knowledge, skills and experience to contribute to addressing issues that are important to the accounting and auditing profession.

External reporting

The form and content of our audit reports for UK entities are laid down by UK legislation and the FRC. These can be tailored to ensure we are providing high quality, relevant reporting.

We are committed to making our reports clear and unambiguous. Extended audit reports provided to a range of organisations, including all listed entities, include descriptions of: how our audit was scoped; how we addressed the risks of material misstatement that we identified; and our application of materiality in determining the nature, timing and extent of our audit procedures and evaluating the effect of misstatements.

These extended audit reports provide us with the ability to 'tell the story of our audit' in a meaningful and informative way to enhance users' understanding of the financial statements.

For UK Public Interest Entities as defined by the Ethical Standard the extended audit reports also include increased transparency on our independence including:

- a declaration that the non-audit services prohibited by the Ethical Standard were not provided and that the firm remained independent of the entity in conducting the audit;
- an indication of any services, in addition to the audit, which were provided by the firm to the entity and its controlled undertaking(s) and which have not been disclosed in the Annual Report or financial statements; and
- disclosure of our period of tenure.

We welcome, fully support and embrace the moves towards greater transparency over the audit process that results from these extended audit reports.

Sometimes it is necessary for us to modify our audit opinion, or to include details of a material uncertainty in respect of going concern. In such cases, engagement teams consult with others, including technical specialists, to help ensure that the modification/emphasis is warranted and that the audit report wording is clear. In addition to our audit report, in certain situations we also have reporting obligations to regulators and to other organisations specified by auditing standards and/or UK law and regulation, such as the Financial Conduct Authority and the Prudential Regulation Authority.

Communicating with our Public Interest Body

The feedback and insight received from our stakeholder engagement activities informs the regular updates provided to our governing bodies, including our PIB. Over the last year, key topics such as corporate reporting and governance, ESG, climate risk in the financial statements and audit transparency have been discussed with the investment community and included in the briefings provided to the PIB so that these topics can be discussed amongst the executives and Independent Non-Executives at their regular meetings.



Appendices

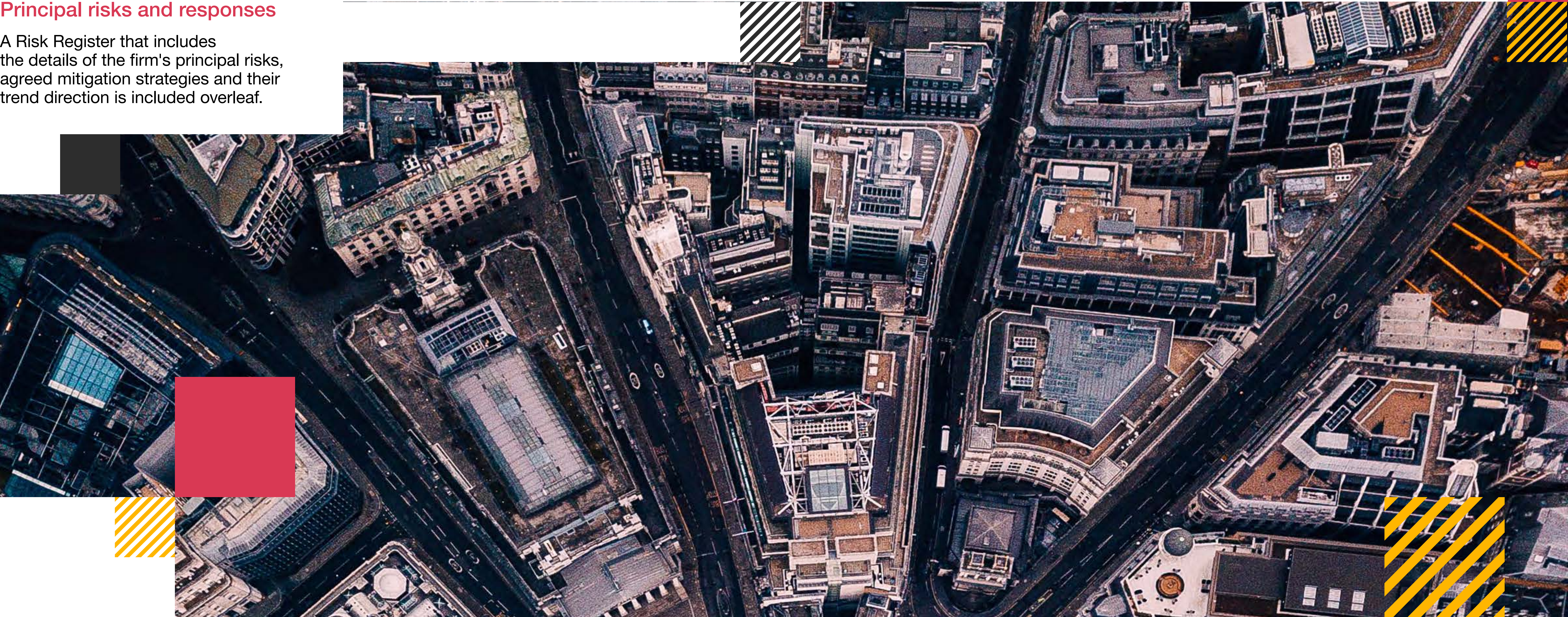
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Appendix A: Risk Register



Principal risks and responses









A Risk Register that includes the details of the firm's principal risks, agreed mitigation strategies and their trend direction is included overleaf.












| FY24 | | | Risk trend direction | | |
|--|---|---|---|---|---|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
| Externally influenced | | | | | |
|  Regulatory developments impacting the business Failure to identify, prepare for and adapt to further significant regulatory changes on our business and the competitive landscape. | <ul style="list-style-type: none">Continuing regulatory focus on large multidisciplinary firms with a sustained level of interaction with and supervision from regulators.Continued expectation that ARGAs will be created. | <ul style="list-style-type: none">Regular engagement and direct interaction, where possible, with governmental bodies and regulators to understand objectives, provisions of changes and the implications for our businesses.Regular/continuous monitoring of the cumulative impact of changes in the regulatory environment on the firm's ability to provide services to audit clients.Regulatory affairs specialists who lead the firm's efforts to track all changes in applicable regulatory regimes, of whatever origin, under which the UK firm operates.Regular updating of the firm's processes and procedures to ensure compliance by all our people, on all our clients, with all applicable regulations.Business contingency planning. |  |  |  |
|  Geopolitical & macroeconomic risk Failure to adapt our strategy in response to geopolitical and macroeconomic shifts resulting in failure to achieve growth and/or challenges to our ability to service our clients. | <ul style="list-style-type: none">Political and economic volatility continue globally fuelled by elections in major democracies and ongoing conflicts in the Ukraine and Middle East.Expectation that activism in the UK will increase over socioeconomic and geopolitical issues. Cost of living crisis continues to be a key focus.Tensions between the US and China expected to continue. | <ul style="list-style-type: none">Regular engagement with experts and the PwC Network to understand the changing political landscape.Standing agenda points on Management and Executive boards, with regular expert opinion sought.Ongoing monitoring of sanctions (global and UK) continues.Support provided by Business resilience teams for travel and security risks. |  |  |  |
|  Public perception and reputation Failure to: <ul style="list-style-type: none">Respond in an impactful and transparent manner to relevant UK or global issues raised, in particular to those which contain a public interest or moral dimension, and/or are perpetuated by adverse media coverage which impacts the firm's reputation; orAppropriately manage the firm's reputation by not proactively positioning the firm's communications. | <ul style="list-style-type: none">Risk of negative sentiment as scrutiny of the audit profession continues to be a driver of media coverage.Risk of damage to the UK firm's reputation through negative media coverage of issues, litigation or regulatory enforcement in PwC Network firms.Continuing expectations from society that as a large organisation we deliver tangible actions in relation to key issues of public interest such as D&I and ESG.Navigating polarised issues in a time where employers are becoming more of a trusted source of information and are expected to take a position on issues of the day.Clear communications required to manage the transition to a new leadership team against a backdrop of disruptive technologies and uncertain market conditions. | <ul style="list-style-type: none">Embedding a culture of 'doing the right thing' from the top to the bottom of the organisation with an emphasis on individual accountability for reputational risk.Engaging in open and serious debate with network territories and relevant stakeholder groups on trust-related and public interest issues to inspire change.Sharing of knowledge and insights on trust to sustain, widen and enrich the discussion.Actively promote the firm's positive contributions including those to our clients, our people and to broader society e.g. through our commitments to net zero, D&I and social mobility. |  |  |  |





| FY24 | | | Risk trend direction | | |
|---|--|--|---|---|---|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
| Evolving the firm | | | | | |
|  Evolving client services and products Failure to stay relevant, to invest and evolve services/products including leveraging technology, data and alliances to meet changing market and client needs, which could lead to poor business performance and negatively impact our brand. | <ul style="list-style-type: none"> Evolving client needs requiring us to identify changes, be agile and adapt at speed. This is increasing as we move into new products and services. Increased demand for Execution Managed Services from clients. Potential for new services to lead to increased regulatory and independence requirements. The market dynamics continue to be challenging in some areas due to macroeconomic uncertainty, but still contain opportunities for growth and competitive advantage. | Well-established procedures for responding to changing client needs, including: <ul style="list-style-type: none"> Monitoring of business dynamics and client trends; Upskilling programme to provide partners and staff with enhanced business and commercial skills; Management Board review and consideration of new client service and product offerings; Client Committee involvement in acceptance of higher risk engagements and new significant offerings; and Markets & Services Leadership Team (MSLT) in place to execute go-to-market strategy. |  |  |  |
| | | | | | |
|  Evolving delivery models and collaboration with third parties Failure to evolve and manage resilient delivery models, including appropriate use of Service Delivery Centres, Alliances and third parties leading to quality issues, delivery disruption, financial and/or reputational risks. | <ul style="list-style-type: none"> Focus on improving efficiencies and evolving the way we deliver client services. Increased reliance on resilience/business continuity of entities providing services to our clients from entities outside PwC UK. Increased demand for non-core skills and services to be provided by third parties in the delivery to clients. Increased use of alliances as part of our services to clients. | <ul style="list-style-type: none"> Firmwide process for reviewing new delivery models to identify and address relevant risks. Internal focus on relevant on-boarding and operating processes and procedures. Established a third party risk management approach to ensure risks associated with third parties are identified and managed throughout the lifecycle of engagements. Launched EMEA Alliance Impact Centres to provide advice and guidance on integrated solutions and how to apply them to clients. |  |  |  |
| | | | | | |

| FY24 | | | Risk trend direction | | |
|--|---|---|--|------|------|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
| Operational | | | | | |
|  | Audit services delivery quality Significant audit quality failure in the UK firm or the PwC Network due to either: <ul style="list-style-type: none">Engaging with an inappropriate client;Inadequate delivery of services; or leading to a potential service failing, reputational risk, litigation and/or regulatory action. | <ul style="list-style-type: none">Delivering consistently high quality audits remains a core focus of our business as usual activities. The steps we take to ensure we deliver high quality audit services are set out in our Audit Quality plan (AQP).There is continued regulatory scrutiny and challenging litigation environment in the audit market.Careful consideration of organisations as part of the acceptance process will continue to be important.Continued exposure to issues arising from other firms in the PwC Network such as potential quality failures and the response to these by non-UK regulators, which may result in contagion or delivery risks for the UK. | Internal quality management systems, including: <ul style="list-style-type: none">Regular reporting on audit quality and internal quality control procedures to various governance committees including the Audit Executive, the Management Board, and the Audit Oversight Body;Client engagement and acceptance processes, including the Audit Tender Acceptance Process and Client Committee;Annual Quality Management for Service Excellence testing of policies, processes and controls relating to audit quality;Real-time support for engagements through Real-time reviews of active engagement files;Continuous Improvement team focused on root cause analysis, dynamic issue identification and action planning;Quality reviews of PwC Network firms, including the UK firm; andMonitoring and review of key performance indicators by various governance groups including the Executive Board and the Audit Oversight Body. | | |
|  | Non-audit services delivery quality Significant quality failure in the UK firm or the PwC Network due to: <ul style="list-style-type: none">Engaging with an inappropriate client; or,Inadequate delivery of services, leading to a potential service failing, reputational risk, significant cost to remedy, perceived or actual conflict of interest, litigation and/or regulatory action. | <ul style="list-style-type: none">More challenging external environment leading to increased competition and greater likelihood of higher-risk engagements across the portfolio.Increasing complexity of the work we are performing, the client situations we are supporting and the length of contracts.Execution Management Services, which can have different risk profiles to other types of typical services, continues to expand as part of the business.Increase in public / regulatory scrutiny over our management of perceived conflicts of interest arising from the provision of non-audit services to audit clients.Increased use of technology to deliver services or licensing of technology to clients.Evolving skills and resources needed to deliver specific engagements, in particular technology and data.Network failures may result in some contagion risk for the UK. | Internal quality management systems, including: <ul style="list-style-type: none">Recruitment standards and staff development procedures;Client engagement and acceptance processes, including Line of Service Panels and Client Committee;Client engagement standards supported by methodologies and tools;Continue to establish quality policies, processes and procedures;Monitoring and reporting of higher risk engagements, including use of Delivery Governance Forums;Firmwide Quality Partner (QP) programme;Quality reviews of PwC Network firms, including the UK firm; andMonitoring and review of key performance indicators by various governance groups including the Executive Board. | | |

