



Transparency Report 2024

KPMG Lower Gulf

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KPMG Values

KPMG is committed to quality and service excellence in all that we do, helping to bring our best to clients and earning the public's trust through our actions and behavior both professionally and personally.

Our Values guide our behavior day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients and all of our stakeholders.



Our Values are:



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.



Message from the CEO and Senior Partner

I am pleased to present KPMG Lower Gulf’s (KPMG LG) Transparency Report for the financial year ended 30 September 2024.

The past year was truly remarkable for our Firm on multiple fronts. We not only achieved meaningful growth in our business but also strengthened our connections with clients, regulators, and the broader community. Most importantly, we significantly strengthened internal trust, empowering us to innovate more rapidly, and ultimately serve our clients and communities with greater impact.

Building on these achievements and trust we have fostered, we are now well positioned to address the growing complexities our clients face while offering greater benefits to our people and communities. In July 2024, the KPMG LG and KPMG Saudi Levant Partners voted overwhelmingly in favor of an integration of their businesses. The integration resulted in the establishment of a new limited liability partnership and, once necessary regulatory approvals obtained, will see a collective KPMG business comprising over 5,000 employees operating across Saudi Arabia, Jordan, Lebanon, Iraq, the United Arab Emirates and Oman. The integration is consistent with KPMG’s Global Collective Strategy that includes the clustering of member firms across the network. Greater integration brings several benefits to KPMG’s

clients, its people and the communities in which KPMG operates. Importantly, it underpins KPMG’s commitment to greater consistency and quality albeit continuing to service clients through separate legal entities that have operated in the respective markets.

In 2024, changes driven by the rise of Artificial Intelligence (AI) and growing importance and regulation of Environmental, Social and Governance (ESG) reporting have led to an increasing demand for greater trust in reporting, improved decision-making, and more transparency in governance, organizational structures, and sustainability efforts.

At KPMG, we are at the forefront of these changes, using advanced technologies and globally consistent methodologies to help address our clients’ toughest challenges. With KPMG Clara, our cloud-based audit platform, we are integrating trusted generative AI to make audits more efficient and accurate. This technology gives our auditors real-time insights and equips them to navigate the complexities of data evaluation with precision and reliability.

We are strengthening our focus on ESG assurance while also embedding ESG values into our own operations and community engagements. Our offices remain equipped with eco-friendly facilities and technology. We continue our contribution

to the quality of life within our communities by participating in initiatives from uplifting blue-collar workers, to planting mangroves, in addition to supporting charitable drives for natural calamities and humanitarian efforts. We also keep diversity and inclusion front and center, continuing gender diversity initiatives and adhering to our nationalization objectives to help create a more inclusive world.

By embedding ESG into our audits and operations, we not only meet growing regulatory and societal demands, but also align with an evolving landscape focused on trust, accountability, and transparency. In recent years, we witnessed significant efforts by the local regulators in the UAE and Oman to promote high-quality audits, enhance transparency and accountability, and protect the public interest. To achieve these objectives, more local regulators are joining the International Forum of Independent Audit Regulators (IFIAR). This membership underscores the region’s commitment to global standards of audit quality and regulation, which we fully support. Our collaboration with regulators also reflects this shared vision. Notably, in 2024, we engaged in productive dialogue with Abu Dhabi Accountability Authority (ADAA), which resulted in the re-instatement of KPMG on the list of auditors. This milestone strengthens our role in supporting

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high-quality audits and public trust in the region. We continue to defend our position in the Abraaj-related legacy matter carried over from previous periods, and we are committed to resolving these responsibly.

High audit quality drives all our work. In 2024, KPMG LG made the largest investment in audit quality it has done in the past six years, allocating almost USD 7 million, bringing our total investment over this period to almost USD 29 million. This investment enabled us to enhance the training and development of our audit professionals, equipping them with up-to-date technical expertise, industry knowledge, and guidance on new regulatory developments such as Corporate Income Tax in the UAE. Additionally, we prioritized the well-being of our people by fostering a safe and inclusive workplace, recognizing that a supportive environment is integral to maintaining high audit quality.

These investments and initiatives align closely with our System of Quality Management (SoQM), which provides the consistent internal controls necessary

to sustain the exceptional audit and assurance standards we strive to. We see significant value in the SoQM as it provides a robust framework for identifying risks, implementing effective controls, and continuously improving our processes. This ensures that our audit and assurance engagements meet the highest standards of accuracy, compliance, and reliability, ultimately reinforcing trust with our clients and stakeholders.

At KPMG, we are committed to delivering high-quality audit and assurance services. This Transparency report is intended to demonstrate this commitment. I hope you enjoy the read and gain valuable insights into how we uphold our standards of integrity, professionalism, and transparency in everything we do. Thank you for your trust in KPMG.

Together, for Better.



Emilio Pera
Deputy CEO, KPMG Middle East LLP

CEO and Senior Partner,
KPMG Lower Gulf



Audit quality

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands.

We define “audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards, within a strong system of quality management.

All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

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A robust system of quality management

Consistent and strong controls within our firm's system of quality management (SoQM) help reduce quality issues, drive operational efficiencies, and enhance transparency and accountability. We are committed to continually strengthening the consistency and robustness of our SoQM.

Across the global organization, KPMG have strengthened the consistency and robustness of their SoQM to meet the requirements of the International Standard on Quality Management (ISQM) 1, issued by the International Auditing and Assurance Standards Board (IAASB).

KPMG International's global approach to SoQM and ISQM 1



Sets **policies and procedures** to support KPMG firms' effective SoQM in accordance with ISQM 1 issued by the IAASB.



Establishes for each SoQM component, globally consistent **quality objectives, risks and responses including controls**.



Provides KPMG firms with a globally consistent **risk assessment framework** to use in identifying incremental KPMG firm specific quality objectives, risks and controls.



Supports KPMG firms with **guidance, tools and training** to drive consistent and effective firm SoQM operation and annual evaluation.



Includes **monitoring activities** over KPMG firms' SoQM to drive global consistency.



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The globally consistent approach to ISQM 1 is used by all KPMG firms across the global organization to drive the consistency, robustness and accountability of responses within KPMG firms' processes.

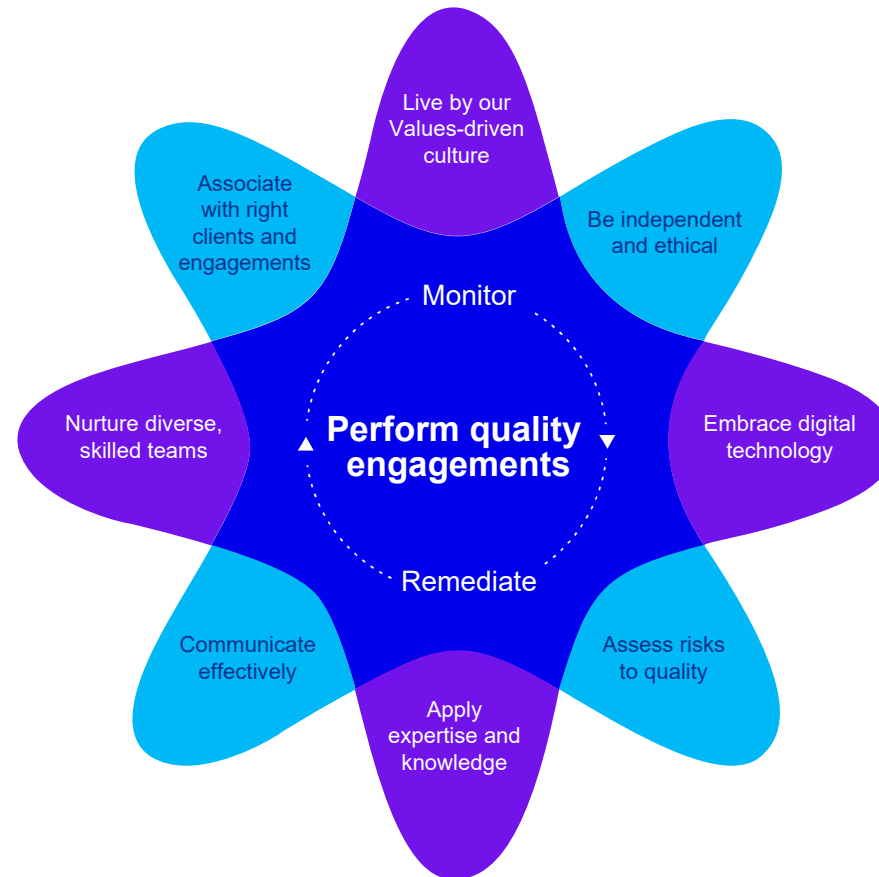
KPMG LG implemented the SoQM initiated by KPMG Global to redesign the network-wide requirements for member firms' SoQM and operated all the applicable controls during FY24. Our enhanced SoQM, which is in line with ISQM 1, ensures our performance meets the highest professional standards.

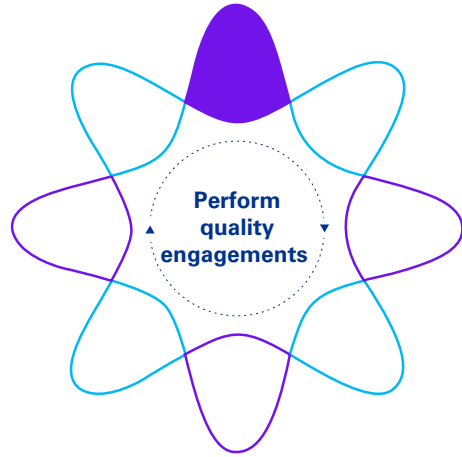
To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contributes to its delivery. The drivers outlined in the Global Quality Framework align with the 10 components of KPMG firms' SoQM and ISQM 1.

In line with ISQM 1, our SoQM also aligns with the International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standard Board for Accountants (IESBA Code of Ethics), which applies to professional services firms that perform audits of financial statements.