| FY24 | | | Risk trend direction | | |
|--|---|---|---|---|---|
| | Risk landscape | Mitigations | FY22 | FY23 | FY24 |
|  Information and cyber security Failure to adequately protect the firm's technology landscape through the design, implementation and maintenance of information security capabilities, including security awareness which could lead to: <ul style="list-style-type: none"> • Intentional leakage of the firm's or our clients' confidential data by threat actors; or • Reduced defences against ransomware attacks. | <ul style="list-style-type: none"> • The threat landscape is continuously evolving with AI adding a new vector, requiring us to continually enhance our cyber defences. • Geopolitical turbulence continues, increasing the risk of cyber warfare. • Increased reliance on technology to deliver services leading to a greater risk of cyber security threats. • Access to greater volumes of data from clients could put the firm into a target position. | <ul style="list-style-type: none"> • Cyber Committee chaired by a member of the Executive Board, which provides overall strategic direction, framework and policies for information security. • The firm operates an ISO/IEC 27002:2013 certified information security management system which includes: <ul style="list-style-type: none"> – Governance – including policies, processes, leadership (Cyber Committee) and assessment for client data and other information; – Mandatory security education and awareness training for all and regular phishing simulations; – Data leakage prevention controls and enhanced controls for high risk groups including FS clients and leavers; – Physical, technical and human resource control; – Threat intelligence; – Incident response capability; – Regular monitoring and independent review systems; – Continual investment in established cyber security controls; – Security awareness and education programmes; and – Monitoring of ISO27701. |  |  |  |
|  Regulatory compliance Failure to comply with relevant independence, legal and regulatory (including sanctions, confidentiality and GDPR) requirements which could lead to regulatory action, financial penalties, reputational damage and/or a client conflict of interest. | <ul style="list-style-type: none"> • The global regulatory environment is more assertive and the financial crime sanctions environment continues to evolve and increase in scope, leading to increased monitoring and reporting to ensure the firm is compliant. • The Economic Crime and Corporate Transparency Act 2023 is expected to materially impact the firm, introducing new criminal offences, and additional filing requirements and requiring new processes and controls to ensure compliance. | Established compliance and independence management systems, including: <ul style="list-style-type: none"> • Clear policies, procedures and guidance; • Regular updating of the firm's processes and procedures to facilitate compliance by all our people, on all our clients, with all applicable regulations; • Mandatory annual training for all partners and staff; • Client and engagement acceptance procedures; • Annual independence and compliance submissions for all partners and staff enforced by penalties for non-compliance; • Ongoing consultation and proactive dialogue with relevant stakeholders given the changing landscape around regulation; and, • Regular monitoring and reporting to the Executive Risk Committee and Executive Board. |  |  |  |

| FY24 | | | Risk trend direction | | |
|---|---|---|---|------|------|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
|  Operating the technology environment Failure to create and maintain resilient IT infrastructure and applications across the technology ecosystem, including third parties and the Global Network, to support the running of the business now and in the future. | <ul style="list-style-type: none"> Complexity of the technology environment is increasing, and will continue to increase at pace, with greater variety and scale of demand for digital assets accelerating our need to work in different ways. Importance of preparing for the IT infrastructure of the future which will aid our ability to serve clients in rapidly changing markets. Increasing reliance on provision of key technologies for core services from other territories within the PwC Network, from PwC Global or third parties. Increase in client expectations around the development and use of our own technology solutions to deliver services, as opposed to using their technology solutions. Inadequate business continuity management plans may result in challenges responding to failure of business critical IT applications. | <ul style="list-style-type: none"> Recovery of critical systems is secured by the use of two PwC Managed MS Azure Cloud distant data centres. If required, failed systems are reinstated at the second data centre, in line with Business Impact Analysis priorities. Continuing programme of testing provides assurance of our ability to rebuild systems from backups. Regular Business Impact Analysis identifies priority applications and recovery order in case of a major outage. Regular reviews of third parties including leadership visits, reviews of offshore facilities, risk assessments for outsourcing and review of IT suppliers. Technology Risk Board in place to approve use of new technology. Active participation in Global governance bodies. Business Continuity Management Team's competency framework and BCMS certified to ISO 22301. Invested in and implemented new business continuity software to be used in conducting Business Impact Analysis to support analysis of technology dependencies. |    | | |
| | People (current) Failure to attract, develop and retain the talent required to deliver against our current people and client needs, including: <ul style="list-style-type: none"> failure to create and maintain a diverse and inclusive culture; failure to support an agile workforce with the flexibility to support changing client needs; failure to promote and support employee wellbeing; and failure to ensure compliance with professional requirements, firm procedures and to police unacceptable behaviour. | <ul style="list-style-type: none"> Evolving expectations of our multigenerational workforce, in particular at the most junior grades, and the increasing use of offshore / delivery models is changing what people expect from the firm as an employer, and what we need our people to do. Importance of a diverse workforce and the risk of not achieving targets set such as a narrowing of pay gaps. Evolving skills needed to deliver services to clients including the increasing need for technologists and the challenge in attracting and retaining them in professional services. Changes implemented by the Home Office on minimum salary requirements for work visas will impact our diversity and location strategies and future workforce approach. | | | |
| | | |    | | |

| FY24 | | | Risk trend direction | | |
|--|--|--|----------------------|------|------|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
|  People (future) Failure to adapt people strategies today to be ready for changes in employee expectations and business models in the future, including: <ul style="list-style-type: none"> • Failure to offer a sufficiently appealing proposition to future talent which restricts our ability to attract and retain the right talent; • Failure to develop the skills and leaders needed for the future business; • Failure to adapt to changing technology and business processes; • Failure to maintain the firm culture in a changing business environment; and, • Failure to implement the strategic workforce planning required to anticipate and adapt to changing people and client needs. | <ul style="list-style-type: none"> • The acceleration of the pace at which new disruptions with profound people impacts come (e.g. technology, including AI and evolving delivery models make it increasingly difficult to define trends and anticipate how the future people model will look. • Expectation that future workforce will need different skills from existing workforce, presenting challenges around recruitment, reskilling and upskilling our people. • Changing needs of clients and the importance of our people continually developing skills (e.g. technology and data analytics) to provide high quality services to clients. • Evolving expectations of employees potentially negatively impacting the attractiveness of the firm and professional services to highly talented individuals. • Societal shift away from traditional career paths is being seen. • Higher levels of experienced recruitment creates potential challenges regarding sustaining our culture and creates potential challenges around our ability to support junior talent in early stages of career development. | <ul style="list-style-type: none"> • People Council, representing a group of diverse backgrounds and roles within the firm, in place to obtain feedback to understand the future needs of our people. • People strategies are regularly reviewed and updated to ensure they are relevant. • Diversity and inclusion targets and action plans in place. • Ongoing reviews of reward and incentives to ensure that they are relevant to the new world of work. • Strategic workforce planning activities performed across the business to plan for the future workforce model. • Identification of new technologies to enable the transition to a skills focused workforce. | New risk in FY22 | ↔ | ↔ |
| | | | New risk in FY22 | ↔ | ↑ |
|  Financial performance Failure to adequately plan for and appropriately respond to the broad financial effects of internal or external forces impacting the business, including macroeconomic developments, changing market conditions and evolving delivery models, resulting in a failure to optimise the business' growth and profitability, appropriately manage its working capital needs and/or withstand a crisis. | <ul style="list-style-type: none"> • Uncertainty arising from the geopolitical and macroeconomic environment remains relatively heightened. Mitigating controls currently in place remain appropriate and proportionate although we continue to monitor this closely. • Expectation of the continuation of a variable trading environment requiring continual monitoring of mitigating controls. • Highly competitive business environment requires careful assessment and investment opportunities to ensure successful execution of our investment growth strategies. | <ul style="list-style-type: none"> • Comprehensive budgeting and planning processes that look forward 3 years across multiple scenarios, covering growth, profitability, resourcing and working capital perspectives. • In times of heightened economic uncertainty, more detailed scenario planning is performed to support timely decision making. • Regular monitoring of the business through the Executive Board, Client & Markets Executive, Regions and Industries, COO, People Partner and Risk forums. Use of forward looking sales, financial and resource deployment forecasts and assessments. • Investment and Client Committees ensuring that only the best opportunities receive funding and that high risk engagements are carefully assessed prior to acceptance. • A Treasury Committee sets and regularly monitors the firm's funding position, foreign currency exposures and cash flows. • Appropriate levels of banking facilities and below the line reserves are maintained, providing additional resilience. • Ongoing focus on working capital management with clear targets and daily monitoring to ensure optimisation. | New risk in FY22 | ↔ | ↑ |
| | | | New risk in FY22 | ↔ | ↑ |

| FY24 | | | Risk trend direction | | |
|--|--|---|----------------------|------------------|--|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
|  Climate and environment (internal) Failure to appropriately mitigate and respond to the impacts of climate change and degradations to the environment on our operations and the UK firm, including preparing for its implications and: <ul style="list-style-type: none">• Failure to transition our own business (including SDCs) to adapt to the impacts of climate change and environmental degradation;• Failure to meet our climate and environmental commitments; and• Failure to comply with regulatory disclosure and other regulatory requirements. | <ul style="list-style-type: none">• Increasing scrutiny from a multitude of internal and external stakeholders on transitioning our business to Net Zero combined with updates to the UK Government’s base estimates for carbon emissions on air travel creating challenges regarding meeting emissions targets in the near-term.• Increasing focus on climate risks arising from our SDCs, especially physical risks.• Increasing scientific consensus that climate change (and causes of this) may increase likelihood of further pandemics, with the potential to cause further climate-related challenges to our business. | <ul style="list-style-type: none">• Science-based commitment to reach Net Zero by 2030.• Voluntary annual Task Force Climate-related Financial Disclosures (TCFD) for the past five years.• ‘Going Circular’ programme to reduce material, water and carbon impacts.• Net Zero Committee in place to consolidate the focus and investment around our Net Zero commitments.• Supply Chain Sustainability programme designed to drive down carbon emissions, with all UK offices now powered by 100% renewable electricity since last year.• Service partners required to commit to SBT as part of the selection process to support supply chain commitments.• Dedicated role of National Energy Manager supporting Corporate Sustainability reporting.• Energy management system certified to ISO 50001 and Environmental management system certified to ISO 14001. | | New risk in FY23 |  |
|  Network risk Risks associated with the PwC Network including: <ul style="list-style-type: none">• Failure to capitalise on the opportunities originating from the Network operating model.• Actions of other Network firms which could result in reputational risks, overseas litigation and/or regulatory action. | <ul style="list-style-type: none">• Potential contagion effect from other PwC Network firm’s actions becoming more prevalent.• Potential of overseas litigation affecting the network and UK firm.• Increasing number of engagements which involve multiple territories and Shared Delivery Centres.• Increasing focus on global technology solutions to be used. | <ul style="list-style-type: none">• Close relationships and regular interactions with key Global and Network stakeholders.• The UK continues to lead and support across the PwC Network, at individual territory, EMEA and Network levels, providing engagement and support as required.• Management board members represent UK firm interests on committees and global forums.• Annual network standard monitoring performed by PwC Global to ensure alignment to network standards.• LoS specific reviews take place at network level to ensure that the UK and other firms are meeting their obligations as a network firm.• The UK firm has an established xLoS team to manage its EMEA delivery ecosystem. | | New risk in FY23 |  |

| FY24 | | | Risk trend direction | | |
|---|--|---|----------------------|------|------------------|
| Risk landscape | | Mitigations | FY22 | FY23 | FY24 |
| New risk – Strategic | | | | | |
| AI Failure to develop, execute and continually evolve consistent strategies to capitalise on the opportunity of AI, whilst ensuring appropriate conduct, ethics and compliance in respect of data and AI usage, during a transitional period as AI disrupts the business environment, potentially resulting in: <ul style="list-style-type: none">• Failure to capitalise on our market-leading position; and,• Failure to keep pace with competitors and/or client needs. | <ul style="list-style-type: none">• AI presents new opportunities and challenges and as a firm we need to understand how to maximise on the opportunities whilst minimising the risks associated with adoption and transformation of these tools.• Need to ensure we keep pace with competitors and the market and maintain market presence for new services in this space.• Need to understand what is required ethically and behaviourally and will need to ensure appropriate guardrails are in place for evolving use cases.• Work closely with third parties to provide solutions, architecture or environments to take to clients adds to existing risk exposures such as quality management and brand / reputational risks.• Preparing and commercialising our data will require upfront investment and x-network strategic alignment.• AI is expected to significantly reshape our current and future people models, requiring adjustments to existing strategies to combat risks of skills shortages, change fatigue, and shifts in resource deployment methodologies. | <ul style="list-style-type: none">• AI Technical and Go to market leads.• Project teams setup to model impacts of AI, internally and externally.• Investments made in critical technologies and partnerships.• Establishing and implementing Business rules on usage of AI tools.• Ongoing development of ethical use cases.• Technology Review Board process to review use cases. | | | New risk in FY24 |

Appendix B: Financial information

Relative importance of statutory audit work

An analysis of PwC UK’s revenue for the financial year ended 30 June 2024, showing the relative importance of UK-related statutory audit work, is set out below:

| | FY24 £m | FY23 £m |
|---|--------------|--------------|
| Statutory audits and directly related services for entities we audit (UK PIE and subsidiaries of UK PIE)* | 410 | 383 |
| Statutory audits and directly related services for entities we audit (other entities) | 654 | 582 |
| Statutory audits and directly related services for all entities we audit | 1,064 | 965 |
| Non-audit services to entities we audit** | 189 | 179 |
| Total revenues from entities we audit | 1,253 | 1,144 |
| Non-audit services to entities we do not audit | 3,004 | 2,995 |
| UK firm revenue | 4,257 | 4,139 |

During the year ended 30 June 2024, we did not perform any major local audits (2023: none). Therefore, the table above does not include revenues related to this category. For further details see [page 157](#).

* If an entity met the FRC’s definition of a UK PIE (or a subsidiary of) as at 30 June 2024 we have included related revenues in this category. This is a consistent basis of preparation with last year’s Transparency Report.

** Non-audit services provided to entities we audit are only provided where permitted by the Ethical Standard and PwC Network and PwC UK policies.



Profit and loss account for our UK audit practice

In accordance with FRC Operational Separation principle 20, the profit and loss account for the UK audit practice is set out below:

| | Note | FY24 £m | FY23 £m |
|---|------|------------|------------|
| Revenue | 1 | 1,197 | 1,083 |
| Expenses and disbursements on assignments | | (52) | (55) |
| Net revenue | | 1,145 | 1,028 |
| Staff costs | 2 | (429) | (381) |
| Other operating charges | 3 | (460) | (396) |
| Operating profit | | 256 | 251 |
| Finance income/expense | | 4 | 4 |
| UK audit practice profit | | 260 | 255 |

The profit and loss account has been prepared on a basis consistent with the published financial statements of PricewaterhouseCoopers LLP, noting the following:

1. Revenue comprises all statutory audit work provided by PwC UK, together with revenue from permitted audit practice services to entities we audit and from permissible audit practice assurance and non-audit services to entities we do not audit. Revenue is stated gross of expenses and disbursements on assignments, consistent with the treatment of revenue in the firm’s published financial statements.
2. Staff costs are in respect of those staff based within the UK audit practice. There is no charge for partner costs, consistent with the treatment of partners’ remuneration in the firm’s published financial statements.

3. Other operating charges include:
 - charges for the work performed by individual specialists from outside the UK audit practice who contribute to the delivery of assignments of the UK audit practice, net of charges for the work performed by UK audit practice specialists who contribute to the delivery of assignments outside of the UK audit practice. These charges are priced on an arm’s length basis by reference to the price achieved by specialists on their own external assignments; and
 - direct and indirect allocations of other operating charges such as direct costs and overheads. Wherever possible costs are directly allocated to the UK audit practice on a consumption basis. Other central firmwide costs (such as IT and property) are allocated to the UK audit practice based on appropriate cost drivers that reflect the underlying cost causality.