Sections 2-11 of the Transparency Report describe how we operate each driver in the Global Quality Framework, aligned with the SoQM components. Combined with our firm's SoQM Statement of Effectiveness (see [section 15](#)), this Transparency Report summarizes how our SoQM effectively supports the consistent performance of quality engagements. This report may also be useful for stakeholders interested in KPMG firms' Tax and Advisory services, as certain aspects of our firm's SoQM are cross-functional and apply equally as the foundation of quality for all services offered.

KPMG's Global Quality Framework





Live by our Values-driven culture

- **Foster the right culture, starting with tone at the top**
- **Clearly articulate strategy focused on quality, consistency, trust and growth**
- **Define accountabilities, roles and responsibilities related to quality and risk management**
- **Promote robust governance structures**

It's not just what we do at KPMG that matters, we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviors. Shared across all personnel, they are the foundation of our unique culture.

Foster the right culture, starting with tone at the top

Tone at the top

KPMG LG's leadership, working with global and regional leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. Our firm's leadership reinforces this commitment by ensuring that the tone at the top is consistently aligned with our global values. A culture based on integrity, accountability, quality, objectivity, independence, and ethics is essential in an organization that carries out audit, assurance, and other professional services on which stakeholders rely. Our local firm leaders embed these values through various initiatives such as townhall meetings and regular interactions with partners and staff -

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thereby ensuring that the highest standards are maintained at every level of our operations.

Clear Values and a strong Code of Conduct

At KPMG, our [Values](#) lie at the heart of the way we do things. To do the right thing, the right way. They form the foundation of a resilient and ethical culture ready to meet challenge with integrity, so we never lose sight of our principal responsibility to serve the public interest.

We are committed to the highest standards of professional behavior in everything we do. Ethics and integrity are core to who we are and within our [Global Code of Conduct](#), the code, we outline the responsibilities all KPMG people have to each other, our clients and the public. It shows how our Values and Purpose inspire our greatest aspirations and guide our behaviors and actions. It defines what it means to work at and be part of the KPMG organization, as well as our individual and collective responsibilities.

Everyone at KPMG can expect to be held accountable for their behavior consistent with the Code and is required to confirm their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or that is not in compliance with the Code or our Values. Everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, KPMG policies, professional standards and applicable laws or regulations.

To safeguard this principle of holding each other accountable, each KPMG firm has agreed to

establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in relation to, provide feedback on and notify reportable matters, without fear of reprisal, in accordance with applicable law or regulation.

The [KPMG International hotline](#) is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to KPMG International, activities of KPMG firms or KPMG personnel. KPMG International considers how to respond to each report received through the hotline and where necessary, investigates and takes appropriate action.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code, and any person who takes retaliatory action will be subject to their firm’s disciplinary policy.

In addition to the processes outlined above, the Global People Survey provides our leadership and KPMG International leadership with insights related to upholding the KPMG Values, employee and partner attitudes to quality, leadership and tone at the top.

KPMG’s Global Values Week — Building a values-led firm of the future

Kicking off FY2024, the KPMG global network came together to celebrate Our Values during a week-long series of events. Global Values Week engaged our people in dialogue around our five

Values and the role they play in our everyday work. This organization-wide celebration was followed by the launch of a Values Immersion initiative in our firm that included leader-led group sessions focused on living our Values under pressure.

The KPMG multidisciplinary model

The KPMG global organization is at its strongest when over 275,000 people across 142 countries and territories, aligned behind a common set of values, are working together to provide quality services to some of the most important organizations in the world, from the public sector to finance to healthcare. Regardless of the sector or industry they operate in, KPMG’s people leverage multidisciplinary knowledge and experience from across the organization to deliver independent and rigorous audit and assurance, tax and consulting services to clients and stakeholders, earning their trust by meeting our commitment to deliver professional excellence. We firmly believe that our multidisciplinary model is the best way to serve clients and is essential to delivering high quality.

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Clearly articulated strategy focused on quality, consistency, trust and growth

Our business

For more than 50 years, KPMG LG has been providing audit, tax, and advisory services to a broad range of domestic and international, public, and private sector clients across all major aspects of business and the economy in the United Arab Emirates and in the Sultanate of Oman. We work alongside our clients by building trust, mitigating risks, and identifying business opportunities.

KPMG LG is a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited. KPMG firms operate in 142 countries and territories and employ more than 275,000 partners and people, serving the needs of business, governments, public-sector agencies, not-for-profits and through KPMG firms' audit and assurance practices, the capital markets. KPMG LG is well connected with its global member network and combines its local knowledge with international expertise, providing the sector and specialist skills required by our clients.

KPMG is also widely represented in the Middle East region. Including presence in the UAE and Oman, KPMG member firms have a presence across 21 countries and territories in the MESAC (Middle East, South Asia, Caucasus and Central Asia) sub-region. The MESAC sub-region has a combined talent pool of over 12,500 people as of 30 September 2024.

Established in 1973, KPMG LG employs 1,750 people, including 162 partners and directors across the UAE and Oman, as of 30th September 2024.

In July 2024, the KPMG LG and KPMG Saudi Levant Partners voted overwhelmingly in favor of an integration of their businesses from 1 October 2024. The integration resulted in the establishment of a new limited liability partnership and, once necessary regulatory approvals obtained, will see a collective KPMG business comprising over 5,000 employees operating across Saudi Arabia, Jordan, Lebanon, Iraq, the United Arab Emirates and Oman.

The integration is consistent with KPMG's Global Collective Strategy that includes the clustering of member firms across the network. Greater integration brings several benefits to KPMG's clients, its people and the communities in which KPMG operates. Importantly, it underpins KPMG's commitment to greater consistency and quality albeit continuing to service clients through separate legal entities operating in the respective markets.

As we continue to grow, we aim to evolve and progress, striving for the highest levels of public trust in our work. Our values are: **Integrity**: We do what is right; **Excellence**: We never stop learning and improving; **Courage**: We think and act boldly; **Together**: We respect each other and draw strength from our differences; **For Better**: We do what matters.

To meet the changing needs of our clients, we have adopted an approach aligned with our global purpose: Inspiring Confidence and Empowering Change.

Over the years, KPMG LG has developed specialist industry and solution groups to meet client requirements for professional advisors who understand and are experienced in a wide variety of business fields. We have significant experience across key geographic areas and are engaged with leading industry players on a range of issues critical to the future of their industries. Details of the services we offer can be found on our website.

At KPMG, we set ourselves apart through our passion, expertise and curiosity, our inclusive culture and our focus on developing the leaders of tomorrow.

Our strategy

Our vision is to be the most valued multi-disciplinary firm in our market and in the eyes of our:

- People: who have a sense of purpose and belonging
- Clients: who call on us as a strategic partner
- Stakeholders: who recognize our contribution to a better society

Quality forms the cornerstone of our business. Our priorities are based on the 'VALUED' strategy: Virtuous, Aiming, Leveraging, Uplifting, Economic, Deliberate.

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We elaborate on each of the pillars below.

Virtuous: We strive to demonstrably live out our values through a collaborative, inclusive and accountable leadership culture, and entrench trust with all our stakeholders.

Aiming: We want to be focused and dominant in our chosen markets and fields of play, target further profitable growth in our business, explore re-igniting or building new relevant sector, client, and solution footprints, and enable a one-firm experience for our clients, for life.

Leveraging: We hope to maximize the value from our network, skills, technology, investments, and expertise, unlock value from our investments (especially technology), strengthen collaboration with the network and enable our people through digital and commercial upskilling. **Uplifting:** We are constantly working for the betterment of our people, clients, society, and country. We want to provide our people with a sense of purpose and belonging, recruit, develop and retain the best skills, and make a tangible contribution to our community.

Economic: We are focused on adopting a value add, commercial, client-centric mindset amongst all our people to optimize stakeholder returns, building performance excellence (improved margins, earnings, and liquidity), optimizing the middle and back-office support model, and inculcate a culture of service and client-centricity in all functions (including support teams).

Deliberate: We are making conscious, committed choices about what we do and do not do, for strategic, commercial or risk reasons. We are incorporating a balanced commercial, risk and quality mindset into all parts of the business and considering exploring inorganic growth.

In addition, we have set a financial target that we aim to achieve by the year 2028, as well as two or three goals for each priority. We have also developed a number of key performance indicators to measure progress up to 2026. A project management officer has been appointed to coordinate corresponding strategic initiatives to ensure we achieve these targets.

Our vision is to be a thriving firm of the future: one that nurtures and grows its people, is a trusted advisor to its clients, provides an exceptional experience to all its stakeholders, champions the local market with the power of our global network, and is aligned to the Global Collective strategy, channelling its values of Ambition, Trust, Growth, Consistency and Accountability. Our focus on empowering our people underpins everything we do and is vital to our success.

Integrity lies at the foundation of our firm, the very heart of being trusted and trustworthy. The excellence that we bring to all of our stakeholders differentiates us. Our courage as teams and as individuals helps us uphold our commitments. We

are building a KPMG that is fit for the future, making us more agile, more connected, and better equipped for our people, clients, and society.

Defined accountabilities, roles and responsibilities related to quality and risk management

Leadership responsibilities for quality and risk management

Our leadership team is committed to building a culture based on integrity, quality, objectivity, independence and ethics, demonstrated through their actions.

Our firm has agreed to seek input from the chair of the relevant KPMG Global Steering Group or their delegee on the performance of certain leaders within the firm whose role most closely aligns with the activities of the Global Steering Group. Input is sought as part of the annual performance process and is based on an assessment of the leader's performance, which includes matters of public interest, quality and risk management activities.

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The following individuals have leadership responsibilities for quality and risk management in our firm.



CEO and Senior Partner

KPMG LG is led by the CEO and Senior Partner, Emilio Pera. The CEO and Senior Partner is responsible for the effective management of the firm, in accordance with the strategic direction, plans and policies which are approved and subsequently overseen by the KPMG LG Board of Directors (LG Board). The CEO and Senior Partner heads the firm's Executive Committee (ExCom), which drives the execution of the business strategy and establishes processes to monitor and enforce policy compliance. In accordance with the principles of ISQM1, the CEO and Senior Partner also has ultimate responsibility for our SoQM. Details of some of the measures he and the rest of the Board of Directors have taken to ensure that a culture of quality prevails within our firm are set out in section 2.1.1.