Appendix C: Network and UK firm structure

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

Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate.

PwC firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC Network. In addition, PwC firms may draw upon the resources of other PwC firms and/or secure the provision of professional services by other PwC firms and/or other entities. In return, PwC firms are bound to abide by certain common policies and to maintain the standards of the PwC Network as put forward by PwCIL.

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

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of Network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the [PwC Global website](#)¹ for a list of the current members of the Global Board.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC Network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the Network, agrees on the strategic direction of the Network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC Network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.

The Senior Partner of PwC UK is a member of the Strategy Council, and as the Alliance Senior Partner is also a member of the Network Leadership Team.



¹ Source: <https://www.pwc.com/gx/en/about/corporate-governance/global-board-governance-structure.html>

Legal structure and ownership

PricewaterhouseCoopers LLP (PwC UK) is a limited liability partnership incorporated in England and Wales.

a) Ownership of PwC UK

PwC UK is wholly owned by its members, who are commonly referred to as partners. During the year, the average monthly number of partners was:

| | |
|---------------------------------|-------|
| PwC UK partners | |
| FY24 | 1,035 |
| FY23 | 977 |
| Partners on secondment overseas | |
| FY24 | 18 |
| FY23 | 18 |
| Total | |
| FY24 | 1,053 |
| FY23 | 995 |

b) UK office structure

PwC UK operates out of 19 (FY23: 19) offices throughout the United Kingdom – a full list can be found on our [website](#).¹

c) Related firms, entities and investments

Set out below are details of PwC UK’s related firms, interests and investments. Further details can be found in the PricewaterhouseCoopers LLP Members’ report and financial statements for the year ended 30 June 2024 within our [Annual Report 2024](#)².

(i) Subsidiary undertakings

PwC UK’s trading subsidiary undertakings located in the United Kingdom are shown in the table within this appendix. A full list of all subsidiary undertakings is included in the PwC UK Financial Statements 2024. All entities listed in the table are 100% owned.

PwC UK has an equity holding in a strategic alliance with the PwC Middle East and PwC Channel Islands firms. The non-controlling interest in profits and capital attributable to the members of PricewaterhouseCoopers CI LLP and to the Middle East partners of PricewaterhouseCoopers (Middle East Group) Limited are shown as non-controlling interests in the PricewaterhouseCoopers LLP Members’ report and financial statements for the year ended 30 June 2024, within our [Annual Report 2024](#)².

(ii) Jointly controlled entities and associates

The Group held interests in four significant jointly controlled entities and associates at 30 June 2024:

- PricewaterhouseCoopers Service Delivery Centre Holdings (Katowice) B.V., which owns a delivery centre in Poland which provides shared services for PwC Network firms;
- PwC Service Delivery Centre (Egypt) Holdings No.1 Limited, which owns a delivery centre in Egypt which provides shared services for PwC Network firms;
- PwC Poland Services Limited, which owns a delivery centre in Poland that provides services to PwC Network firms; and
- PwC Service Delivery Centre South Africa Holdings (Pty) Limited, which owns a delivery centre in South Africa which provides services to PwC Network firms.

(iii) Other investments

PwC UK also holds a number of investments, including repayable interest-bearing preference shares issued by PwC Poland Services Limited and repayable interest-bearing subordinated loan notes from, and minority equity holdings in entities in the PwC Network. Further details are provided in the [PwC UK Financial Statements 2024](#)³.

¹ Source: <https://www.pwc.co.uk/who-we-are/office-locations.html#/>
² Source: www.pwcannualreport.co.uk
³ Source: <https://www.pwc.co.uk/annualreport/assets/2024/pwc-uk-financial-statements-2024.pdf>

| UK registered trading subsidiary undertakings | Country of incorporation |
|--|--------------------------|
| Companies | |
| Beyond Food Community Interest Company | England |
| Embankment Place Primary Healthcare Limited | England |
| PricewaterhouseCoopers Advisory Services Limited | England |
| PricewaterhouseCoopers (UK) Advisory Services (KU) Limited | England |
| PricewaterhouseCoopers (UK) Advisory Services (IE) Limited | England |
| PricewaterhouseCoopers Business Services Limited | England |
| PricewaterhouseCoopers Consulting Services UK Limited | England |
| PricewaterhouseCoopers Overseas Limited | England |
| PricewaterhouseCoopers Services Limited | England |
| PwC Business Consulting Services Limited | England |
| PwC Customs Intermediary Services Limited | England |
| PwC Change Management Limited | England |
| PwC Digital Services (UK) Limited | England |
| PwC Holdings (UK) Limited | England |
| PwC Strategy& (UK) Ltd | England |
| PwC Digital Technology Services Limited | England |
| PricewaterhouseCoopers (UK) Advisory Services (FI) Limited | England |
| Limited Liability Partnerships | |
| PricewaterhouseCoopers CI LLP | England |
| Accounting Advisory (UK) LLP | England |



Principal lines of business

During the year to 30 June 2024 PwC had five principle lines of business; Audit, Consulting, Deals, Risk and Tax.

Audit

The Audit LoS is focused on delivering audit and assurance related work. The services delivered by the Audit LoS are principally related to:

- statutory and non-statutory audits of financial statements;
- interim reviews of financial information not required by law but performed in accordance with generally accepted auditing standards;
- other public interest assurance work (e.g. CASS audits, reporting accountant services performed in accordance with the SIRs, ISRE2410 reviews);
- services which law or national regulations require the auditor to provide;
- services that are required by law or regulation, which do not have to be provided by the auditor, but which require the provider to be independent;
- assurance services that are not required by law but which relate to financial information or controls over financial reporting;
- assurance services related to information or matters included in the front half of the financial statements; and such as sustainability and carbon metrics, diversity and inclusion reporting and

corporate governance; and

- assurance services over other operational matters where that work is able to be performed to a clearly defined, external standard and where the provider is required to be independent.

Consulting

Our Consulting services fuse strategy, technology, and management consulting expertise with the power of our Alliance partnerships to help our clients tackle complex challenges, drive lasting business transformation and sustainable business outcomes.

From strategy development to execution and beyond, our specialists, including Strategy&, leverage a human-led, tech-powered approach. This combines industry, functional, and technological know-how to help organisations set and deliver on their goals, be it through cloud transformation, customer-centric initiatives, operational enhancements, financial restructuring, risk management, enterprise-wide transformations or business model reinvention.

As our clients look to the future, we are helping them to unlock the latest opportunities, making the most of emerging technologies like GenAI, to reinvent their

businesses for fundamental transformation and making a difference to their organisation, communities, and society.

Our “Value Creation and Realisation – Delivering Deals Value” specialists work closely with our Deals Line of Service in order to bring specific insight and delivery capabilities. These include:

- carve out / separation activities (pre deal including vendor assistance, sell-side vendor due diligence and buy-side diligence);
- post deal including migration planning and implementation);
- operational & IT due diligence (buy-side and sell-side vendor due diligence); M&A integration (pre deal synergy assessment and post deal integration execution); and
- rapid value creation pre deal and associated implementation post deal.

At the centre of the team's mindset is the aim to identify and deliver maximum value within these services by deploying their Value Creation and Transact to Transform experience, know-how and methodologies.

Deals

During FY24 the Deals LoS focused on delivering:

Transactions: Deals analysis and negotiation support; Financial Due Diligence (purchaser and vendor); Sale and Purchase Agreement negotiation; Disputes Advisory including analysis and development of resolution strategies, bid support and defence; Deals Insights & Analytics including business modelling and financial decisions.

Lead Advisory: Mergers and acquisitions advisory, private equity, portfolio advisory, project finance and public private partnerships, infrastructure finance advisory, real estate advisory, public to private transactions, public company advisory; Valuations; restructuring mergers and acquisition advisory; and debt and capital advisory; Deals Insights & Analytics.

Restructuring and Forensics: Corporate simplification and exit; Insurance liability restructuring and pension support to trustees and participating employers; Restructuring Leadership including day-to-day programme management, Distressed Financial Restructuring, Corporate Insolvency services; Forensic Services – conducting investigations, responding to a crisis, fraud, contractual dispute and other issues that pose regulatory,

financial or reputational risk, managing risk in supply chain and operations; Financial Crime services identifying potential vulnerabilities, strengthening monitoring systems and remediation.

Value Creation & Realisation: Strategic value creation through deals, including Commercial Due Diligence and Commercial Excellence; Operational Restructuring solutions, including Procurement, Deals Insights & Analytics, Sustainability, Rapid Cost Reduction, Digital Value Transformation and Working Capital Improvement; and Capital Projects advisory, transforming capital project performance

Risk

During FY24 the Risk LoS focused on delivering:

Technology, Data and Analytics (TDA): working with clients on technology transformation, implementation, managing the risk of digital integration, emerging and disruptive technology risk including AI, data governance, data migration, data visualisation, data strategy, data quality, data protection, data analytics and business insights.

Cyber: cyber strategy, cyber transformation, defence and detection, incident response and recovery, cyber risk governance and advisory, penetration testing, and identifying and mitigating cyber risk across the deals lifecycle.

Risk Modelling Services (RMS): financial modelling, predictive modelling, insolvencies and run-off solutions, regulatory, risk and capital management, underwriting and catastrophe modelling, claims, reinsurance, insurance reserving and reporting, mergers and acquisitions, pensions and other benefit plans, performance benchmarking and insurance needs for the public sector.

Controls, Deals, Accounting and Risk (CDAR): accounting and reporting advisory, commercial control, deals advisory, structuring and deal accounting, governance risk & compliance (GRC), internal audit, crisis resilience and treasury advisory & commodity management.

Financial Services – Business, Risk & Control (FS BRC): financial, regulatory & operational risk across all three financial services sectors of banking & capital markets, insurance and asset & wealth management.

Enterprises: A business unit created in 2022 that looks to drive innovation across a range of Risk services to meet the future needs of our clients by incubating and scaling propositions and services. Currently, this includes Sustainability related solutions spanning strategy through to reporting and net zero transformation, Enterprise Business Applications, and the Data Intelligence team.



Tax

During FY24 the Tax LoS focused on delivering:

Tax: Corporate tax advisory, tax on transactions, transfer pricing, corporate and international tax, finance and treasury, indirect taxes, property taxes, tax management and accounting services, dispute resolution, tax compliance and outsourcing, private business tax advisory, personal tax advisory and compliance, tax valuations, sustainability and climate change taxes, tax reporting and strategy, tax disclosures, tax transparency, value chain transformation, investment advisory, incentives, grants and reliefs, operational tax services (financial services), tax technology and AI services, tax operations transformation and tax aspects of finance transformations.

Workforce: Providing solutions to workforce-related challenges across workforce strategy, organisation design, culture and communications, diversity, equity and inclusion, performance and reward, executive compensation, employment taxes and payroll, pensions and benefits, workforce risk, HR transaction/deals advice, people analytics and benchmarking, HR technology strategy and implementation, and HR function transformation.

Legal: Corporate law, international business reorganisations, M&A, banking and finance, employment law, real estate law, technology and intellectual property law, commercial law, tax and commercial dispute resolution, financial services regulatory law, data protection and privacy law, legal function consulting, legal function transformation, legal entity management, company secretarial and entity governance advice, and legal technology strategy and implementation.



Appendix D: Biographies of members of the Management Board and Supervisory Board



The Management Board

The following partners were members of the Management Board during the year to 30 June 2024:

- Kevin Ellis
- Marco Amitrano
- Quentin Cole
- Ian Elliott
- Ben Higgin
- Laura Hinton
- Hemione Hudson*
- Carl Sizer
- Sam Samaratunga
- Lucy Stapleton
- Alison Statham
- Paul Terrington
- Marissa Thomas

Those with an (E) next to their names were also members of the Executive Board during the year. Those with (CME) next to their name are members of the Clients and Markets Executive. The Executive Board and the Clients and Markets Executive were dissolved in July 2024.

Following the Alliance Senior Partner Election Marco Amitrano announced his new Management Board effective 1 July 2024 as follows:

- Laura Hinton
- Hemione Hudson*
- Alison Statham
- Carl Sizer
- Andy Hammond
- Jonathan House
- Lucy Stapleton
- Claire Reid
- Claire Blackburn
- Simon Hunt
- Phillippa O'Connor**
- Umang Paw

* Hemione was a member of the UK Management Board until 2 September 2024.
** As at 1 July Phillippa was on maternity leave. Ian Elliott remained in role until her return to work.



Kevin Ellis (E)
Senior Partner until his retirement from the firm on 30 June 2024

Kevin joined the UK firm’s Executive Board in 2008 as Head of Advisory, and was made Managing Partner in 2012. Kevin was elected as Chairman and Senior Partner of the UK and Middle East alliance in 2016. He joined the firm in 1984 on the graduate training programme and qualified as a chartered accountant (ICAEW).

Kevin specialised in providing turnaround and crisis management support to businesses in the public and private sectors for over 26 years. Kevin retired from the firm on 30 June 2024.



Marco Amitrano (E)(CME)
Senior Partner from 1 July 2024, and previously Managing Partner and Head of Clients and Markets until 30 June 2024

Marco was elected as Senior Partner of PwC’s UK and Middle East Alliance in 2024. He joined the UK Executive Board in 2016 as Head of Consulting, before becoming the firm’s Head of Clients & Markets in 2020 and Managing Partner in 2022.

He has more than 30 years of international experience in Advisory and Assurance services at PwC, and his previous leadership roles also include Global and UK Head of the Risk Assurance Services business.

During his career, he has worked with a number of major global clients in a range of industries, most prominently in the Technology, Engineering and Consumer Products sectors, as well as spending time in Transaction Services and Business Recovery Services.



Claire Blackburn
Head of Tax

Claire is a member of PwC's UK Management Board, where she holds the position of UK Tax Leader, which includes leadership of PwC UK's Tax, Legal and Workforce practices. Claire has over 20 years of experience as a Tax professional, specialising in Transfer Pricing and the tax implications of business model change.

Prior to taking on this role, Claire was the Listed and Inbound Market Leader for Tax and previously undertook a Chief of Staff role for PwC's Senior Partner, alongside a role leading PwC's Strategic Change Programmes, working with the Executive Board of PwC UK. Claire is a Chartered Accountant and holds memberships of the Institute of Chartered Accountants in England and Wales (ICAEW) and also holds membership of the Chartered Accountants Australia and New Zealand (CA ANZ).