Quality and Risk Management Partner

Our firm's Quality and Risk Management Partner (QRMP) who is also the Ethics and Independence Partner (EIP) is responsible for the firm's direction and execution of risk, ethics and independence, compliance, and quality related policies and procedures of the firm. The QRMP is a member of ExCom, (a steering committee reporting line to the Senior Partner). The QRMP consults, as appropriate, with the Senior Partner, the Regional Risk Management Partner, global quality and risk management resources, and the general counsel or external counsel.

The ExCom position and seniority of the reporting lines, underlines the importance that the firm places on risk and quality matters. The QRMP is supported by a team of directors and compliance professionals.



The Audit, Tax and Advisory functions – Function Heads

The three heads of the client service functions (Audit, Tax and Advisory) are accountable to the Senior Partner for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality management procedures for their specific functions within the framework set by the QRMP. These procedures make it clear that, at the engagement level, risk management and quality management is ultimately the responsibility of all professionals in the firm.

Our Head of Audit is responsible for the effective management and control of the Audit Function. This includes:

- Setting a strong tone and culture supporting audit quality through communication, engagement support and commitment to the highest standards of professional excellence, including professional skepticism, objectivity, and ethics and integrity;
- Developing and implementing an audit strategy that is aligned with the firm's audit quality requirements;
- Working with the QRMP to monitor and address audit quality and risk matters as they relate to the Audit practice.



Quality, Risk, Regulatory, and Compliance Committee (QRRCC)

This is a subcommittee of the KPMG LG Board, established in line with the governing documents of the Firm. The principal role of the QRRCC is to report to and assist the LG Board in fulfilling their oversight responsibilities in relation to current and potential future risk exposures of KPMG LG including quality, regulatory and compliance risks. The QRRCC consists of three Capital Partners (Equity Partners) Board Members. The QRRCC has met nine times during the year ended 30 September 2024.



Audit Quality Committee (AQC)

The AQC reports to the ExCom and QRRCC, who in turn reports to the LG Board and ensures the quality of audits and associated risks are a priority for audit leadership. The AQC is chaired by a Partner, who is independent of the audit practice and not a member of the ExCom or the Board of Directors. The AQC has met six times during the year ended 30 September 2024.

The AQC responsibilities include:

- Approve annual audit quality strategy and monitor the progress and outcome of implementation.
- Overseeing compliance with ISQM1 requirements.
- Provide approvals or inputs required by ISQM1 for the components pertaining to audit quality including transparency report, root cause analysis, investment in networks supporting audit quality, GPS (AQ section).
- Review the outcome of global audit quality initiatives/programs including EMA audit quality workshops, GAQT programs (Second line of Defence, Engagement Quality Control Review policy), Root Cause Analysis (RCA), Audit Risk and Quality Intelligence (ARQI), Clara data mining, and quality rating.
- Oversee implementation of a system of internal controls to effectively monitor, report and mitigate incidents impacting audit quality.
- Review the significant findings and outcome of the local initiatives addressing audit quality issues.
- Monitor and review audit quality indicators identified by the Audit Quality Monitoring Group (AQMG)
- Obtain significant updates on networks and activities directly or indirectly impacting audit quality, including the Department of Professional Practice (DPP), Learning and Development (L&D), Second Line of Defense (2LoD), Specialists, Clara, SoQM, Quality Performance Review (QPR), People, Performance, and Culture (PPC), Resourcing Operations, ALT composition change, and any significant audit-wide policy changes.
- Review results and remediation plan of QPR and regulatory reviews.

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Institute robust governance structures

Our legal and governance structure

KPMG Lower Gulf Limited (“KPMG LG”) is an exempted limited liability company incorporated in the Cayman Islands, with operations in the Sultanate of Oman and the United Arab Emirates. KPMG LG wholly owned by KPMG Lower Gulf Limited Partnership, a limited partnership established in the Cayman Islands. KPMG LLP is a limited liability partnership incorporated in the Dubai International Financial Center in the United Arab Emirates and is an affiliate of KPMG Lower Gulf Limited.

At KPMG LG, we apply high standards of corporate governance.

The Board

The KPMG LG Board of Directors (the “LG Board”) comprises Capital Partners (including the CEO who is also the Senior Partner of the firm) and independent non-executive directors.

The primary responsibility for the governance of KPMG LG lies with the LG Board, mandated by the KPMG LG Partners to ensure compliance with policies, overseeing management, and the appointment of key positions in the chain of command. The composition of the LG Board is structured to ensure objectivity, both in its assigned mandate and in the direction it provides to management. As a control in ensuring the objectivity of the Board of Directors, each Board member’s appointment is ultimately determined by KPMG

LG Capital Partners through an agreed nomination and approval process. As an additional control with regards to independence and objectivity, the Board of Directors’ composition includes provision for the appointment of independent non-executive directors. The constitution of the LG Board is determined by the Partners’ Standard Operating Procedures (PSOP) of the firm.

The LG Board is enabled to appoint such subcommittees as set out in the PSOP to contribute to the execution of its mandate. Some sub-committees are constituted in accordance with the firm’s governing documents, others are formed at the discretion of the LG Board and may consist of LG Board members or if required, other partners or delegates of the firm.

The LG Board sub-committees currently constituted, together with short descriptions of their respective mandates, are set out below: (see section 2.3.1. for QRRCC).

The Remuneration Committee

The Remuneration Committee is responsible for ensuring the remuneration of partners and staff (including the CEO and Senior Partner) is fair, consistent, and appropriate in line with the framework and plan proposed by the remuneration committee. The remuneration committee is also charged with the resolution of appeals or other matters pertaining to the remuneration of partners and employees. To ensure objectivity in the execution of these responsibilities, the remuneration committee consists of the Independent Non-Executive Director Board members and is chaired by the LG Board Chairman.

The Nominations Committee

The Nominations Committee is charged with various processes for the nomination and appointment of people to specific roles within the firm, which includes the process for the appointment of Capital Partner Board Members, Capital Partner promotions and Independent Non-Executive Directors. The Nominations Committee consists of one Independent Non-Executive Director who is also the chairperson and three Capital Partners of the Firm (non-board members) to ensure objectivity in fulfilment of its obligations. The members of the nominations committee are appointed through confidential voting by the Capital Partners.

The Audit Committee

The Audit Committee is established in line with the governing documents of the Firm. The principal role of the audit committee is to report and assist the LG Board in fulfilling its oversight responsibilities to the stakeholders relating to:

- Annual or other financial statements of the firm;
- Capital adequacy and treasury arrangements;
- Compliance with the provisions of the UAE corporate tax law;
- The firm’s internal audit function; and
- Correspondence with external and internal auditors.

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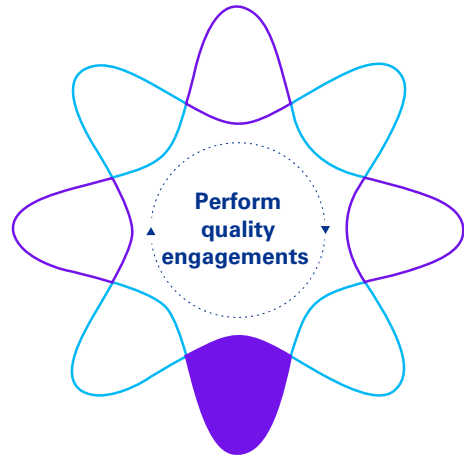
The audit committee consists of three Capital Partner Board Members with the chairperson elected from within its members. In addition, the Executive Committee of the firm deals with key aspects of management of the firm and reports into the LG Board.

Details about the roles, responsibilities and composition of the Executive Committee are set out below.

The Executive Committee (ExCom)

The ExCom is a separate committee from the LG Board and its sub-committees and is responsible for management of the day-to-day activities of the firm, recommending policy to the LG Board and developing and implementing the business plan and firm strategy as approved by the LG Board. It deals with operational matters affecting the firm (including financial performance, budgets, new business proposals, marketing, technology development, recruitment and retention and general remuneration, prioritization and allocation of resources and investment and managing the firm's risk profile).

The ExCom members are all partners in our firm and are appointed by the CEO, who is the Senior Partner of the firm. As at September 2024, in addition to the CEO and Senior Partner, the Executive Committee included the Head of Audit, the Head of Tax, the Head of Advisory, the Head of Clients and Markets, the Head of People, Performance, and Culture, the Head of Quality and Risk Management and the Chief Operating Officer.



Apply expertise and knowledge

- **Methodology aligned with professional standards, laws and regulations**
- **Technology-enabled standardized methodology and guidance**
- **Deep technical expertise and knowledge**
- **Quality and risk management policies**

We are committed to continuing to build on our technical expertise and knowledge recognizing its fundamental role in delivering quality services.

Methodology aligned with professional standards, laws and regulations

Consistent audit and assurance methodology and tools

We use KPMG International’s audit and assurance methodology, tools and guidance to drive a consistent approach to planning, performing and documenting audit and assurance procedures. Key elements include:

Meeting the applicable standards, including International Standards on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB), the American Institute of CPAs (AICPA), and the International Standards on Assurance Engagements (ISAE), local auditing standards and regulatory or statutory requirements for our firm;

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- Identifying risks of material misstatements and the necessary audit response;
- Used by our audit and assurance professionals to drive consistent interpretation on the application of ISAs and ISAEs.

Our audit and assurance methodologies emphasize applying appropriate professional skepticism in the execution of procedures and require compliance with relevant ethical requirements, including independence. The methodologies evolve to reflect new and revised audit standards and requirements as well as to keep pace with innovative and technological advances that drive quality and efficiency.

Technology-enabled standardized methodology and guidance

The KPMG standardized methodology and guidance are embedded within KPMG Clara, our smart audit and assurance platform, and assist our engagement teams in meeting the ever-changing landscape of corporate reporting and related audit and assurance requirements.

Deep technical expertise and knowledge

Access to specialist networks

Specialist experience is an increasingly important part of the modern audit and is a key feature of our

multidisciplinary model. Our engagement teams have access to a network of KPMG specialists to consult – either within their firm or in other KPMG firms. These specialists receive the training they need to ensure they have the competencies, capabilities, and objectivity to appropriately fulfil their role on our audits.