Quentin Cole (CME)
Head of Industries until 30 June 2024

Quentin has been a Partner since 2010. He graduated from Cardiff University in 1997 with a degree in History and has a Masters degree in Business Administration from the University of Gloucestershire. Quentin began his career in industry before joining PwC where he was a member of our Operational Restructuring team in Deals for circa 20 years.

While in Deals Quentin worked on many high profile and complex assignments in the private sector before specialising in turnaround and crisis management in the public sector and healthcare markets in 2005. Quentin became UK Industry Leader for Health Industries in 2015 and from 2018 to 2021 led the combined UK Government & Health Industries practice.



Ian Elliott (E)
Chief People Officer until 30 September 2024

Ian Elliott was PwC UK's Chief People Officer and Management Board member until 30 September 2024. Ian is passionate about cultivating a fair culture, which embraces difference, and about leading our people as they continue to grow, develop and flourish in their careers at PwC.

Ian has over 20 years' experience of Forensic work and in recent years he has led a number of the most high-profile investigations in the UK for a range of private sector and Government clients. Ian has extensive experience of investigations into both financial and non-financial matters, typically involving highly sensitive and confidential issues, often across multiple jurisdictions. Ian regularly advises clients on bribery and corruption matters, governance and risk and a range of technology issues, including cyber security and information governance.



Andy Hammond
Head of Audit

Andy is a member of the UK Management Board and is the UK Head of Audit. He is also a member of the Audit Oversight Body and the Global Assurance Leadership Team.

Prior to becoming the Head of Audit on 1 July 2024, Andy was the PwC UK Audit Regional Market Leader and a member of the firm's Audit Executive and has also held a number of leadership roles within the UK firm's central audit practice.

Andy is a Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW) and has over 28 years of experience, having joined PwC in 1995 and becoming a Partner in 2009.



Ben Higgin (E)
Head of Technology and Investments
until 30 June 2024

Ben is a Partner and was a member of PwC's UK Executive Board until 30 June 2024, responsible for Technology and Investments. He works closely with Technology leaders across the PwC Network to develop technology solutions and to promote our technology to a global client audience especially as part of our New world. New skills initiative.

Ben is based in Manchester, where he is establishing a new PwC Technology Centre and building a collaborative technology ecosystem with other technology leaders in the North West. Ben's previous roles have included leading our Client Assets practice, advising financial services clients on regulation and leading work on organisational design, culture and behavioural change.

Ben is a passionate advocate for mental health and wellbeing, and a champion for inclusion and diversity in technology roles. Ben is a trustee of Tech She Can and has been a Partner at PwC since 2012.



Laura Hinton (CME)
Managing Partner from 1 July 2024, and
previously Head of Tax until 30 June 2024

Laura is a member of PwC's UK Management Board, and has been the Managing Partner from 1 July 2024. During the year to 30 June 2024 she was the Head of Tax, which includes leadership of PwC UK's Tax, Legal, and People and Organisation practice and also chaired the PwC Network's EMEA Executive team.

Prior to taking on these roles, Laura was PwC UK's Chief People Officer, and a member of the Executive Board for over five years, where she was also responsible for leading on our External Reputation and Communications agenda.

Laura has over 25 years experience as a business consultant, specialising in HR and Workforce transformation, operating model programmes and culture change. She graduated from King's College, London with a degree in Business Management and is a qualified Chartered Accountant.



Jonathan House
Head of Consulting

Jonathan House has been the PwC UK Head of Consulting and a member of the UK Management Board from 1 July 2024. He was previously the UK Consulting Markets and Services Leader and the UK Transformation Platform Leader. He has extensive experience supporting clients with the enterprise-wide transformation of their businesses in the UK and the Middle East.



Hemione Hudson (CME)
UK Chief Network Officer from 1 July
2024 until 2 September 2024, and
previously Head of Audit until 30
June 2024

Hemione was the UK Chief Network Officer and PwC EMEA Executive Chair from 1 July 2024 until 2 September 2024.

Since joining the UK Management Board in 2016, Hemione led PwC's UK Assurance and then Audit business and has also served as the UK firm's Head of Reputation. She is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and has over 28 years of experience, having joined PwC in 1995 and became a Partner in 2007. Hemione has specialised in auditing and advising clients in the banking and broader financial services sectors and has worked with a range of Global, European and UK-based clients.



Simon Hunt
Chief Financial and Administrative Officer from 1 July 2024

Simon is the PwC UK Chief Financial and Administrative Officer, becoming a member of the Management Board in July 2024. He graduated from Sheffield University and joined the firm in 1997, making Partner in 2007 at the end of a 5 year secondment to Japan. Throughout his time in the firm, Simon has specialised in auditing and advising clients in the banking and financial services sector working with a range of Global and UK based clients.

Prior to his current role, Simon was the Chief Operating Officer of our Audit business and a member of the Audit Executive for 5 years. He has also previously led our Banking and Capital Markets audit practice and was Chief Operating Officer of our UK Financial Service practice and a member of the UK Financial Services leadership team for 4 years. Simon is a Chartered Accountant with the ICAEW.



Phillippa O'Connor
Chief People Officer from 1 October 2024

Phillippa is PwC UK's Chief People Officer. She has over 20 years of experience as a business consultant, working with boards and HR directors to solve a wide range of issues in the people space, including pay, diversity, equity and inclusion issues and broader HR transformation. Phillippa has been a Partner at PwC UK since 2007 and, prior to joining the board, she was the ESG (Environment, Social and Governance) Leader for Tax, Legal & Workforce.

Phillippa graduated from St Peter's College, University of Oxford with a degree in Politics, Philosophy and Economics and is a qualified Chartered Accountant. In addition to serving on the Management Board, Phillippa continues to work with global clients to support them with pay, performance management and talent challenges.



Umang Paw
Chief Technology Officer from 1 July 2024

Umang is PwC UK's Chief Technology Officer and joined the Management Board in July 2024. With a background in software engineering, he has led some of our largest UK and cross-border investigations. Umang has managed crisis situations and supported clients in implementing forensic, analytics, and AI technology solutions for investigatory, compliance, legal, and operational challenges.

Umang has also led the Digital & Forensic Investigations practice and served as the CTO for our Deals business. Recently he has been responsible for embedding GenAI across our services portfolio. As the PwC UK CTO he works closely with Technology leaders from across the PwC Network as well as our Alliance Partners to create technology and data solutions and promote our technology to a global client audience.



Claire Reid
Head of Risk from 1 July 2024

Claire is PwC UK's Head of Risk and has been a member of the Management Board since July 2024. Prior to this role, Claire was the UK Restructuring & Forensics Business Leader in the Deals Line of Service and has also previously held a number of leadership roles within Risk as well as being the Regional Leader for Scotland, where she oversaw the firm's audit, deals, consulting, risk and tax businesses there.

Claire has extensive experience in leading clients through digital transformations, cyber and information security and IT risk and assurance. During her career at PwC, Claire has lived and worked overseas in San Jose and San Francisco, and currently resides in Glasgow, Scotland. Claire became a Partner of the firm in 2012.



Carl Sizer (CME)
Chief Markets Officer from 1 July 2024,
and previously Head of Regions and
Platforms until 30 June 2024

Carl is PwC UK's Chief Markets Officer, responsible for the go-to-market strategy, growth, market reputation, pipeline management and client service delivery. He ensures technology, innovation, industry, and local insight meet clients' needs.

Since 2020, Carl has been on the UK Management Board, previously serving as Head of Regions and Platforms, focusing on local market strategies and key client issues like Transformation and ESG.

With over 25 years of international experience in assurance and advisory services, mainly in financial services, Carl has worked in New York and led the National Banking & Capital Markets Audit practice and the Midlands Financial Services team. He co-chairs the UK Domestic Competitiveness Committee of the CBI and is a member of the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants in Scotland.



Sam Samaratunga (CME)
Head of Risk until 30 June 2024

Sam was PwC UK's Head of Risk and Global Risk Services Leader until 30 June 2024. In January 2022, Sam also took on the role of PwC's Global Risk Services Leader.

During his career, Sam has primarily been focused on banking, capital markets and financial services market infrastructure, advising clients on the analysis of risk, control and change within complex information systems. He has specialised in financial services and led client engagements with a range of major banks, clearing houses, regulators and stock exchanges. Sam is a Chartered Accountant with the ICAEW.



Lucy Stapleton (CME)
Head of Deals

Lucy is the PwC UK Deals leader and has been on the UK Management Board since 2022. In the UK, Lucy oversees the running of our Transactions, Corporate Finance and Business Restructuring and Forensics businesses.

She also holds the role of PwC Global Deals Leader, where she leads a team of cross-territory Deals Partners and over 20,000 professionals, to define and execute our global deals strategy.

Lucy has over 25 years experience in advising private equity and corporate clients on multinational carve outs and vendor due diligence; bid defence; buy-side due diligence and was the founder of PwC UK's market leading healthcare transaction services practice. Lucy is a Chartered Accountant, member of the ICAEW and has been a UK PwC Partner since 2006. In addition to her market focus, Lucy has been the UK Pharmaceutical and Life Sciences Leader; Chief Operating Officer for Deals and People Leader for Transaction Services.



Alison Statham (E)
Chief Risk Officer and General Counsel

Alison is the UK firm's Chief Risk Officer and General Counsel and has been a member of the UK Management Board since 1 July 2020. In her role on the Management Board, Alison leads the Office of the General Counsel and the Risk Management function for the UK firm, and is responsible for our Commitment to High Quality agenda, regulatory engagement and for providing counsel to Network matters. She attends the meetings of the Public Interest Body and the Audit Oversight Body, and the Supervisory Board Risk Committee.

Before joining the Management Board, she was the firm's Deputy General Counsel overseeing a wide range of commercial, risk, regulatory, governance and other practice issues. Prior to joining PwC, Alison qualified as a solicitor at Linklaters and worked in private practice specialising in commercial litigation with an emphasis on professional services. She graduated from King's College London with a degree in law and holds a Masters in International Business Law.



Paul Terrington CBE (CME)
Head of Consulting until his retirement from the firm on 30 June 2024

Paul was PwC's UK Head of Consulting. He was also Regional Chairman of PwC in Northern Ireland from 2011 to 2020 and led the establishment and growth of our Belfast office as an innovation, technology and service delivery hub for the firm in the UK and globally.

Paul holds an LLB (Hons) Degree in Law from University of Reading and a Postgraduate Diploma in HR Management from University of Ulster. His client-facing background is in large-scale public sector transformation programmes and organisational governance and change across private businesses. He is a member of the Council of Institute of Directors in the UK and past Chair of the Institute of Directors in Northern Ireland. He is current Chair of Ulster Rugby management Committee and previous Chair of NI Hospice capital appeal fund. He is now a Northern Ireland Hospice Ambassador. Paul retired from the firm on 30 June 2024.



Marissa Thomas (E)
Managing Partner and Chief Operating Officer until 30 June 2024

Marissa was PwC's UK Chief Operating Officer until 30 June 2024 and has been with the firm for 29 years. For the last 25 years Marissa has been advising private equity, sovereign investors and large corporate clients on tax related matters on transactions. This includes advice on investment structures, due diligence and various aspects of fund manager set-up and ongoing operation.

Prior to becoming the Managing Partner and Chief Operating Officer, Marissa held two other Management Board roles – the Head of Deals and more recently the Head of Tax.



Management Board FY24 meeting attendance

| | Length of service* | A | B |
|-----------------|--------------------|---|---|
| Kevin Ellis | 7 years | 7 | 7 |
| Marco Amitrano | 7 years | 7 | 7 |
| Quentin Cole | 2 years, 6 months | 7 | 7 |
| Ian Elliott | 2 years, 6 months | 7 | 7 |
| Ben Higgin | 4 years | 7 | 7 |
| Laura Hinton | 7 years | 7 | 6 |
| Hemione Hudson | 7 years | 7 | 6 |
| Sam Samaratunga | 5 years | 7 | 6 |
| Carl Sizer | 4 years | 7 | 6 |
| Lucy Stapleton | 2 years, 6 months | 7 | 7 |
| Alison Statham | 4 years | 7 | 7 |
| Paul Terrington | 7 years | 7 | 6 |
| Marissa Thomas | 7 years | 7 | 6 |

A – Maximum number of formal meetings which could have been attended. In addition to this number, there were a further eight meetings held on an ad hoc basis to consider specific matters.

B – Number of meetings actually attended.

* The length of service has been calculated as at 30 June 2024

Executive Board FY24 meeting attendance

| | Length of service* | A | B |
|----------------|--------------------|----|----|
| Kevin Ellis | 16 years | 12 | 12 |
| Marco Amitrano | 4 years | 12 | 11 |
| Ian Elliott | 2 years, 6 months | 12 | 12 |
| Ben Higgin | 4 years | 12 | 11 |
| Alison Statham | 4 years | 12 | 11 |
| Marissa Thomas | 2 years, 6 months | 12 | 12 |

A – Maximum number of formal meetings which could have been attended. In addition to this number, there were a further six meetings held on an ad-hoc basis to consider specific matters.

B – Number of meetings actually attended.

* The length of service has been calculated as at 30 June 2024

The Supervisory Board

The following partners served as members of the Supervisory Board (SB) during FY24.

Marco Amitrano was elected to the SB as Alliance Senior Partner on 1 July 2024. Marco’s full bio is on [page 143](#).



Chris Burns*
Chair (initially elected to the SB on 1 January 2017 and serving as Chair since 1 January 2019, re-elected with effect from 1 January 2023)

Chris is the Chair of the UK Supervisory Board and became Chair of the Alliance (UK and Middle East) Supervisory Board on 9 May 2019. He is a member of the Talent and Remuneration Committee and the firm’s Public Interest Body. Chris was also elected to the Global Board of the international PwC Network in 2020 and serves on the Global Markets Committee. He is an Audit Partner based in London with lead responsibility for a portfolio of listed clients, having joined the firm in 1992 and becoming a Partner in 2005.



Simon Ager*
Deputy Chair (elected to the SB on 1 January 2021)

Simon is a Partner in our Deals Tax team. He has over 25 years experience advising a wide range of corporate, fund and infrastructure clients on tax due diligence, joint ventures, restructuring, M&A and capital markets transactions. Simon founded the PwC UK Tax SPA team advising clients on the negotiation and protection of tax risks/ value items in sale and purchase and other agreements. He is also a member of our Africa Business Group.

Simon was elected to the Supervisory Board from 1 January 2021 and from 1 January 2023 was appointed the Deputy Chair. He is also a member of the Partner Affairs Committee and the Supervisory Board engagement and communication leader.