The need for specialists to be assigned to an audit engagement in areas such as information, technology, tax, treasury, actuarial, forensic and valuations is considered as part of the audit engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

Digital Audit

Digital Audit in KPMG LG integrates Tech Assurance and Data & Analytics (D&A) capabilities, bringing together resources who are experts in technology audits, data analytics and information security. The team is led by a Partner who is supported by an experienced Director and Senior Managers.

Tech Assurance capabilities facilitate comprehensive assessments of client technologies, along with the underlying processes and controls. Through IT external audit and attestation services, we assist clients in effectively mitigating risks, enhancing control environments, building stakeholder confidence in service delivery, and confidently navigating transformation initiatives.

Data & Analytics in Audit leverages advanced techniques to enhance the quality and effectiveness of financial audits. With commitment to technology and digitalization, D&A has been an integral part

of our audit methodology with several automated solutions developed for various industries. Our D&A technologies have spread across General Ledger analytics with Clara Advanced Analytics as well as various standard and tailored sub ledger analytics solutions. With D&A tools and technologies we can offer insights, detect anomalies on a timely basis as well as provide assurance on completeness and accuracy of transactions which constitute the line items in the audited financial statements.

Valuation (Real estate and Business Valuation)

The valuation specialists' team has experienced and qualified professionals. The team has chartered valuation surveyors who are members of the Royal Institution of Chartered Surveyors (RICS) and qualified Chartered Financial Analysts (CFA). The team supports UAE, Oman, Saudi Arabia and other Middle East engagement teams. The valuation specialists team provides assurance that valuation estimates reported in financial statements are reasonable, well supported by market data and aligned with IFRS and the International Valuation Standards (IVS). The type of valuations reviewed by the valuation specialists' team mainly cover real estate, business, intangible assets and purchase price allocation reports that support the audit.

Financial Risk Management (FRM)

The FRM team has been playing an instrumental role in the audit of banks and financial institutions since its establishment formally in 2016. Given the highly specialized skill sets related to statistical modelling, The team provides support on the validation of IFRS 9 ECL models used to

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determine provisions. The robustness of the IFRS 9 mechanism is also benchmarked against leading industry practices across the globe. In addition, the team also provides support on hedge effectiveness testing and derivatives valuation for a few corporate clients.

Actuarial Valuations

The Actuarial Valuations team was set up in 2016 in the form of collaboration with KPMG South Africa, KPMG India, and KPMG Cyprus. The team together provides the following services:

- Review of the actuarial valuation reports (prepared by the client or independent consultants) of the post-employment benefits and other long-term employee benefits to ensure compliance with IAS 19 Employee benefits.
- Review of the insurance and reinsurance contracts liabilities of insurance companies included in the financial statements, to ensure compliance with IFRS 17.
- Review of the actuarial valuation reports (prepared by the client or independent consultants) of the liabilities of pension funds, where relevant.

Our commitment to audit and assurance quality by responding to significant external events and conditions

Significant external events and conditions, such as the impact arising from climate change, geopolitical events, volatile interest rates and elevated levels of inflation may have significant financial statement

implications, increasing complexity, subjectivity and uncertainty for matters such as management’s going concern assessment, asset impairments and asset valuations. Guidance is available to assist engagement teams in addressing the financial reporting, auditing, and reporting-related matters arising from the impact of these significant external events and conditions.

We also have access to an online financial reporting resource center maintained on behalf of KPMG that highlights the potential financial statement implications of matters arising from significant external events. This guidance is updated as new significant accounting, auditing and reporting issues emerge.

Licensing and requirements for IFRS® Accounting Standards and US GAAP engagements

All KPMG professionals in our firm are required to comply with applicable professional license rules and satisfy the Continuing Professional Development requirements in the jurisdiction where they practice. KPMG International policies and procedures are designed to facilitate compliance with license requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework.

ESG Assurance quality

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

We believe the same level of professionalism, quality, consistency, and trust should apply to ESG reporting as to financial data. We have made significant investments in putting ESG at the heart of the organization and remain steadfast in our commitment to serving the public interest.

As part of the continuous improvement approach to quality, in 2024 the following updates were implemented:

- Enhanced the ESG Assurance methodology and KPMG Clara workflow - Assurance training and released curriculum focused on the ISSB standards
- Invested in programs to strengthen KPMG professionals’ skills and experience, to deliver high quality ESG assurance engagements and meet client needs, including:
 - access to technical ESG reporting and assurance subject matter professionals from other KPMG offices including KPMG Hungary, KPMG UK as well as KPMG Delivery Network (KDN);
 - offering rigorous KPMG online trainings and sponsoring sustainability related external certifications.

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Our ESG assurance delivery model is subject to our SoQM in accordance with ISQM 1.

Policies on applicable requirements, standards and laws

At our firm, all personnel are expected to adhere to KPMG International and our firm's policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them. Our policies and procedures for audit and assurance engagements incorporate the relevant requirements of accounting, auditing, assurance, ethical, quality and risk management standards that are consistent with ISQM 1, and other applicable laws and regulations.



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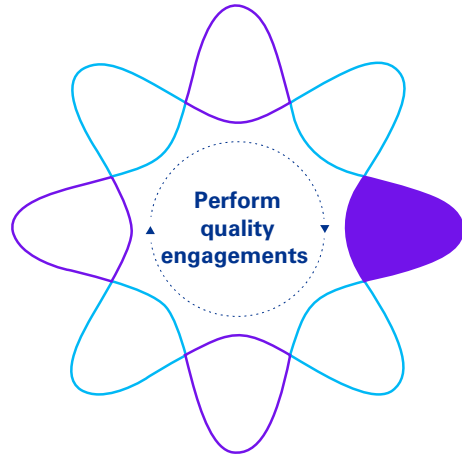
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Embrace digital technology

- **KPMG Clara**
- **Intelligent, standards-driven audit and assurance workflows**
- **Digital data and emerging technologies**

At KPMG, we are actively anticipating the technologies that will shape our near future and are driving an ambitious innovation agenda. We are continuously transforming the audit and assurance experience for our professionals and clients. The alliances and cutting-edge technologies used across the KPMG global network are enhancing our ability to deliver high quality solutions, empowering us to identify and respond to the issues that matter most with greater precision.

KPMG Clara

An intelligent audit and assurance technology platform, KPMG Clara integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation and data visualization, and harnesses the power of artificial intelligence (AI). KPMG Clara enables new insights by helping our auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply reconciling the accounts.

A fully digital approach is integral to how KPMG firms perform quality audit and assurance engagements and interact with our clients. Policies and guidance are in place to establish and maintain appropriate processes and controls regarding the development, evaluation and testing, deployment and support of technology in our audits.

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Intelligent, standards-driven audit and assurance workflows

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG firms. It enables delivery of KPMG audit and assurance methodologies, through data-enabled workflows, which are aligned with the applicable standards, providing an empowered and seamless experience to auditors.

Digital data and emerging technologies

Our vision of the future

The KPMG global organisation is committed to continuously evolving our approach to quality and, as a technology-driven organization, is harnessing innovative capabilities to deliver high quality services.

Fully deployed across KPMG firms, KPMG Clara is the global platform for KPMG Audit and empowers our auditors to offer deeper insights, fresh perspectives and improved audit and assurance quality to the entities we audit.

Signalling our commitment to continual innovation, enhancement, and further digitization of the audit, we use KPMG Clara as a future-ready platform that is ready to harness the innovations of today and tomorrow.

As one example, KPMG Clara AI Chat, powered by advanced generative AI technology, has been

seamlessly integrated into the global KPMG Clara audit workflow, allowing our professionals, where permitted by clients and applicable laws, to more deeply interrogate audit documentation, search and apply KPMG’s knowledge base, and benefit from the productivity-boosting capabilities of AI.

Technologies such as KPMG Clara analytics - AI transaction scoring mean KPMG audit teams can apply AI and machine learning algorithms to identify higher-risk transactions – focusing audit attention on risk areas that require follow up and providing greater assurance over the complete data set.

As KPMG works to fully harness the power of AI, we remain equally committed to upholding ethical standards for AI solutions that align with our Values and professional standards, and that foster the trust of KPMG clients, people, communities, and regulators.

KPMG Trusted AI is our strategic approach and framework to designing, building, deploying and using

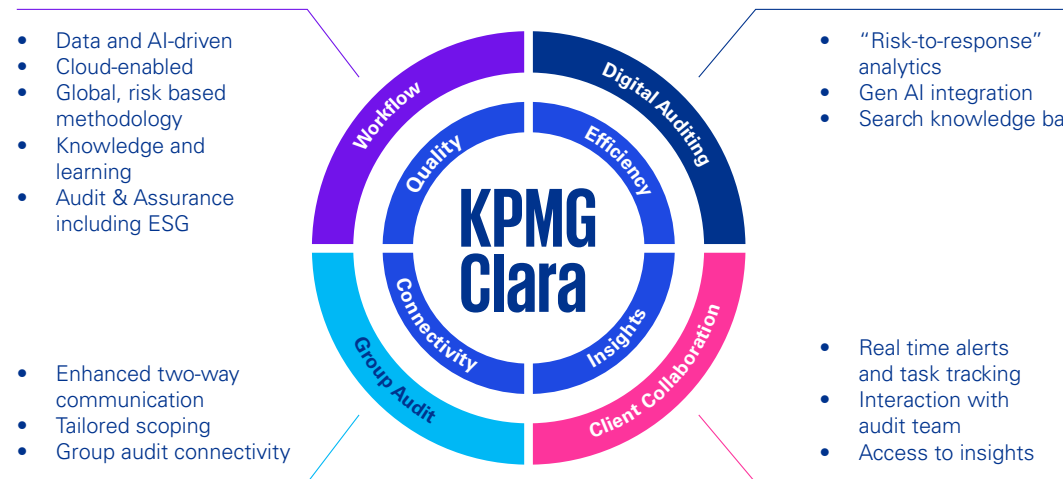
AI solutions in a responsible and ethical way to help ensure we can accelerate value with confidence.

Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms, including the KPMG Global and our firm’s Code of Conduct.

We have policies on information security, confidentiality, personal information, and data privacy. We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with applicable laws, regulations, and professional standards.

KPMG provides training on confidentiality, information protection and data privacy requirements to all KPMG personnel annually.



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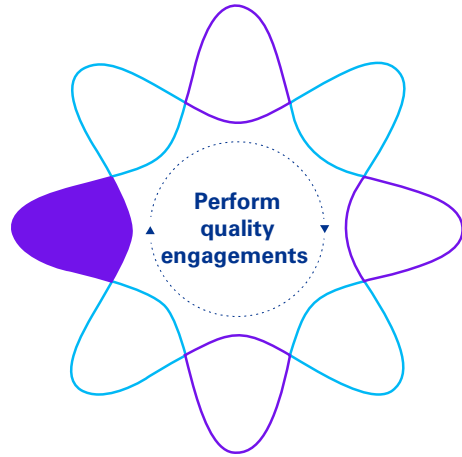
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Nurture diverse, skilled teams

- **Recruit appropriately qualified and skilled people with diversity of perspective and experience**
- **Assign appropriately qualified team**
- **Invest in data-centric skills — including AI solutions**
- **Focus learning and development on technical expertise, professional acumen and leadership skill**
- **Recognize quality**

Our people make the real difference and are instrumental in shaping the future of audit and assurance at KPMG. We put quality and integrity at the core of our practice. Our auditors have diverse skills and capabilities to address complex problems.

Recruit appropriately qualified and skilled people with diversity of perspective and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation, and purpose to deliver high-quality audit and assurance services. This requires the right recruitment, development, reward, promotion, retention, and assignment of professionals.

Recruitment

KPMG LG has invested in understanding how we can attract the talent we need now and in the future across the organization. This requires the right strategies towards recruitment, development, reward, promotion, the right design of candidate sourcing strategies, design of the

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interview process, recruitment operations, the offer and onboarding process, and the assignment of professionals. This includes building an extraordinary people experience for all current and prospective partners and employees.

Our recruitment talent acquisition strategy is focused on drawing talent across various sourcing channels: entry level talent from a broad talent base, including working with established universities, colleges, and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age. KPMG LG also recruits significant numbers at an experienced hire and partner level.

All candidates submit an application and are employed following a variety of selection processes, which may include application screening, behavioural and competency-based interviews, psychometric and ability testing as applicable, and qualification/reference checks. On joining the firm, the new joiners participate in a one-day long induction program which includes training in areas such as ethics and independence, quality and risk management principles, engagement management and our people management procedures. The program helps new joiners learn about the processes and procedures within the firm. The objective of this session is to ensure the new joiner has a smooth integration within KPMG and understands the history, future, vision, mission, and purpose of KPMG.

Where individuals are recruited for senior grades, a formal independence discussion is conducted with

them by the Ethics and Independence Partner or a delegate.

The Partner hiring process is rigorous and thorough, involving appropriate members of leadership. Our criteria for Partner hires are consistent with our commitment to professionalism and integrity, quality, and being an employer of choice. These are strongly aligned to KPMG's behavioural capabilities and are based on consistent principles.

We recruited over 76 new graduates in the year ended 30 September 2024 and over 343 permanent employees in the year ended September 2024 across the audit function and within networks supporting audit quality.

Inclusion, diversity and equity programs

Inclusion, Diversity and Equity (IDE) underpins the KPMG Value of 'Together' and is vital to inspiring confidence and empowering change — our Purpose.

Fostering a culture that welcomes everyone — without exception — requires purposeful work. KPMG International issues guidance on global best practices related to those areas where an evolved IDE focus can help make the greatest impact through the creation of an inclusive environment — including hiring, compensation, performance evaluation and promotions.

Engage. Educate. Empower was the theme of KPMG's Global IDE Super Summit for 2024 and thousands of colleagues joined the celebration of togetherness uniting the KPMG IDE communities and allies through a landmark global event,

with more ways to learn from each other, join conversations and share ideas.

Being inclusive and diverse enables us to bring together successful teams with the broadest range of skills, experiences, and ways of working. We promote positive integration between work and life to encourage not only professional achievements but also to provide an environment that enables everyone, regardless of gender, ethnicity, age, disability, religion, or socio-economic background to reach their full potential. We strive to be an employer of choice by ensuring that all our people are empowered to make decisions and feel proud and motivated to do their best.

Over the past few years, we have improved our gender diversity firm-wide (male to female ratio) to 57:43 in FY24. In 2022 KPMG LG signed the UAE gender balance pledge to achieve 30% women in leadership positions by 2025. In FY24 we have 29.8% women in the positions of manager and above.

Further, our workforce includes 30.4% Arabic speakers who are integrated into our teams to support engagements where Arabic language skills are required. In addition, our partner group comprises 18.75% Arabic speakers.

We embrace and harness diversity of background, diversity of experience, and diversity of perspective — as a result of which our firm's workforce includes approximately 70+ nationalities. KPMG LG recognizes diversity through several observance days throughout the year, notably International Women's Day, Emirati Women's Day, and Omani Women's Day.

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Emiratization

Led by Mohammad Zamani, KPMG LG’s First Emirati Audit Partner, our Emiratization program reflects our unwavering commitment to empowering UAE nationals in the workforce.

Through carefully designed strategic initiatives, we aim to attract, develop, and retain Emirati talent, fostering their professional growth and leadership within the private sector.

Our efforts are fully aligned with the UAE government’s vision to enhance national participation in the private sector and contribute to a diversified, sustainable economy. In collaboration with strategic partners such as Abu Dhabi Global Market Academy (ADGMA) and the Emirati Human Resources Development Council in Dubai, we provide UAE nationals with tailored learning opportunities and industry-specific expertise. These initiatives ensure they are equipped with the skills and knowledge to excel in their careers and make meaningful contributions to the nation’s economy.

Omanization

Similar to Emiratization, KPMG is committed to supporting the Oman government’s vision for Omanization. Led by Aqeel Al Lawati, we aim to be the employer of choice for our people, we take our role in the promotion and inclusion of Omani nationals in the workforce very seriously. KPMG introduced the Omanization program with the objective of recruiting and training young Omanis, equipping them with the financial skills and experience to become qualified accounting professionals and emerge as the future business

leaders of Oman. Our program is designed to attract, develop and retain Omani talent. It focuses on providing work experience to graduate interns during their university years, recruiting high-achieving graduates and supporting them in gaining professional accounting qualification while working.

In particular, we invest into the development of Omani nationals by recruiting young Omani nationals seeking professional qualifications, on-the-job training, and exposure to KPMG’s global best practices. Our young Omanis have been placed across our Audit, Tax and Advisory service lines.

Mentorship program

The mentorship program, launched in 2021, was initially focused on providing mentoring opportunities exclusively for our female colleagues across the firm. In FY24, the program evolved into an inclusive mentorship initiative, extending opportunities to male mentees as well.

This program aims to establish a platform where all professionals, regardless of gender, can connect with inspiring mentors within KPMG. It fosters a supportive environment for personal and professional growth by enabling learning through shared experiences, beyond traditional personal development pathways.

The mentorship program focuses on key areas such as promoting workplace equality, expanding personal networks, sharing impactful stories, enhancing workplace wellbeing, navigating career paths, managing work-life balance, and cultivating resilience and adaptability, among others.

In FY24, we had 235 mentees (140 female and 95

male mentees) who benefited from the support and guidance of 110 mentors (40 female and 70 male mentors).

KPMG Network of Women and Men (KNOW + M)

KNOW + M is a platform for listening, reflection, and an opportunity to connect with and learn from our remarkable and diverse colleagues who share a passion for positive change and who champion diversity and inclusion within our KPMG. We held two events, one which celebrated the profound impact of literature on our lives and the second which focused on tapping into our collective genius and fostering a culture of creativity and learning at KPMG.

IDE Champions Network

An IDE Champions network was established in 2022. This group of passionate individuals are responsible for driving IDE at the grassroots level. We have over 15 members across LG.

In FY24, we celebrated vibrant unity in diversity at the annual Global Village event across geography representing 70 nationalities. People came to work in their national cultural attire, where they showcase their unique cultures and celebrate diverse teams and backgrounds through fun and engaging activities.

Learn more about the KPMG commitment to have an inclusive culture built on trust in the [KPMG International: Our Impact Plan](#).

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Health and well-being

At our firm, we are committed to supporting the overall well-being of our people. We have launched a comprehensive framework centered around eight interconnected dimensions of well-being: physical, emotional, intellectual, social, occupational, financial, environmental, and spiritual health. We strive to create an environment of empathy and transparency where individuals feel supported and empowered to prioritize their well-being, enabling them to thrive both personally and professionally. This holistic approach ensures that our people can deliver high-quality work for our clients while maintaining a balanced and fulfilling life.

Reward and promotion

Reward

KPMG LG has compensation and promotion policies that are clear, simple, and linked to the performance review process which, for partners, includes the achievement of key audit quality and compliance metrics. This helps our partners and employees know what is expected of them, and what they can expect to receive in return.

Reward decisions are based on consideration of personal, service line, and organizational performance as well as the projected budgets for the following Fiscal year.

Compensation principles are communicated to all staff members across Audit, to offer transparency and reinforce consistency in application.

The extent to which our people feel their performance has been reflected in their reward is measured through the global people survey, with action plans developed as required. The action plans are implemented based on service line and organization performance as well as budgets.

Promotion

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

Assign an appropriately qualified team

A critical driver of quality management is the selection of the engagement team to deliver effective and high-quality audit and assurance services. At KPMG, we have policies, procedures and controls in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement.

The Resource Management team, Audit COO and Head of Audit are responsible for the partner assignment process. Key considerations include partner experience and capacity – based on an annual partner portfolio review – to perform the engagement considering the size, complexity and risk profile of the engagement and the type of support to be provided (i.e., the engagement team composition and specialist involvement).

Engagement Partners along with the Audit COO & Resource Management are responsible for determining that sufficient and appropriate resources to perform the engagements are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the audit engagement, KPMG policies and procedures, professional standards and applicable legal and regulatory requirements and any changes that may arise during the engagement. This may include involving specialists from our own firm, other KPMG firms or external experts.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner’s considerations may include the following:

- Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- Understanding of professional standards and legal and regulatory requirements;
- Appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing;
- Knowledge of relevant industries in which the client operates;
- Ability to apply professional skepticism;
- Understanding of KPMG’s quality control policies and procedures; Quality Performance Review (QPR) results and results of regulatory inspections.

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Audit role profiles to drive quality

Driving a consistent approach to accountability for quality, we have a set of role profiles, issued by KPMG International, articulating the technical and behavioural competencies, and individual levels of accountability for contributing to audit quality and the SoQM. The role profiles offer KPMG personnel involved in audit delivery a clear articulation of their role and are updated annually to support the focus on continuous improvement. To connect the role profiles to goal setting, a mandatory audit quality goal is in place for those covered by the role profiles.

Invest in data centric skills – including advanced AI solutions

The KPMG organization is strategically investing in prospective talent by partnering with world-class institutions to sustain strong leadership, while also looking forward to cultivating the skills and capabilities that will be needed in the future.

In 2024, KPMG implemented organization-wide AI training programs, ‘24 hours of AI’, where every hour on the hour colleagues from around the globe took the opportunity to learn about the latest KPMG global AI tools and the advanced AI solutions that have been tailored for Audit and Assurance, Tax and Advisory functions, to take part in practical ‘prompt crafting’ workshops to improve AI skills, and to be upskilled on KPMG’s principles for responsible use of AI.

Globally, we are recruiting and training professionals who specialize in software, cloud capabilities and AI and who can bring leading technology capabilities to the smart audit and assurance platform that we use. We provide training on a wide range of technologies to help ensure that field professionals not only meet the highest professional standards but are also educated in new technology. With this approach we are bringing together the right people with the right skills and the right technology to perform exceptional audits.

Focused learning and development on technical expertise, professional acumen, and leadership skills

Commitment to technical excellence and quality service delivery

All our professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and the professional practice department for consultation. Where the right resource is not available in our firm, we access a network of highly skilled KPMG professionals in other KPMG firms.

At the same time, policies require all KPMG audit and assurance professionals to have the appropriate knowledge and experience for their assigned engagements.

Lifetime learning strategy

In our firm, we are committed to developing a culture of continuous learning in line with our desire to provide access to learning for a lifetime — where KPMG partners and employees can continually enhance their competencies and skills through functional, ethical and accelerated learning. With a focus on enabling excellence, our continuous learning culture helps our people make the difference for both clients and themselves.

Formal training

Rapid advances in technology have made education and reskilling more important than ever. Providing our people with opportunities to learn and develop their careers is a key pillar of KPMG’s Global People strategy.

Annual training priorities for development and delivery are identified by the Audit Learning and Development groups at global, regional and, where applicable, KPMG firm level.

Minimum learning requirements for audit professionals across the KPMG organization are established annually. Training is delivered using a blend of learning approaches and performance support.

Mentoring and on-the-job coaching

Learning is not confined to a single approach — rich learning experiences are available when needed through coaching and just-in-time learning and aligned with job-specific role profiles and learning paths.

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Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgment, technical excellence and instinct.

We support a continuous learning environment where KPMG partners and employees contribute to building the team capacity, coaching other team members and sharing experiences.

Recognize quality

Personal development

Our approach to performance development, ‘Open Performance Development’, is built around the ‘Everyone a Leader’ performance principles which are supplemented by the ‘global audit technical core competencies’ to provide a holistic view of expectations. The performance development approach includes:

- Audit role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
- A goal library (including a mandatory audit quality goal applicable to everyone covered by the audit role profiles and additional optional audit quality content);
- Standardized review forms (with provision for audit quality ratings).

Open Performance Development is linked to the KPMG Values and designed to articulate what is required for success — both individually and collectively. We know that by being clear and consistent about the behaviors and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on quality.

At the same time, we are driving a shift in our performance-driven culture, supported by and enacted through leading technology made available by KPMG International that allows us to embed audit quality into the assessment of performance and the decisions around reward, as well as drive consistency across the global organization.

We consider quality and compliance metrics in the overall performance assessment, promotion and remuneration of partners, directors and managers. These evaluations are conducted by performance managers and partners who are able to assess performance.

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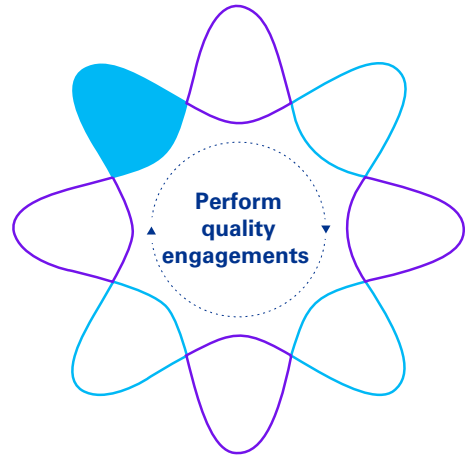
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Associate with the right clients and engagements

- **Global client and engagement acceptance and continuance policies**
- **Accept appropriate clients and engagements**
- **Manage portfolio of clients**

Rigorous global client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

Global client and engagement acceptance and continuance policies

KPMG International's global client and engagement acceptance and continuance policies and processes are designed to help KPMG firms identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG firms evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

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Accept appropriate clients and engagements

Client evaluation

Our evaluation of a prospective client includes an assessment of the client’s risk profile and background information on the client, its key management, directors and owners. If necessary, the evaluation includes obtaining and assessing additional information required to satisfy applicable legal/ regulatory requirements.

Engagement evaluation

We consider a range of factors when we are evaluating each prospective engagement including:

- Potential independence and conflict of interest issues,
- Intended purpose and use of engagement deliverables,
- Public perception,
- Whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit engagement includes an assessment of the competence of the client’s financial management team and the skills and experience of KPMG professionals. Where we are providing audit services for the first time, additional independence evaluation procedures are performed, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

Continuance process

We undertake an annual re-evaluation of all audit clients to identify risks in relation to continuing our association and mitigating procedures that need to be put in place.

In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change to the risk profile.

Withdrawal process

When we come to a preliminary conclusion that indicates we should withdraw from an engagement or client relationship, we must consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. We also consider further communications with those charged with governance and any other appropriate authority as required under its professional obligations.

Manage portfolio of clients

We have policies and procedures, as well as KPI reporting mechanisms to enable our firm to monitor the workload and availability of engagement partners, managers and staff and personnel to provide sufficient time to complete their responsibilities. The Head of Audit as well as the Audit COO will review Engagement Partner, Director and Manager portfolios throughout the year, tracking against targets and thresholds to ensure sufficient quality of delivery.

Our firm’s engagement partners with the support of the Resource Management and Learning and Development functions, are responsible for determining that members of the engagement team collectively have the appropriate competence and capabilities, including sufficient time, to successfully perform the engagement in accordance with professional standards and regulatory and legal requirements. See section [5.2 – ‘Assign an appropriately qualified team’](#) for more information.

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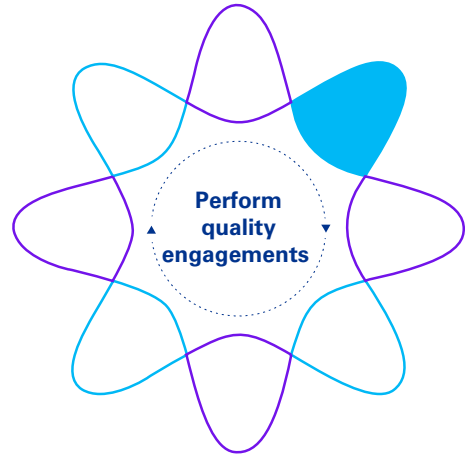
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Be independent and ethical

- **Act with integrity and live our Values**
- **Maintain an objective, independent and ethical mindset, in line with our code of conduct and policies**
- **Have zero tolerance of bribery and corruption**

Auditor independence is a cornerstone of international professional standards and regulatory requirements.

Act with integrity and live our Values

We know that trust is earned by doing the right thing. We are committed to the highest standards of professional behavior throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our [firm Code of Conduct](#), we outline the responsibilities KPMG people have to each other, our clients and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviors and actions. At our firm, we provide annual training to all to all partners and employees on the firm Code of Conduct, anti-bribery and corruption, and compliance with laws, regulations and professional standards.

KPMG’s ethical decision-making framework CARE (Consider, Assess, Respond, Evolve) is centered on building and reinforcing trust, and supports our Purpose, Values and Code of Conduct. A model

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shared across the organization, CARE helps our people to make ethical decisions, especially when faced with a challenging situation or ethical dilemma, and it also reminds them that they do not have to make these decisions alone.

CARE

Ethical decision-making framework

Consider
what is the issue



Assess
options to address the situation



Respond
with decision



Evolve
and reflect



Maintain an objective, independent and ethical mindset

KPMG International’s independence policies and procedures incorporate the IESBA Code of Ethics, covering areas such as firm and personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

Policies are supplemented to help ensure compliance with the standards issued by the United Arab Emirates Ministry of Economy, the United Arab Emirates Accountability Authority, the Emirates Securities and Commodities Authority, the Abu Dhabi Accountability Authority, the Dubai Financial Services Authority, the Central Bank of the United Arab Emirates, the Abu Dhabi Global Markets, the Capital Market Authority of the Sultanate of Oman, and the Central Bank of Oman.

Our Ethics and Independence Partner (EIP) is responsible for communicating and implementing KPMG policies and procedures and ensuring that any additional local independence policies and procedures are established and effectively implemented.

Automated tools identify potential independence and conflict of interest issues and facilitate compliance with these requirements. KPMG firm compliance with independence requirements is part of the [KPMG Quality & Compliance Evaluation \(KQCE\) program](#).

Personal financial independence

KPMG firms and KPMG personnel are required to be free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm audit and assurance clients (by definition, ‘audit client’ includes its related entities or affiliates), their management, directors and, where required, significant owners. All KPMG partners — irrespective of their firm or function — are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system to assist KPMG professionals in complying with personal independence investment policies. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e., late reporting of an investment acquisition).

We monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals. KPMG International provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2024, 57 of our partners and employees were subject to independence compliance audits (this included approximately 11% of our partners).



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Employment relationships

Any KPMG professional providing services to an audit or assurance client irrespective of function is required to notify the firm EIP if they intend to enter into employment negotiations with that client. For partners, this extends to any audit client of any KPMG firm that is a public interest entity. Specific prohibitions and, in some instances, cooling off periods apply to accepting certain roles at audit and assurance clients.

Firm financial independence

KPMG firms are also required to be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

KPMG’s independence compliance system records direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities and funds. This includes investments held in associated pension and employee benefit plans.

KPMG firms’ borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets must also be recorded.

On an annual basis, we confirm compliance with independence requirements as part of the KQCE program.

Business relationships/suppliers

We have policies and procedures in place to ensure our business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the SEC.

Independence training and confirmations

All KPMG partners and client-facing professionals, as well as certain other individuals, are required to complete independence training upon joining KPMG and on an annual basis thereafter and must sign an annual confirmation of compliance.

Non-audit services

All KPMG firms have agreed, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

KPMG’s mandatory conflicts and independence checking system supports our compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees, are required to be entered as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the submission.

Lead audit engagement partners are required to maintain group structures for their public interest entity and certain other audit clients including their related entities/affiliates. They are also responsible for identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats.

KPMG firms are prohibited from evaluating or compensating audit partners on selling non-audit services to their audit clients.

Fee dependency

KPMG firms have agreed to consult with their Regional Risk Management Partner where total fees from a public interest entity audit client are expected to exceed 10 percent of the annual fee income of the KPMG firm for two consecutive years. If the total fees from a public interest entity audit client and its related entities were to represent more than 15 percent of the total fees received by a particular KPMG firm in a single year, this would be disclosed to those charged with governance at the audit client. Where the total fees continued to exceed 15 percent for two consecutive years, we would engage a partner from another KPMG firm as the EQC reviewer and the fee dependency would be publicly disclosed.

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Avoiding conflicts of interest

All KPMG firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have, an impact on a firm's and/or its partners' or employees' ability to be objective or otherwise act without bias.

KPMG firms use the mandatory conflicts and independence checking system for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG personnel and KPMG firms are prohibited from offering or accepting inducements, including gifts and hospitality to or from audit and assurance clients, unless the value is trivial and inconsequential.

Independence breaches

KPMG personnel are required to report an independence breach to our firm's EIP as soon as they become aware of it. Breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements are required to be reported to those charged with governance as soon as possible, except where alternative timing

for less significant breaches has been agreed with those charged with governance.

We have a disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations.

Partner and firm rotation

Partner rotation

Our partners are subject to periodic rotation of their responsibilities for audit clients. Requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a 'time-out' period during which time these partners are restricted in the roles they can perform.

Firm rotation

In certain jurisdictions, KPMG firms are only permitted to act as an auditor for a specific audit client for a defined period of time and then are not to act as auditor for that client for a specified period of time thereafter. KPMG firms in these jurisdictions are required to have processes in place to track and manage compliance with audit firm rotation requirements.

Have zero tolerance of bribery and corruption

We have zero tolerance of bribery and corruption.

KPMG firms' partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

Further information on KPMG International's anti bribery and corruption policies can be found on the [anti-bribery and corruption site](#).

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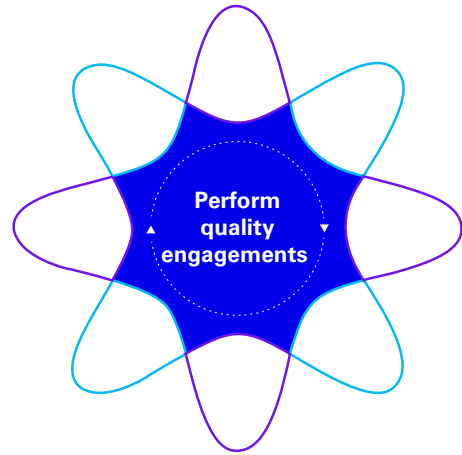
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Perform quality engagements

- **Consult when appropriate**
- **Critically assess audit evidence, using professional judgment and skepticism**
- **Direct, coach, supervise and review**
- **Appropriately support and document conclusions**

How an audit is conducted is as important as the result. Everyone at KPMG is expected to demonstrate behaviors consistent with our Values and follow all policies and procedures in the performance of effective and efficient audits.

Consult when appropriate

Encouraging a culture of consultation

KPMG encourages a culture of consultation that supports engagement teams in KPMG firms throughout their decision-making processes and is a fundamental contributor to audit and assurance quality. Engagement teams are required to consult within their firm when difficult or contentious matters arise on an engagement.

To help with this, our firm has established protocols for consultation and documentation of significant matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, KPMG audit, assurance, reporting and risk management manuals also include specific consultations on certain matters.

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Technical consultation and global resources

Technical accounting, auditing and assurance support is available to all KPMG firms through a number of subject matter expert global teams.

Global Audit Methodology Group (GAMG)

Develops the KPMG organisation’s audit and assurance methodology based on the requirements of the applicable audit and assurance standards of the IAASB, PCAOB, and AICPA.

KPMG Global Solutions Group (KGSG)

Develops and deploys global audit and assurance solutions, including new technology and automation innovations.

The GAMG and KGSG teams bring diverse experience and innovative ways of thinking to further evolve KPMG firms’ audit and assurance capabilities.

International Standards Group (ISG)

Develops global guidance to promote consistency of interpretation of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards by KPMG firms, and to promote a consistent response to emerging accounting and audit issues.

PCAOB Standards Group (PSG)

Promotes consistency in the interpretation of PCAOB auditing standards in KPMG firms’ audits of non-US components and foreign private issuers and non-US components of SEC issuers, as defined

by SEC regulations. The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates delivery of such training.

KPMG LG Department of Professional Practice Resource (DPP)

Across our firm the role of DPP is crucial in terms of the support that it provides to the audit function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local technical and professional issues and disseminates international guidance on IFRS and ISAs.

Mandatory consultation requirements are communicated to the engagement teams via local DPP consultation policy. More complex issues (which might require amendments to KPMG’s global audit methodology or audit tools) are raised with KPMG International Global Audit groups for consideration and potential development of solutions by the KPMG Global Solutions Group (KGSG), Global Audit Methodology Group (GAMG) and the International Standards Group (ISG).

Since FY2016, DPP has undergone significant evolution. Beginning in FY2023, KPMG LG, Saudi Levant, and Caucasus Central Asia have been led by a dedicated Partner, supported by experienced directors and managers.

To assist audit engagement professionals in addressing difficult or contentious matters, protocols have been established for formal and informal consultations. DPP also performs pre-

issuance reviews (PIR) of financial statements as per a defined DPP consultation policy.

Further, DPP delivers training courses, provides coaching, performs pre-issuance review, and develops guidance, templates and workpapers to help the audit engagement teams in performing audits.

DPP participates in global and local networks and working groups to ensure that DPP professional are up to date and are able to communicate the most relevant and appropriate information to audit teams.

Critically assess audit evidence using professional judgment and skepticism

On all KPMG audits, the nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all audit evidence obtained during the course of the audit, including contradictory or inconsistent audit evidence. Each team member needs to exercise professional judgement and maintain professional skepticism throughout the audit engagement. Professional skepticism involves a questioning mind and remaining alert to contradictory, or inconsistencies in, audit evidence. Professional judgment encompasses the need to be aware of and alert to biases that may pose threats to sound judgments.

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Direct, coach, supervise and review

Embedding ongoing coaching, supervision and review

We promote a coaching culture as part of enabling our professionals to achieve their full potential. Coaching fundamentals are embedded in the audit training curriculum, and we support a continuous learning environment where KPMG partners and professionals contribute to building the capacity of the team, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

Second line of Defence program (2LoD)

In 2019, our firm implemented the second line of defence program, with the objective to enhance audit quality by conducting independent review of areas of focus on audit engagements and provide direct real time support and coaching to engagement teams before the audit opinions are signed, with the goal of helping the team deliver an audit that complies with the relevant professional standards. The second line of defence focuses on specific engagements based on well-designed selection criteria. The review is carried out on a timely basis during each stage of the audit process by an experienced reviewer, independent of the engagement team.

Engagement quality control (EQC)

The EQC review is an important part of our approach to quality management. We have agreed to appoint an EQC reviewer for each audit engagement, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements, including certain assurance engagements, as designated by our RMP or our Head of Audit.

An EQC review is an objective evaluation of the significant judgments made by the engagement team and its related conclusions, performed by the EQC reviewer, and completed on or before the date of the report. The EQC reviewer's evaluation of significant judgements includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate. The EQC review is completed only after the EQC reviewer is satisfied that all significant matters they raised have been resolved.

EQCR allocations are also taken into account when performing the Partner Portfolio review, and also require sign off from the Head of Audit, Audit COO and Head of Audit Quality.

Appropriately support and document conclusions

Reporting

Engagement leaders form all opinions and conclusions for audit, assurance and review engagements based on the work performed and evidence obtained. In preparing auditors' and assurance reports, engagement leaders have access to reporting guidance and technical support through consultations with our Department of Professional Practice, especially where there are significant matters to be reported to users of the auditors' report (e.g., a modification to the opinion or the inclusion of an 'emphasis of matter' or 'other matter' paragraph).

Engagement documentation

Our firm's audit documentation is completed and assembled in accordance with KPMG International policy and applicable auditing standards. We have implemented safeguards to protect the confidentiality and integrity of client and firm information and we have reduced the time period permitted to assemble audit documentation.