Kevin Ellis
(elected to the SB as Alliance Senior Partner on 1 July 2016 and re-elected on 1 July 2020. Retired from the firm on 30 June 2024)

The Senior Partner also sits on the Supervisory Board (as an ex-officio member).

Kevin's full bio is on page [143](#).

* Those marked with an asterisk will serve until 31 December 2024, and the others until 31 December 2026. Ex-officio members of the SB are the Senior Partner (Kevin Ellis) and Duncan Skailes, as a member of the Global Board.



Imran Farooqi*
(elected to the SB on 1 January 2021)

Imran is a Deals Partner in Restructuring & Forensics. He is the UK & EMEA Head of Financial Crime and specialises in delivering global Anti-Money Laundering, Know Your Customer compliance programmes in the Corporate & Investment Banking sector. He joined the firm in 2015 after 10 successful years at another Big 4, where he was responsible for delivering a number of critical compliance related regulatory programmes. Imran was elected to the Supervisory Board in January 2021 and is a member of the Partner Affairs Committee and the Risk Committee. Imran was appointed Chair of the Risk Committee in January 2023.



Karen Finlayson*
(elected to the SB on 1 January 2021)

Karen is a Partner in our Risk Line of Service and she specialises in governance, risk, controls and internal audit across the government and public sector. She is also the Lead Client Partner for NHS National Bodies. Karen joined the firm in 1997 and became a Partner in 2015. She was elected to the Supervisory Board on 1 January 2021 and is a member of the Risk Committee, Partner Affairs Committee and is the Channel Island Protector.



Sandie Grimshaw*
(elected to the SB on 1 January 2021)

Sandie is a Consulting Risk Partner focused on working with client facing partners to navigate bidding, contracting and delivering complex transformation engagements. Sandie was elected to the Supervisory Board on 1 January 2021 and was appointed as a member of the Partner Affairs Committee. Sandie was appointed Chair of the Partner Affairs Committee in January 2023. She also became Chair of the Country Admissions Panel on 1 July 2021 which oversees the admission of direct admit and internal promotions to partners, and stepped down from this role in July 2023.



Zelf Hussain
(elected to the SB on 1 January 2023)

Zelf is a Deals Partner in the Restructuring team with over 25 years of experience working across a wide range of sectors. He regularly works with companies to help them through difficult financial situations. He was elected to the Supervisory Board on 1 January 2023, and is a member of the Partner Affairs Committee and the Audit Committee. Zelf is also Chair of the Country Admissions Committee.

* Those marked with an asterisk will serve until 31 December 2024, and the others until 31 December 2026. Ex-officio members of the SB are the Senior Partner (Kevin Ellis) and Duncan Skailes, as a member of the Global Board.



Andy Key
(initially elected to the SB on 1 January 2019 and was re-elected to the SB on 1 January 2023)

Andy is a Consulting Partner with experience serving a wide range of both public and private sector clients. He was part of PwC's management consulting practice from 1995-2000, spent five years growing technology start-up businesses, then rejoined the firm in 2005.

Andy was admitted to the partnership in 2009 and now leads our National Government Consulting business with a range of client and market responsibilities. He was elected to the Supervisory Board from 1 January 2019, and served as Deputy Chair of the Supervisory Board from January 2021 to December 2022. Andy was appointed Chair of the Talent & Remunerations Committee in January 2023. Andy is a member of the Audit Committee, the Supervisory Board of PwC Middle East and the Alliance Supervisory Board.



Mark Pugh
(elected to the SB on 1 January 2023)

Mark is an Audit Partner based in London. He joined the firm in 1993 and became a Partner in 2004. Mark has experience in leading the audits of multinational and listed groups in the financial services sector. He was also the business unit leader for our Asset & Wealth Management audit practice from 2017 to 2021.

Mark joined the Supervisory Board on 1 January 2023 and was also appointed as a member of the Audit Committee and the Risk Committee.



Brendan O'Driscoll
(elected to the SB on 1 January 2023)

Brendan is a Partner in our Deals business, where he specialises in financial due diligence on M&A transactions, and also sits on the leadership team of our Deals Value Creation & Realisation team.

He joined the firm in 1997 and became a Partner in 2012. He was elected to join the Supervisory Board from 1 January 2023 and is a member of the Risk Committee and the Talent and Remuneration Committee.



Danielle Perfect
(elected to the SB on 1 January 2023)

Danielle is a Partner in the firm's Office of General Counsel, overseeing the provision of non-contentious legal advice to partners and staff, with a particular focus on our Government & Public sector. Danielle is a qualified solicitor with over 20 years legal experience. Prior to joining PwC, she worked in private practice as well as a number of in-house roles, specialising in commercial and technology law. Danielle was elected to the Supervisory Board on 1 January 2023 and is a member of the Audit Committee and Talent & Remuneration Committee.

* Those marked with an asterisk will serve until 31 December 2024, and the others until 31 December 2026. Ex-officio members of the SB are the Senior Partner (Kevin Ellis) and Duncan Skailes, as a member of the Global Board.



Duncan Skailes
(initially elected to the SB on
1 January 2007)

Duncan is a Deals Partner in London. He joined the firm in 1987 and became a Partner in 1999. Duncan rejoined the Supervisory Board in April 2017 when he became a member of the Global Board, the body responsible for the governance of the PwC Network, and is a member of the Supervisory Board of PwC Middle East and Alliance Supervisory Board.



Dave Walters*
(elected to the SB on 1 January 2021)

Dave is a Partner in the audit practice based in Birmingham within the Risk and Quality function, where he specialises in corporate accounting issues. He joined the firm in Birmingham in 1989 and became a Partner in 2013. He joined the Supervisory Board on 1 January 2021. Dave was appointed as a member of the Audit Committee in January 2021, being appointed as Chair of the Audit Committee in February 2022. Dave was a member of the Partner Affairs Committee from January 2021 to December 2022.



Kenny Wilson
(initially appointed to the SB on
4 April 2019 and re-elected to the SB
on 1 January 2023)

Kenny is an audit Partner with experience of working with both listed and privately owned companies. He joined the firm in 1993 and became a Partner in 2007. Kenny joined the Supervisory Board in April 2019, where he was appointed Chair of the Audit Committee until February 2022, and continued as a member on the Audit Committee until December 2022.

Kenny was also a member of the Risk Committee from April 2019 to December 2022. He is currently a member of the Partner Affairs Committee, a member of the PwC Partner Savings Governance Committee and the firm's Audit Oversight Body. Kenny also has a standing invitation to attend the firm's Public Interest Body meetings.

* Those marked with an asterisk will serve until 31 December 2024, and the others until 31 December 2026. Ex-officio members of the SB are the Senior Partner (Kevin Ellis) and Duncan Skailes, as a member of the Global Board.

Supervisory Board FY24 meeting attendance

| | Length of service* | A | B |
|--------------------|--------------------|----|----|
| Chris Burns | 7 years, 6 months | 12 | 12 |
| Simon Ager | 3 years, 6 months | 12 | 11 |
| Kevin Ellis** | 8 years | 12 | 11 |
| Imran Farooqi*** | 3 years, 6 months | 10 | 9 |
| Karen Finlayson | 3 years, 6 months | 12 | 11 |
| Sandie Grimshaw | 3 years, 6 months | 12 | 11 |
| Zelf Hussain | 1 year, 6 months | 12 | 12 |
| Andy Key | 5 years, 6 months | 12 | 12 |
| Brendan O'Driscoll | 1 year, 6 months | 12 | 11 |
| Danielle Perfect | 1 year, 6 months | 12 | 11 |
| Mark Pugh | 1 year, 6 months | 12 | 11 |
| Duncan Skales**** | 12 years, 2 months | 12 | 11 |
| Dave Walters | 3 years, 6 months | 12 | 12 |
| Kenny Wilson | 5 years, 3 months | 12 | 11 |

A – Maximum number of formal scheduled meetings which could have been attended. In addition to this number, there were a further ten meetings held on an ad hoc basis to consider specific matters, including Partner moderation and income and the 2024 Alliance Senior Partner Election.

B – Number of meetings actually attended.

* The length of service has been calculated as at 30 June 2024

** Kevin Ellis is appointed as an ex-officio SB member and does not typically attend SB meetings convened on an ad hoc basis.

*** Imran Farooqi undertook a sabbatical during the year and as a result was eligible to attend ten of the 12 SB meetings only.

**** Duncan Skales was a member of the SB for six years, stepping down in 2012, and rejoined the SB as an ex-officio member when he joined the Global Board in 2017.



Appendix E: PwC UK audit registrations

PwC UK registrations

PwC UK and/or certain of its Responsible Individuals are registered with regulators in the following territories in order to meet local requirements in relation to the audits of certain entities:

| | |
|---------------------------|---|
| Crown Dependencies | Guernsey (Guernsey Registry); Isle of Man (Isle of Man Financial Services Authority); and Jersey (Jersey Financial Services Commission). |
| EU and EEA | France (Haut conseil du commissariat aux comptes 'H3C'); Germany (Wirtschaftsprüferkammer); Ireland (Irish Auditing and Accounting Supervisory Authority 'IAASA'); Italy (Ministry of Economy and Finance 'MEF'); Luxembourg (Commission de Surveillance du Secteur Financier 'CSSF'); Netherlands (Autoriteit Financiële Markten); Norway (Finanstilsynet); Poland (Polska Agencja Nadzoru Audytowego); Spain (Instituto de Contabilidad y Auditoría de Cuentas) and Sweden (Revisorsinspektionen). |
| Rest of the world | Canada (Canadian Public Accountability Board); Hong Kong (Hong Kong Accounting and Financial Reporting Council); Japan (Japanese Financial Services Agency); Kazakhstan (Kazakhstan Stock Exchange's JSC 'KASE'); New Zealand (New Zealand Companies Office); and United States of America (Public Company Accounting Oversight Board). |



On 7 November 2023, the Johannesburg Stock Exchange (South Africa), announced that it would be removing the requirement for the accreditation of audit firms, IFRS advisors and reporting accountant specialists with effect 4 December 2023. Therefore PwC UK no longer has a registration requirement with a regulator in this territory.

During the year ended 30 June 2024 the UK firm performed the following audits that necessitate these registrations, either because of the entity’s country of incorporation, their filings made in a given territory, or a listing of debt or equity within a given territory:

- Accsys Technologies PLC
- AstraZeneca PLC
- Barinthus Biotherapeutics plc
- Bicycle Therapeutics plc
- Borr Drilling Limited
- Centamin plc
- COMPASS Pathways plc
- Credit Suisse International
- Diageo plc
- Digital 9 Infrastructure plc
- Endava plc
- European Bank for Reconstruction and Development
- Exscientia Plc
- Goldman Sachs Finance Corp International Limited
- Goldman Sachs International
- Grit Real Estate Income Group Limited
- Hammerson plc
- Henderson Far East Income Limited
- HSBC Bank plc
- HSBC Bank Capital Funding (Sterling 1) L.P.
- HSBC Capital Funding (Dollar 1) L.P.
- HSBC Holdings plc
- IHS Holding Limited
- Innospec, Inc
- Integrated Diagnostics Holdings plc
- InterContinental Hotels Group PLC
- J.P. Morgan Mansart Management Limited
- Johnson Matthey plc
- Luxfer Holdings PLC
- Manchester United plc
- Mereo BioPharma Group plc
- Merrill Lynch International & Co C.V.
- Molten Ventures plc
- Navigator Holdings Ltd.
- Nomad Foods Ltd
- Pan African Resources PLC
- Pollen Street Group Limited
- Rentokil Initial plc
- Santander UK Group Holdings plc
- Santander UK plc
- Schroder Oriental Income Fund Limited
- Seadrill Limited
- SEGRO plc
- Silence Therapeutics plc
- SolGold plc
- Stolt-Nielsen Limited
- Verona Pharma plc
- Vertical Aerospace Ltd.
- Western Asset Management Company Limited
- Wizz Air Holdings PLC

As a requirement of these registrations, PwC UK is subject to monitoring by the respective regulatory authorities. Details of these monitoring activities are included in the Audit Quality section of this report.

As a result of these registrations, our policies and procedures have been designed and implemented to ensure that we comply, and that we can demonstrate compliance, with not only the Audit Regulations of the ICAEW and the PIE Auditor Registration Regulations of the FRC, but also with the policies and regulations of other regulators with which PwC UK is registered.

The policies and procedures that form our internal quality controls systems have been documented, and are embedded as part of the firm’s day-to-day activities. There is a monitoring regime in place to enable the Management Board to review the extent to which these policies and procedures are operating effectively and to respond to issues that arise. For further information on this monitoring regime, please refer to the Audit Quality chapter of this report.

List of major local audit and Public Interest Entity audits performed by PwC UK

List of major local audits

A major local audit is an audit of a local government or NHS body with income or expenditure of at least £500 million or a local authority pension scheme with at least 20,000 members or gross assets in excess of £1 billion. PwC UK did not perform any major local audits in the year to 30 June 2024 (2023: 0).

List of UK Public Interest Entities

Adjacent is a list of UK Public Interest Entities (PIEs) (as defined by the Ethical Standard) for which we carried out statutory audits (i.e. issued an audit report) between 1 July 2023 and 30 June 2024, and therefore does not include all UK PIEs for which PwC UK is the statutory auditor.

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| abrdn Asia Focus plc |
| abrdn Diversified Income and Growth plc |
| Accelerant Insurance UK Limited |
| Affinity Water Finance PLC |
| AIB Group (UK) PLC |
| AIG Life Limited |
| Allianz Insurance plc |
| Anglo American Capital plc |
| Anglo American plc |
| Antofagasta plc |
| Aquila Energy Efficiency Trust Plc |
| Aquila European Renewables Plc |
| Arch Insurance (UK) Limited |
| Arqiva Financing Plc |
| Ashman Bank Limited |
| Ashtead Group plc |
| Asia Dragon Trust plc |
| ASOS Plc |
| AstraZeneca PLC |
| Atlas Funding 2022-1 plc |
| Atlas Funding 2023-1 PLC |
| Atom Bank plc |
| Aviva Insurance Limited |
| Aviva International Insurance Limited |
| Aviva Life & Pensions UK Limited |
| Aviva plc |
| Baglan Moor Healthcare Plc |
| Bakkavor Group plc |
| Bank of China (UK) Limited |
| Bath Investment & Building Society |
| Bazalgette Finance plc |

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|---|
| Beverley Building Society |
| BlackRock Smaller Companies Trust plc |
| BlackRock Sustainable American Income Trust plc |
| BlackRock Throgmorton Trust plc |
| BlackRock World Mining Trust plc |
| Blitzen Securities No.1 Plc |
| Bodycote plc |
| Bridgewater Funding plc |
| Brit Limited |
| Broadgate Financing PLC |
| Bunzl Finance plc |
| Bunzl plc |
| Bupa Finance plc |
| Bupa Insurance Limited |
| C. Hoare & Co. |
| CAF Bank Limited |
| Cambridge & Counties Bank Limited |
| Capital Hospitals (Issuer) Plc |
| Capricorn Energy PLC |
| Carnival plc |
| Cater Allen Limited |
| Central Nottinghamshire Hospitals Plc |
| Centrewrite Limited |
| Clarkson PLC |
| Close Brothers Finance plc |
| Close Brothers Group plc |
| Close Brothers Limited |
| Convex Insurance UK Limited |
| Costain Group PLC |
| Covea Insurance plc |
| Coventry Building Society |

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|-------------------------------------|
| Cranswick plc |
| Credit Suisse (UK) Limited |
| Credit Suisse International |
| Crest Nicholson Holdings plc |
| Cynergy Bank Limited |
| Daily Mail and General Trust plc |
| Darlington Building Society |
| Dechra Pharmaceuticals PLC |
| Derby Healthcare Plc |
| Derwent London plc |
| Diageo Capital plc |
| Diageo Finance plc |
| Diageo plc |
| Diploma PLC |
| discoverIE Group plc |
| Diversified Energy Company PLC |
| Domino's Pizza Group PLC |
| Dr. Martens plc |
| Dudley Building Society |
| Dunelm Group plc |
| DWF Group plc |
| easyJet Plc |
| Ecclesiastical Insurance Office plc |
| Ecclesiastical Life Limited |
| Economic Master Issuer PLC |
| Electricity North West Limited |
| ENW Finance plc |
| Equity Release Funding (No.1) Plc |
| Equity Release Funding (No.2) Plc |
| Equity Release Funding (No.3) Plc |
| Equity Release Funding (No.4) Plc |

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| Equity Release Funding (No.5) Plc |
| Essentra plc |
| Eurocell plc |
| European Assets Trust PLC |
| European Opportunities Trust PLC |
| FDM Group (Holdings) plc |
| FIL Life Insurance Limited |
| Finsbury Growth & Income Trust PLC |
| FirstGroup plc |
| Fishguard and Rosslare Railways and Harbours Company |
| Fosse Master Issuer PLC |
| Funding Circle Holdings plc |
| Gabelli Merger Plus+ Trust Plc |
| GEMGARTO 2023-1 PLC |
| General Accident plc |
| Georgia Capital PLC |
| Great Hall Mortgages No.1 Plc |
| Great Portland Estates plc |
| Gresham Insurance Company Limited |
| Halma plc |
| Hammerson plc |
| Handelsbanken plc |
| Hargreaves Lansdown plc |
| Hays plc |
| HCC International Insurance Company plc |
| Headlam Group PLC |
| Heathrow Finance plc |
| Heddington Insurance (U.K.) Limited |
| Henderson High Income Trust plc |
| Herald Investment Trust plc |
| Highway Insurance Company Limited |

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| Hikma Pharmaceuticals PLC |
| Hilton Food Group plc |
| Hiscox Insurance Company Limited |
| Holmes Master Issuer Plc |
| Hostmore plc |
| HSBC Bank plc |
| HSBC Holdings plc |
| HSBC Innovation Bank Limited |
| HSBC Life (UK) Limited |
| HSBC Private Bank (UK) Limited |
| HSBC Trust Company (UK) Limited |
| HSBC UK Bank plc |
| IG Group Holdings plc |
| Income Contingent Student Loans 1 (2002-2006) Plc |
| Income Contingent Student Loans 2 (2007-2009) Plc |
| Indivior PLC |
| Informa PLC |
| Integrated Accommodation Services Plc |
| InterContinental Hotels Group PLC |
| International Biotechnology Trust plc |
| Intertek Group plc |
| Itau BBA International plc |
| ITV plc |
| J.P. Morgan Securities plc |
| Johnson Matthey Plc |
| JPMorgan Claverhouse Investment Trust plc |
| JPMorgan European Growth & Income plc |
| JPMorgan Indian Investment Trust plc |
| JPMorgan Mid Cap Investment Trust plc |
| Just Group plc |

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| Just Retirement Limited |
| Keystone Positive Change Investment Trust plc |
| Kier Group plc |
| Leek United Building Society |
| Liverpool Victoria Insurance Company Limited |
| M&G plc |
| Manchester Building Society |
| Marks and Spencer Financial Services Plc |
| McBride plc |
| Meadowhall Finance PLC |
| Mercantile Indemnity Company Limited |
| Metro Bank Holdings PLC |
| Metro Bank PLC |
| MIGO Opportunities Trust plc |
| MJ Gleeson plc |
| Mobius Investment Trust plc |
| Molten Ventures plc |
| Mondi Finance plc |
| Mondi plc |
| Montanaro European Smaller Companies Trust plc |
| Moonpig Group plc |
| Motorpoint Group Plc |
| Murray Income Trust PLC |
| Newline Insurance Company Limited |
| NewRiver REIT plc |
| Next Group Plc |
| NEXT plc |
| Ninety One plc |
| OakNorth Bank Plc |
| Octopus Renewables Infrastructure Trust plc |
| Orbita Funding 2022-1 plc |

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| Oxford Biomedica plc |
| Partnership Life Assurance Company Limited |
| Pavillion Mortgages 2021-1 plc |
| PayPoint Plc |
| PCGH ZDP plc |
| Personal Assets Trust plc |
| Petershill Partners plc |
| Polar Capital Global Financials Trust plc |
| Polar Capital Global Healthcare Trust plc |
| Pollen Street plc |
| Premier Foods plc |
| Prudential Pensions Limited |
| PureTech Health plc |
| QAH Finance Plc |
| QinetiQ Group plc |
| Quilter Life & Pensions Limited |
| Quilter plc |
| RBC Europe Limited |
| Reach plc |
| Recognise Bank Limited |
| Redde Northgate plc |
| Rentokil Initial plc |
| River Thames Insurance Company Limited |
| RL Finance Bonds No. 3 plc |
| RL Finance Bonds No. 4 plc |
| Road Management Services (Finance) PLC |
| Rolls-Royce Holdings plc |
| Rolls-Royce plc |
| Rombalds Run-Off Limited |
| Rothesay Life Plc |
| RS Group plc |

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| S4Capital plc |
| Sabre Insurance Company Limited |
| Sabre Insurance Group Plc |
| Sandwell Commercial Finance No. 1 Plc |
| Sandwell Commercial Finance No. 2 Plc |
| Santander Financial Services plc |
| Santander UK Group Holdings plc |
| Santander UK plc |
| Satus 2021-1 PLC |
| Scottish Building Society |
| Scottish Equitable plc |
| Scottish Friendly Assurance Society Limited |
| Scottish Mortgage Investment Trust PLC |
| ScS Group plc |
| SDCL Energy Efficiency Income Trust plc |
| SEGRO plc |
| Shaftesbury Capital PLC |
| SolGold plc |
| South East Water Limited |
| Speedy Hire plc |
| St. James’s Place plc |
| St. James's Place UK plc |
| Stelrad Group plc |
| SThree plc |
| StreamBank Plc |
| Sutton and East Surrey Water Plc |
| Synthomer plc |
| Tandem Bank Limited |
| Taylor Wimpey plc |
| TBC Bank Group PLC |
| Temple Quay No.1 PLC |

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| Ten Entertainment Group plc |
| Thames Water Utilities Finance plc |
| The British Land Company PLC |
| The Brunner Investment Trust PLC |
| The Chancellor, Masters, and Scholars of the University of Cambridge |
| The Charity Bank Limited |
| The City of London Investment Trust plc |
| The Edinburgh Investment Trust plc |
| The Equitable Life Assurance Society |
| The Hospital Company (Dartford) Issuer PLC |
| The North American Income Trust plc |
| The Ocean Marine Insurance Company Limited |
| The Prudential Assurance Company Limited |
| The Royal London Mutual Insurance Society Limited |
| The Society of Lloyd’s |
| The Stafford Railway Building Society |
| The Veterinary Defence Society Limited |
| The Walsall Hospital Company Plc |
| The Weir Group PLC |
| Threadneedle Pensions Limited |
| TI Fluid Systems plc |
| Tokio Marine Kiln Insurance Limited |
| Trafalgar Insurance Limited |
| Trainline plc |
| Triodos Bank UK Limited |
| Troy Income & Growth Trust plc |
| Trustpilot Group plc |
| TT Club Mutual Insurance Limited |
| United Trust Bank Limited |
| Utmost Life and Pensions Limited |

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|---------------------------------------|
| Vesuvius plc |
| Victrex plc |
| Vistry Group PLC |
| Vitality Life Limited |
| Vp plc |
| VPC Specialty Lending Investments PLC |
| W.A.G Payment Solutions plc |
| West Bromwich Building Society |
| Westpac Europe Limited |
| WH Smith PLC |
| Wise plc |
| Wm Morrison Supermarkets Limited |
| Worldwide Healthcare Trust PLC |
| Yorkshire Building Society |
| Zopa Bank Limited |

Market-traded companies

We performed audits of the following companies which are market-traded companies as defined in the Crown Dependencies Audit Rules and company legislation in those territories.

- Centamin plc
- Digital 9 Infrastructure plc
- Goldman Sachs Finance Corp International Limited
- Grit Real Estate Income Group Limited
- Henderson Far East Income Limited
- Integrated Diagnostics Holdings plc
- Pollen Street Group Limited
- Schroder Oriental Income Fund Limited
- Wizz Air Holdings PLC

Other UK-traded third country companies

We also audited the following companies incorporated outside the United Kingdom and its Crown Dependencies, which have transferable securities admitted to trading on a UK regulated market.

- South East Water (Finance) Limited



List of EEA Member State audit firms in the PwC Network

EEA Audit firms in the PwC Network

| Member State | Name of firm |
|----------------|--|
| Austria | PwC Wirtschaftsprüfung GmbH, Wien PwC Wirtschaftsprüfungs- und Steuerberatungsgesellschaft GmbH, Linz PwC Tax & Audit Services Wirtschaftsprüfung und Steuerberatung GmbH, Graz PwC Österreich GmbH, Wien |
| Belgium | PwC Bedrijfsrevisoren bv/Reviseurs d’entreprises srl |
| Bulgaria | PricewaterhouseCoopers Audit OOD |
| Croatia | PricewaterhouseCoopers d.o.o PricewaterhouseCoopers Savjetovanje d.o.o |
| Cyprus | PricewaterhouseCoopers Limited |
| Czech Republic | PricewaterhouseCoopers Audit, s.r.o. |
| Denmark | PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab |
| Estonia | AS PricewaterhouseCoopers |
| Finland | PricewaterhouseCoopers Oy |
| France | PricewaterhouseCoopers Audit PricewaterhouseCoopers France M. Antoine Priollaud |
| Germany | PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Wibera WPG AG |
| Greece | PricewaterhouseCoopers Auditing Company SA |
| Hungary | PricewaterhouseCoopers Könyvvizsgáló Kft. |
| Iceland | PricewaterhouseCoopers ehf |
| Ireland | PricewaterhouseCoopers |
| Italy | PricewaterhouseCoopers Spa |
| Latvia | PricewaterhouseCoopers SIA |

| Member State | Name of firm |
|----------------------------|---|
| Liechtenstein | PricewaterhouseCoopers GmbH, Ruggell |
| Lithuania | PricewaterhouseCoopers UAB |
| Luxembourg | PricewaterhouseCoopers, Société coopérative |
| Malta | PricewaterhouseCoopers |
| Netherlands | PricewaterhouseCoopers Accountants N.V. |
| Norway | PricewaterhouseCoopers AS |
| Poland | PricewaterhouseCoopers Polska sp. z. o.o. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k. |
| Portugal | PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda |
| Romania | PricewaterhouseCoopers Audit S.R.L. |
| Slovakia (Slovak Republic) | PricewaterhouseCoopers Slovensko, s.r.o. |
| Slovenia | PricewaterhouseCoopers d.o.o. |
| Spain | PricewaterhouseCoopers Auditores, S.L. |
| Sweden | PricewaterhouseCoopers AB Öhrlings PricewaterhouseCoopers AB |

Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements are approximately 3 billion Euros. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2024.

Total turnover

€3.0bn

Appendix F: Compliance mapping

Audit Firm Governance Code (2022)

This Transparency Report's compliance with the Audit Firm Governance Code (2022) has been set out below with details of relevant disclosures made that comply with each individual principle and provision of the Code. In order to aid reviews we have included comments on how we have complied with principles and provisions.

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|---|---|
| A.A. | A firm’s Management and governance structures should promote the long-term sustainability of the firm. To this end, the Management of a firm should be accountable to the firm’s owners. | Governance chapter – Our committee structure and what they do section. |
| A.B. | A firm’s governance arrangements should provide checks and balances on individual power and support effective challenge of Management. There should be a clear division of responsibilities between a firm’s governance structures and its Management. No one individual or small group of individuals should have unfettered powers of decision. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. Appendix D: Biographies of the members of the Management Board and Supervisory Board. |
| A.C. | A firm’s Management should demonstrate its commitment to the public interest through their pursuit of the purpose of this Code and regular dialogue with the INEs. Management should embrace the input and challenge from the INEs (and ANEs). | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. |
| A.D. | The members of a firm’s Management and governance structures should have appropriate experience, knowledge, influence and authority within the firm, and sufficient time, to fulfil their assigned responsibilities. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections Appendix D: Biographies of the members of the Management Board and Supervisory Board. |
| A.E. | The Management of a firm should ensure that members of its governance structures, including owners, INEs and ANEs, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| A.1. | A firm should establish a Board or equivalent governance structure to oversee the activities of Management. | Governance chapter – Our committee structure and what they do section. |
| A.2. | At least half a firm’s Board should be selected from among partners who do not have significant management responsibilities within the firm. | Appendix D: Biographies of the members of the Management Board and Supervisory Board. |
| A.3. | The Chair of the Board should not also chair parts of the Management structure or be the managing partner. | Appendix D: Biographies of the members of the Management Board and Supervisory Board. |

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|--|---|
| A.4. | A firm’s Management and Board should have a clear understanding of their authority, accountabilities and responsibilities. The board should have clearly defined terms of reference, with matters specifically reserved for its decision, detailing in particular its role in relation to firm strategy, risk, culture and other matters relating to the purpose of this Code. Terms of reference should be disclosed on the firm’s website. Terms of reference for international management and governance structures taking decisions that apply to the UK should be disclosed on the UK firm’s website in the same way as for UK-based structures. | Governance chapter – Our committee structure and what they do section. |
| A.5. | A firm should establish arrangements for determining remuneration and progression matters for members of the Board which support and promote effective challenge of Management. | Governance chapter – Our committee structure and what they do section. |
| A.6. | The individual members of a firm’s governance structures and Management should be subject to formal, rigorous and ongoing performance evaluation and, at regular intervals, members should be subject to re-election or re-selection. | Governance chapter – Our committee structure and what they do section. |
| A.7. | There should be a formal annual evaluation of the performance of the Board and any committees, plus the public interest body. A firm should consider having regular externally-facilitated board evaluation at least every three years. | Governance chapter – Our committee structure and what they do section. |
| A.8. | Management should ensure that, wherever possible and as far as the law allows, members of governance structures and INEs and ANEs have access to the same information as is available to Management. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| A.9. | A firm should disclose in its annual transparency report: <ul style="list-style-type: none">– The names and job titles of all members of the firm’s governance structures and its Management.– A description of how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details.– A description of how its governance structures and Management operate, their duties, the types of decisions they take and how they contribute to achieving the Code’s purpose. If elements of the Management and/or governance of the firm rest at an international level and decisions are taken outside the UK, it should specifically set out how management and oversight is undertaken at that level and the Code’s purpose achieved in the UK.– An explanation of the controls it has in place on individual powers of decision and to support effective challenge by Board members, how these are intended to operate and how they work in practice. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. Appendix D: Biographies of the members of the Management Board and Supervisory Board. |
| Section B – People, values and behaviour | | |
| B.F. | A firm is responsible for its purpose and values and for establishing and promoting an appropriate culture that supports the consistent performance of high-quality audit, the firm’s role in serving the public interest and the long-term sustainability of the firm. | Governance chapter – Update from the Audit Oversight Body section. |
| B.G. | A firm should foster and maintain a culture of openness which encourages people to consult, challenge, contribute ideas and share problems, knowledge and experience in order to achieve quality work in a way that takes the public interest into consideration. | Governance chapter – Update from the Audit Oversight Body section. Audit quality chapter – Engagement compliance reviews (ECR) and Our audit methodology sections. People chapter – Culture section. Ethics chapter – Engagement acceptance and continuance section. |

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|---|--|
| B.H. | A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the purpose and Principles of this Code. | Governance chapter – Our committee structures and what they do section. |
| B.10. | A firm’s Board and Management should establish the firm’s purpose and values and satisfy themselves that its purpose, values and culture are aligned. If a firm’s purpose and values are established at an international level, the firm should ensure it has the ability to influence that decision-making process and the ability to tailor the output for the UK. | People chapter – Culture section. |
| B.11. | A firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply. The Board and INEs should oversee compliance with it. | Ethics chapter – Our systems of ethics and independence section. |
| B.12. | A firm should promote the desired culture and a commitment to quality work, professional judgement and values, serving the public interest and compliance with professional standards and applicable legal and regulatory requirements, in particular through the right tone at the top and the firm’s policies and procedures. | Ethics chapter – Our systems of ethics and independence section. |
| B.13. | A firm should establish policies and procedures to promote inclusion and encourage people to speak up and challenge without fear of reprisal, particularly on matters relating to this Code and the firm’s values and culture. | Ethics chapter – Our systems of ethics and independence section. |
| B.14. | A firm should introduce meaningful key performance indicators on the performance of its governance system, and report on performance against these in its transparency reports. | Governance chapter – Our committee structures and what they do section. |
| B.15. | A firm should assess and monitor culture. It should conduct a regular review of the effectiveness of the firm’s systems for the promotion and embedding of an appropriate culture underpinned by sound values and behaviour across the firm, and in audit in particular. INEs should be involved in this review and where a firm has implemented operational separation the ANEs should be involved in the review as it relates to the audit practice. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the purpose of this Code, it should take corrective action. | Governance chapter – Update from the Audit Oversight Body section. |
| B.16. | A firm should establish mechanisms for delivering meaningful engagement with its people. This should include arrangements for people to raise concerns in confidence and anonymously and to report, without fear, concerns about the firm’s culture, commitment to quality work, the public interest and/or professional judgement and values. The INEs should be satisfied that there is an effective whistleblowing policy and procedure in place and should monitor issues raised under that process. | Ethics and independence chapter – Our systems of ethics and independence section. |
| B.17. | INEs should be involved in reviewing people management policies and procedures, including remuneration and incentive structures, recruitment and promotion processes, training and development activities, and diversity and inclusion, to ensure that the public interest is protected. They should monitor the firm’s success at attracting and managing talent, particularly in the audit practice. Where operational separation is in place the ANEs should be involved in this process. | Governance chapter – Our committee structures and what they do section. Audit quality chapter – Our system of quality management section. People chapter – Talent, performance and reward section. |
| B.18. | INEs and ANEs should use a range of data and engagement mechanisms to understand the views of colleagues throughout the firm and to communicate about their own roles and the purpose of this Code. One INE should be designated as having primary responsibilities for engaging with the firm’s people. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|---|--|
| B.19 | A firm should disclose in its annual transparency report a description of how: <ul style="list-style-type: none"> – It engages with its people and how the interests of its people have been taken into account in decision making. – Opportunities and risks to the future success of the business have been considered and addressed, its approach to attracting and managing talent, the sustainability of the firm’s business model and how its culture, particularly in the audit practice, contributes to meeting the purpose of this Code. | Governance chapter – Update from the Public Interest Body and Our committee structures and what they do. |
| Section C – Operations and resilience | | |
| C.I. | A firm should promote a commitment to consistent high-quality audits and firm resilience in the way it operates. To these ends, a firm should collect and assess management information to evaluate the effectiveness of its policies and procedures and to enhance its operational decision-making. | Governance chapter – Update from the Public Interest Body and Our committee structures and what they do. |
| C.J. | A firm should establish policies to identify, assess and manage risk, embed the internal control framework and determine the nature and extent of the principal risks the firm is willing to take while working to meet the purpose of this Code. | Governance chapter – Our committee structures and what they do section. |
| C.K. | A firm should communicate with its regulators in an open, co-operative and transparent manner. | Audit quality chapter – External Inspections section. |
| C.L. | A firm should establish policies and procedures to ensure the independence and effectiveness of internal and external audit activities and to monitor the quality of external reporting. | Governance chapter – Our committee structures and what they do section. |
| C.20. | A firm should assist the FRC and its successor bodies to discharge its duties by sharing information openly. | Audit quality chapter – External Inspections section. |
| C.21. | A firm should take action to address areas of concern identified by regulators in relation to the firm’s audit work, leadership and governance, culture, management information, risk management and internal control systems. | Audit quality chapter – External Inspections section. |
| C.22. | A firm should develop robust datasets and effective management information to support monitoring of the effectiveness of its activities, including by INEs (and ANEs), and its ability to furnish the regulator with information. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. |
| C.23. | A firm should establish an audit committee and disclose on its website its terms of reference and information on its membership. Its terms of reference should set out clearly its authority and duties, including its duties in relation to the appointment and independence of the firm’s auditors. Where a firm’s audit committee sits at an international level, information about the committee and its work should be disclosed by the UK firm as if it were based in the UK. | Governance chapter – Our committee structures and what they do section. |
| C.24. | A firm should monitor its risk management and internal control systems, and, at least annually, conduct a review of their effectiveness. INEs should be involved in the review which should cover all significant controls, including financial, operational and compliance controls and risk management systems. | Governance chapter – Our committee structures and what they do section. |
| C.25. | A firm should carry out a robust assessment of the principal risks facing it, including those that would threaten its business model, future performance, solvency or liquidity. This should reference specifically the sustainability of the audit practice in the UK. INEs (and in firms with operational separation, ANEs) should be involved in this assessment. | Governance chapter – Our committee structures and what they do and Principal risks and responses section Appendix A: Risk register. |

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|--|---|
| C.26. | A firm should publicly report how it has applied the Principles of this Code, and make a statement on its compliance with its Provisions or give a detailed explanation for any non-compliance, i.e. why the firm has not complied with the Provision, the alternative arrangements in place and how these work to achieve the desired outcome (Principle) and the purpose of this Code. | Governance chapter – Our committee structures and what they do section. |
| C.27. | A firm should explain who is responsible for preparing the financial statements and the firm’s auditors should make a statement about their reporting responsibilities in the form of an extended audit report as required by International Auditing Standards (UK) 700/701. | PwC Annual Report: PwC Financial Statements are included in the document. |
| C.28. | <p>The transparency report should be fair, balanced and understandable in its entirety. A firm should disclose in its transparency report:</p> <ul style="list-style-type: none">– A commentary on its performance, position and prospects.– How it has worked to meet the legal and regulatory framework within which it operates.– A description of the work of the firm’s audit committee and how it has discharged its duties.– Confirmation that it has performed a review of the effectiveness of the system of internal control, a summary of the process it has applied and the necessary actions that have been or are being taken to remedy any significant failings or weaknesses identified from that review.– A description of the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary.– An assessment of the principal risks facing the firm and explanation of how they are being managed or mitigated– A description of how it interacts with the firm’s global network, and the benefits and risks of these arrangements, with reference to the purpose of this Code. This should include an assessment of any risks to the resilience of the UK firm arising from the network and any action taken to mitigate those risks. | <p>Senior Partner Foreword.</p> <p>Governance chapter – Our committee structures and what they do section.</p> <p>Audit Quality chapter – Our system of quality management and Our audit methodology section.</p> <p>Ethics chapter – Our systems of ethics and independence section.</p> <p>Appendix A: Risk register.</p> <p>Appendix C: Network and UK firm structure.</p> |
| D – INEs and ANEs | | |
| D.M. | A firm should appoint INEs to the governance structure who through their involvement collectively enhance the firm’s performance in meeting the purpose of this Code. INEs should be positioned so that they can observe, challenge and influence decision-making in the firm. | Governance chapter – Our committee structures and what they do sections. |
| D.N. | INEs (and ANEs) should provide constructive challenge and specialist advice with a focus on the public interest. They should assess and promote the public interest in firm operations and activities as they relate to the purpose of this Code, forming their own views on where the public interest lies. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. |
| D.O. | INEs (and ANEs) should maintain and demonstrate objectivity and an independent mindset throughout their tenure. Collectively they should enhance public confidence by virtue of their independence, number, stature, diverse skillsets, backgrounds, experience and expertise. They should have a combination of relevant skills, knowledge and experience, including of audit and a regulated sector. They owe a duty of care to the firm and should command the respect of the firm’s owners. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. |

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|---|--|
| D.P. | INEs (and ANEs) should have sufficient time to meet their responsibilities. INEs (and ANEs) should have rights consistent with discharging their responsibilities effectively, including a risk of access to relevant information and people to the extent permitted by law or regulation, and a risk, individually or collectively, to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the independent non-executive resigns, to report this resignation publicly. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.Q. | INEs (and ANEs) should have an open dialogue with the regulator. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.29. | INEs should number at least three, be in the majority on a body chaired by an INE that oversees public interest matters and be embedded in other relevant governance structures within the firm as members of formal attendees with participation rights. If a firm considers that having three INEs is unnecessary given its size or the number of public interest entities it audits, it should explain this in its transparency report and ensure a minimum of two at all times. At least one INE should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company’s finance function or at an audit firm. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.30. | INEs should meet regularly as a private group to discuss matters relating to their remit. Where a firm adopts an international approach to its management and/or governance it should have at least three INEs with specific responsibility and relevant experience to focus on the UK business and to take part in governance arrangements for this jurisdiction. The firm should disclose on its website the terms of reference and composition of any governance structures whose membership includes INEs, whether in the UK or another jurisdiction. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. |
| D.31. | INEs should have full visibility of the entirety of the business. They should assess the impact of firm strategy, culture, senior appointments, financial performance and position, operational policies and procedures including client management processes, and global network initiatives on the firm and the audit practice in particular. They should pay particular attention to and report in the transparency report on how they have works to address: risks to audit quality; the public interest in a firm’s activities and how it is taken into account; and risks to the operational and financial resilience of the firm. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.32. | A firm should establish a nomination committee, with participation from at least one INE, to lead the process for appointments and re-appointments of INEs (and ANEs), to conduct a regular assessment of gaps in the diversity of their skills and experience and to ensure a succession plan is in place. The nomination committee should assess the time commitment for the role and, when making new appointments, should take into account other demands on INEs’ (and ANEs’) time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior consultation with the nomination committee. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.33. | A firm should provide access for INEs to relevant information on the activities of the global network such that they can monitor the impact of the network on the operations and resilience of the UK firm and the public interest in the UK. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.34. | INEs should have regular contact with the Ethics Partner, who should under the ethical standards have direct access to them. | Governance chapter – Update from the Public Interest Body section. |

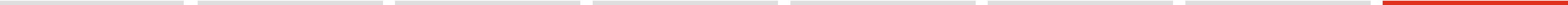
¹ Source: <https://www.pwc.co.uk/who-we-are/code-of-conduct/speak-up-pwcs-whistle-blowing-helpline.html>

| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|---|--|
| D.35. | INEs should have dialogue with the audit committees and investors to build their understanding of the user experience of audit and to develop a collective view of the way in which their firm operates in practice. | Governance chapter – Update from the Public Interest Body section. |
| D.36. | Firms should agree with each INE (and ANE) a contract for services setting out their rights and duties. INEs (and ANEs) should be appointed for specific terms and have a maximum tenure of nine years in total. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.37. | The firm should provide each INE (and ANE) with the resources necessary to undertake their duties including appropriate induction, training and development, indemnity insurance and access to independent professional advice at the firm’s expense where an INE or ANE judges such advice necessary to discharge their duties. | Governance chapter – Update from the Public Interest Body section. |
| D.38. | The firm should establish, and disclose on its website, well defined and clear escalation procedures compatible with Principle P, for dealing with any fundamental disagreement that cannot otherwise be resolved between the INEs (and/or ANEs) and members of the firm’s Management and/or governance structures. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| D.39. | An INE (and/or ANE) should alert the regulator as soon as possible to their concerns in the following circumstances: <ul style="list-style-type: none">– the INE or ANE believes the firm is acting contrary to the public interest– the INE or ANE believes the firm is endangering the objectives of this Code– the INE or ANE initiates the procedure for fundamental disagreements | No instances noted. |
| D.40. | A firm should disclose in its annual transparency report: <ul style="list-style-type: none">– Information about the appointment, retirement and resignation of INEs (and ANEs); their remuneration; their duties and the arrangements by which they discharge those duties; and the obligations of the firm to support them. The firm should report on why it has chosen to position its INEs in the way it has.– Its criteria for assessing whether INEs (and ANEs) are i) independent from the firm and its owners; and ii) independent from its audited entities. | Governance chapter – Update from the Public Interest Body, Update from the Audit Oversight Body and Our committee structure and what they do sections. |
| Section E – Operational separation | | |
| E.R. | Where a firm applies the Principles for Operational Separation, has established an Audit Board with a majority of ANEs and is subject to the regulatory monitoring of these arrangements, ANEs will fulfil the responsibilities of INEs under this Code in so far as these relate to the audit practice. A firm’s INEs will focus on representing the public interest in high quality audit at the firm-wide level as well as on the public interest in firm activities in non-audit parts of the business and the risks posed by these non-audit activities to the audit practice. In fulfilling their role ANEs should follow the Principles set out in section D as applied to the audit practice. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| E.S. | INEs should rely on ANEs to provide independent oversight of audit quality plans, audit strategy and remuneration in the audit practice. ANEs should rely on the INEs to monitor activities at the firm-wise and network levels for their potential impact on the audit practice. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |

¹ Source: <https://www.pwc.co.uk/annualreport/assets/2023/pwc-uk-financial-statements-2023.pdf>

² Source: <https://www.pwc.co.uk/who-we-are/annual-report.html>

³ Source: <https://www.pwc.co.uk/who-we-are/terms-of-reference-the-audit-and-risk-committee.html>



| Principles and Provisions of the 2022 AFGC | | Where information on how the principles and provisions have been addressed can be located |
|--|---|--|
| E.41. | ANEs should have the same obligations regarding time commitment, independence and objectivity as INEs. They should focus their attention on the audit practice in accordance with the Principles for Operational Separation. The Audit Board should have the authority to act independently of the firm-wide public interest body. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. |
| E.42. | INEs should participate in governance structures operating across the entirety of the firm and pursue the purpose of this Code at the firm-wide level. They should: i) monitor the activities of the wider firm and global network for their potential to affect audit quality and the resilience of the audit practice; and ii) ensure the firm takes account of the public interest in its wider decision making. | Governance chapter – Update from the Public Interest Body and Our committee structure and what they do section. |
| E.43. | INEs and ANEs should maintain open dialogue, consult on matters of public interest and share information with one another to the extent this is relevant for the Audit Board’s oversight of the audit practice and/or the effective discharge of the INEs’ responsibilities at the firm-wide level. They should inform one another in the event they invoke the procedure for fundamental disagreements. | Governance chapter – Update from the Public Interest Body and Update from the Audit Oversight Body sections. No instances noted of procedure for fundamental disagreements being invoked. |

¹ Source: <https://www.pwc.co.uk/who-we-are/our-purpose/fair-trusted-business/ethics-compliance.html>

The Statutory Auditors (Transparency) Instrument 2008 and the Local Auditors (Transparency) Regulations 2020

In last year’s Transparency Report we mapped requirements from The Statutory Auditors (Transparency) Instrument 2008. These requirements were amended by The Statutory Auditors and Third Country Regulations 2016 which was further amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019, which we map the requirements of on the following pages. As requirements of The Statutory Auditors (Transparency) Instrument 2008 have been amended we no longer report on how we meet these requirements.

Where an audit firm performs the audit of one or more major local audits, the Local Auditors (Transparency) Regulations 2020 require that auditor to prepare and publish a transparency report which meets the requirements of the Local Auditors (Transparency) Regulations 2020 issued by the FRC. PwC UK did not perform any major local audits in the year to 30 June 2024 (2023: no major local audits). We have therefore not prepared a compliance table against these regulations.



The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019

This Transparency Report's compliance with Article 13 of EU Regulation 537/2014 as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 has been set out below, with details of where the disclosures have been made that comply with each individual requirement of the Regulation.

| Requirement | Location within this Transparency Report |
|---|---|
| 1. A statutory auditor that carries out the statutory audit of a public-interest entities shall make public an annual transparency report at the latest four months after the end of each financial year. That transparency report shall be published on the website of the statutory auditor and shall remain available on that website for at least five years from the day of its publication on the website. A statutory auditor shall be allowed to update its published annual transparency report. In such a case, the statutory auditor shall indicate that it is an updated version of the report and the original version of the report shall continue to remain available on the website. Statutory auditors shall communicate to the competent authorities that the transparency report has been published on the website of the statutory auditor or, as appropriate, that it has been updated. | Complied with the Transparency Report as a whole. |
| 2. The annual transparency report shall include at least the following: (a) a description of the legal structure and ownership of the statutory auditor, if it is a firm; | Appendix C: Network and UK Firm Structure section. |
| (b) where the statutory auditor is a member of a network: (i) a description of the network and the legal and structural arrangements in the network; | Appendix C: Network and UK Firm Structure section. |
| (ii) the name of each member of the network that is eligible for appointment as a statutory auditor, or is eligible for appointment as an auditor in an EEA State or in Gibraltar; | Appendix E: PwC UK audit registrations - List of EEA member state audit firms in the PwC Network section. |
| (iii) for each of the members of the network identified under paragraph (ii), the countries in which they are eligible for appointment as auditors or in which they have a registered office, central administration or a principal place of business; | Appendix E: PwC UK audit registrations - List of EEA member state audit firms in the PwC Network section. |

| Requirement | Location within this Transparency Report |
|---|---|
| (iv) the total turnover of the members of the network identified under paragraph (ii) resulting from statutory audit work or equivalent work in the EEA States or Gibraltar; | Appendix E: PwC UK audit registrations - List of EEA member state audit firms in the PwC Network section. |
| (c) a description of the governance structure of the statutory auditor, if it is a firm; | Governance chapter – Our committee structures and what they do. |
| (d) a description of the internal quality control system of the statutory auditor and a statement by the management body on the effectiveness of its functioning; | Audit quality chapter – Audit Quality Plan and continuous improvement and Our system of quality management sections Head of Audit Report |
| (e) an indication of when the last quality assurance review referred to in Article 26 was carried out; | Audit quality chapter – External inspections and internal monitoring section |
| (f) a list of public-interest entities for which the statutory auditor carried out statutory audits during the preceding financial year; | Appendix E: PwC UK audit registrations - List of Public Interest Entity audits performed by PwC UK. |
| (g) a statement concerning the statutory auditor's independence practices which also confirms that an internal review of independence compliance has been conducted; | Ethics chapter – Our systems of ethics and independence section |
| (h) a statement on the policy followed by the statutory auditor concerning the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006; | People chapter – Training section. |

| Requirement | Location within this Transparency Report |
|--|---|
| (i) information concerning the basis for the remuneration of members of the management body of the statutory auditor, where that statutory auditor is a firm; | Governance chapter – Our committee structures and what they do. |
| (j) a description of the statutory auditor's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7); | Ethics chapter – Rotation policy section. |
| (k) where not disclosed in its accounts, information about the total turnover of the statutory auditor, divided into the following categories: (i) revenues from the statutory audit of accounts of public-interest entities and entities members of groups of undertakings whose parent undertaking is a public-interest entity; (ii) revenues from the statutory audit of accounts of other entities; (iii) revenues from permitted non-audit services to entities that are audited by the statutory auditor; and (iv) revenues from non-audit services to other entities. | Appendix B: Financial information – Relative importance of statutory audit work. |
| The statutory auditor may, in exceptional circumstances, decide not to disclose the information required in point (f) of the first subparagraph to the extent necessary to mitigate an imminent and significant threat to the personal security of any person. The statutory auditor shall be able to demonstrate to the competent authority the existence of such threat. | Not applicable. |
| 3. The transparency report shall be signed by the statutory auditor. | Head of Audit report. |



Appendix G: Glossary of terms

| | | | | | | | |
|-------|---|--------------------|--|-------------------------|---|-------|--|
| A&C | Acceptance & Continuance | API | Application Programming Interface | ARQI | Audit Risk & Quality Investigations | CI | Continuous Improvement |
| ACA | Associate Chartered Accountant | APRAC | Audit Partner Remuneration and Admissions Committee | ATOL | Air Travel Organiser's Licence | CIPFA | Chartered Institute of Public Finance and Accountancy |
| ACCIF | Audit Committee Chairs' Independent Forum | AQI | Audit Quality Indicator | Below the line reserves | Below the line reserves relates to capital items outside of the profit and loss account | CME | Client and Markets Executive |
| ACM | Audit Compliance Measure | AQM | Audit Quality Measure | BRS | Business Restructuring Services | COBIT | Control Objectives for Information and Related Technologies |
| ACR | Audit Compliance Review | AQR | Audit Quality Review team of the FRC | BSI | British Standards Institute | COO | Chief Operating Officer |
| AFGC | Audit Firm Governance Code | AQP | Audit Quality Plan | BU | Business Unit | CPAB | Canadian Public Accountability Board |
| AFS | Authorisation for Services | Assurance Services | Assurance services include statutory audits, non-statutory audits, local audits under the Local Audit and Accountability Act 2014, ISAE 3000 (Revised), ISAE 3402, and certain Capital Markets transaction work. | BYB | Be Your Best training programme | Crowe | Crowe UK LLP, PricewaterhouseCoopers LLP's statutory auditor |
| AI | Artificial Intelligence | | | CAN | Chief Auditor Network | CRS | Corporate Reporting Services |
| AIM | Alternative Investment Market | | | CASS | Client Asset Sourcebook | CRUF | Corporate Reporting Users' Forum |
| AIR | Automated Investments Recording | ATAP | Audit Tender Approval Panel | CCAB | The Consultative Committee of Accountancy Bodies | CSRD | Corporate Sustainability Reporting Directive |
| AMS | Audit Market Supervision | ARGA | Audit, Reporting and Governance Authority | CDO | Chief Data Officer | CwIR | Compliant with improvement required |
| ANE | Audit Non-Executive | ARC | Audit Registration Committee | CEO | Chief Executive Officer | D&I | Diversity and Inclusion |
| AOB | Audit Oversight Body | ARQ | Audit Risk & Quality | CES | Central Entity Services | DDM | Distributed Delivery Model |

| | | | | | | | |
|------------------|---|-------|---|-------------------|--|-------|---|
| EAP | Employee Assistance Programme | FPI | Foreign Private Issuer | IFRS | International Financial Reporting Standards | MB | Management Board |
| EAT | External Auditor Training | FRC | Financial Reporting Council | INE | Independent Non-Executive (as described in the AFGC) | MCEG | Markets Connected Execution Group |
| EB | Executive Board | FS | Financial Services | IPA | Internal Partner Admissions | MH | Mental Health |
| ECL | Expected Credit Losses | GAAP | Generally Accepted Accounting Principles | ISAs | International Standards on Auditing | NAST | Network Assurance Software Tools |
| ECR | Engagement Compliance Review | GAQ | Global Assurance Quality – Methodology Group | ISMS | Information Security Management System | NGA | Next Generation Audit |
| EEA | European Economic Area | GBR | Global Breaches Reporting System | ISP | Information Security Policy | NIST | National Institute of Standards and Technology |
| EMEA | Europe, Middle East and Africa | GDPR | EU General Data Protection Regulation | ISQC (UK) 1 | International Standards on Quality Control (UK) 1: ‘Quality control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements’ | NMITE | New Model Institute for Technology and Engineering |
| EMI | Electronic Money Institutions | GL | General Ledger | | | NZT | Net Zero Transformation |
| ERP | Enterprise Resource Planning | GRC | Governance, Risk and Compliance | ISQM (UK) 1 and 2 | International Standards on Quality Management | OGC | Office of General Council |
| ESG | Environmental, Social and Governance | Group | PwC UK and its subsidiary undertakings in the UK, Channel Islands and Middle East | ISRE2410 | International Standard on Review Engagements | OSCR | Office of the Scottish Charity Regulator |
| Ethical Standard | the Ethical Standard issued by the FRC in June 2019 | HPC | High Profile Client | KPI | Key Performance Indicator | Our | PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales |
| The firm | PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales | HR | Human Resources | LLAs | Liability Limitation Agreements | P2P | Pathway 2 Partner |
| EU | European Union | ICAEW | Institute of Chartered Accountants in England and Wales | LoS | Line of Service | PAC | Partner Affairs Committee |
| FCA | Financial Conduct Authority | IESBA | International Ethics Standards Board for Accountants | M&A | Mergers and Acquisitions | PCAOB | Public Company Accounting Oversight Board of the United States of America |
| | | | | | | PEAQ | Programme to Enhance Audit Quality |

| | | | | | | | |
|--|---|------|---|------|---|------|---|
| PI | Payment Institutions | QAD | Quality Assurance Department of the ICAEW | SEB | Socio-Economic Background | ‘we’ | PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales |
| PIB | Public Interest Body | QIP | Quality Improvement Plan | SEC | Securities and Exchange Commission of the United States of America | | |
| PIE | Public Interest Entity | QMP | Quality Management Process | | | xLoS | Cross Line of Service |
| PIMS | Privacy Information Management System | QMR | Quality Management Review | SECR | Streamlined Energy & Carbon Reporting | | |
| PMC | Partner Matters Committee | QMSE | Quality Management for Service Excellence | SIR | Standards for Investment Reporting | | |
| PRA | Prudential Regulation Authority | QP | Quality Partner | SOPS | Statements of Permitted Services | | |
| PRG | Policy and Reputation Group | QRP | Quality Review Partner | SoQM | System of Quality Management | | |
| PRI | Partner Responsible for Independence | RCA | Root Cause Analysis | SOx | Sarbanes-Oxley Act | | |
| Pricewaterhouse Coopers | the Network of member firms of PwCIL | RIIs | ‘Responsible Individuals’ are the individuals in the firm allowed to sign audit reports | SPA | Sale and Purchase Agreement | | |
| Pricewaterhouse Coopers LLP (or PwC LLP) | a limited liability partnership incorporated in England and Wales | RTA | Real Time Assurance | SQP | Single Quality Plan | | |
| PwC | PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales | RTM | Remote Team Model | TCFD | Task Force on Climate-Related Financial Disclosures | | |
| PwCIL | PricewaterhouseCoopers International Limited | RWA | Risk-Weighted Assets | TPM | Troublesome Practice Matters | | |
| PwC Network | the Network of member firms of PwCIL | SaFE | Suitable for everyone lists | T&RC | Talent and Remuneration Committee | | |
| PwC UK | PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales | SB | Supervisory Board | ‘us’ | PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales | | |
| | | SDC | Service Delivery Centre | UKAS | United Kingdom Accreditation Service | | |



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