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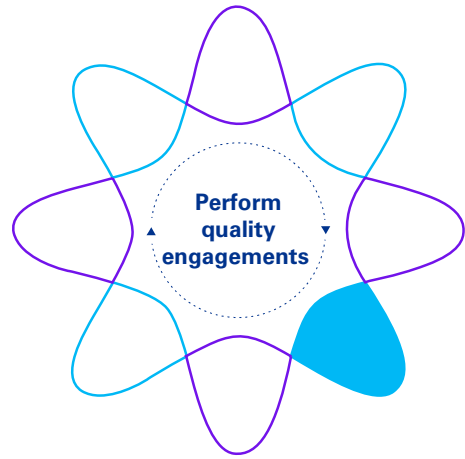
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Identify and understand risks to quality and implement effective responses

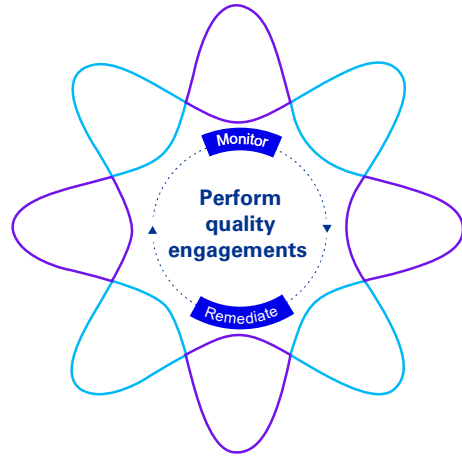
The quality of KPMG audit and assurance services rests on the foundational SoQM and our approach to ISQM 1 emphasizes consistency and robustness of controls within our processes.

Identifying risks to quality and implement effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, and process risk points (responses to those risks, including controls) that all KPMG firms agree to adopt. In recognition that we are responsible for our SoQM being in compliance with ISQM 1, we also perform our own annual I-RAP, taking into account our firm’s facts and circumstances in determining whether there are any incremental quality objectives, quality risks, process risk points or responses to those risks, including controls.

This consistent global approach:

- Sets the minimum controls to be implemented within all KPMG firms’ SoQM processes in response to globally identified risks to meeting SoQM quality objectives.
- Defines the SoQM methodology used by KPMG firms in their annual SoQM evaluation to evaluate whether the SoQM controls are effective and whether the SoQM objectives have been achieved.



Monitor and remediate

- **Rigorously monitor and measure quality**
- **Obtain evaluations and act on stakeholder feedback**
- **Perform root cause analysis, and design and implement remedial action plans**

Integrated quality monitoring and compliance programs enable KPMG firms to identify quality deficiencies, perform root cause analysis and develop, implement, and report remedial action plans, both in respect of individual audit engagements and the overall SoQM.

Rigorously monitor and measure quality

Commitment to continuous improvement

KPMG firms have committed to continually improving the quality, consistency and efficiency of their audits. The quality monitoring and compliance programs are globally consistent in their approach across all KPMG firms, including the nature and extent of testing and reporting. In our firm, we compare the results of our internal monitoring programs with the results of any external inspection programs and take appropriate action.

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Internal monitoring and compliance programs

KPMG firms have agreed to use quality monitoring and compliance programs that are developed by KPMG International to identify quality issues, perform root cause analysis and develop remedial action plans, both for individual audits and for their overall SoQM.

The programs evaluate:

- Engagement performance in compliance with the applicable professional standards, applicable laws and regulations and key KPMG International policies and procedures.
- Our firm’s compliance with KPMG International key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

The internal monitoring and compliance programs also contribute to the evaluation of our SoQM operating effectiveness. These programs include:

- Audit Quality Performance Review (QPR).
- KPMG Quality & Compliance Evaluation (KQCE).
- Global Quality & Compliance Review (GQCR).

The results of the integrated monitoring and compliance programs are communicated, and we establish action plans to make improvements where needed. Results are also considered by KPMG International.

Audit Quality Performance Reviews (QPR) program

The Audit QPR program assesses engagement-level performance and identifies opportunities to improve engagement quality.

Risk-based approach

Each engagement leader is reviewed at least once in a four-year cycle. A risk-based approach is used to select engagements.

The Audit QPR Program is designed by Global Quality & Risk Management. We conduct the annual QPR program in accordance with KPMG International QPR instructions which promote consistency across the KPMG organization. Responsibility for the QPR Program lies with our firm’s Risk Management Partner. Reviews are overseen by an independent experienced lead reviewer from another KPMG firm. QPR results are reported to KPMG International.

Evaluations from Audit QPR

Across the global organization, consistent criteria are used to determine engagement ratings and KPMG firm Audit practice evaluations.

Audit engagements selected for review are rated as ‘Compliant’, ‘Compliant - Improvement Needed’ or ‘Not Compliant’.

KPMG Quality & Compliance Evaluation (KQCE) program

The KQCE program encompasses the testing and evaluation requirements of a KPMG firm’s SoQM, which are necessary to support their compliance

with ISQM 1, and compliance with quality and risk management policies. KQCE program requirements are to be completed by all KPMG firms.

The annual KQCE program covers the period from 1 October to 30 September and helps support our conclusion on the operating effectiveness of our SoQM as of 30 September and compliance with quality and risk management policies.

Global Quality & Compliance Review (GQCR) program

The GQCR program is a KPMG International monitoring program. The objective of the GQCR program is to assess a firm’s compliance with selected KPMG International policies, including those related to governance and SoQM.

Firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of monitoring programs and people surveys, with each firm subject to a GQCR at least once in a four-year cycle.

The GQCR team comprises partners and managers who are independent of the firm subject to review.

Internal monitoring and compliance program reporting

Findings from the monitoring and compliance programs are disseminated to our professionals through written communications, internal training tools, and periodic meetings with leadership.

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Findings are also emphasized in subsequent monitoring and compliance programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of Audit QPR “Not compliant” ratings if relevant to their respective cross-border engagements.

Remediation and monitoring

In our firm, we develop remedial action plans to respond to findings identified through our monitoring and compliance programs. Progress on action plans is monitored and results are reported, as appropriate, to regional and global leadership.

Obtain, evaluate and act on stakeholder feedback

Regulators

In 2024, we renewed our audit registrations and relevant accreditations in the UAE and Oman and our last quality assurance review by a regulator was conducted in September 2024.

KPMG International has regular communication with the International Forum of Independent Audit Regulators (IFIAR), which has UAE regulators as its members. Communication is conducted principally through IFIAR’s Global Audit Quality Working Group (GAQWG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest, and transparent dialogue that IFIAR facilitates on global audit quality issues.

Client feedback

Client feedback is also important. We proactively seek feedback from clients through in-person conversations.

Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in our general terms of business.

Other assessment of audit quality

Audit Engagement milestone monitoring of selected engagements

Our firm released the audit planning milestone policy to monitor and review the timely completion of audit planning activities on a milestone basis. We use the globally designed data mining tool to monitor selected engagements’ compliance with audit planning milestones. The data mining tool provides comprehensive and real-time status of the engagement files.

RI compliance and efficiency review (RICER)

The RI quality compliance and efficiency review was launched in FY22. This is a peer review quality inspection program. The program was established to ensure that all client-facing audit Partners and Directors are included in an annual quality inspection. At least one engagement for every client-facing Partner and Director not covered by our Global QPR or external reviews is selected for a limited-scope review conducted by an independent reviewer,

ensuring 100% coverage of client-facing Partners and Directors.

Engagements are rated as Compliant, Compliant – Improvement Needed, or Not Compliant based on specific criteria. The quality ratings of Partners and Directors are impacted by the inspection ratings of their engagements.

Pre-issuance review

A pre-issuance review is an objective evaluation by a DPP/DPP designated reviewer on engagements which meet pre-defined criteria on or before the date of the auditors’ report, of:

The financial statements/financial information (or relevant sections thereof) for compliance with relevant presentation and disclosure requirements.

The related auditors’ report on the financial statements/financial information for compliance with relevant auditing standards.

Perform root cause analysis and design and implement remedial action plans

In our firm, our SoQM provides the foundation for consistent delivery of quality engagements and our Root Cause Analysis (RCA) program is an integral element of the monitoring and remediation component of the SoQM, driving enhancements to audit quality. Leveraging inputs from internal monitoring programs, external inspections and other activities, we identify audit quality issues and undertake root cause analysis corresponding to the nature and severity of the issues. We continue

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to strengthen our root cause analysis process and have designed our RCA program in accordance with globally consistent RCA training materials and KPMG International's RCA guide.

We design and implement remedial actions that respond to the identified root causes of the audit quality issues and subsequently monitor the effectiveness of such actions. The RCA remedial action plans and monitoring results are reported to regional and global leadership.

Our Head of Audit is responsible for audit quality, including the remediation of audit quality issues. The progress of the project and remediation plan is discussed and monitored by the AQC.



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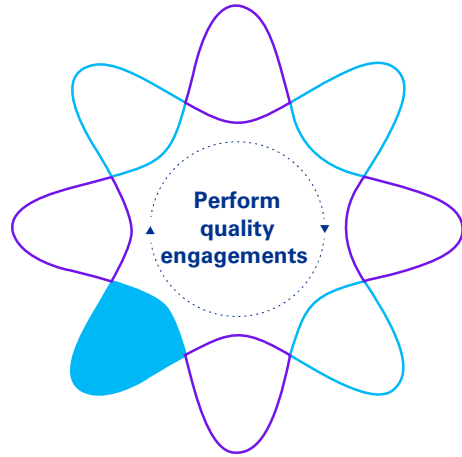
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Communicate effectively

- **Provide insights, and maintain open and honest two-way communications**
- **Conduct and follow-up on the Global People Survey**

We recognize that another important contributor to upholding audit and assurance quality is to obtain and promptly act upon feedback from key stakeholders.

Provide insights, and maintain open and honest two-way communication

Communications with those charged with governance

Communicate with those charged with governance

We stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at Audit Committee or board meetings, and ongoing discussions with management and members of the Audit Committee.

The role of Audit Committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

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Global IFRS Institute

The KPMG [Global IFRS Institute](#) provides information and resources to help Board and Audit Committee members, executives, management, stakeholders and government representatives gain insight into and access to thought leadership about the evolving global financial and sustainability reporting frameworks.

Conduct and follow up on the Global People Survey (GPS)

Only with engaged, talented people can we deliver audits in line with our audit quality expectations. Annually, our personnel are invited to participate in KPMG's Global People Survey (GPS) to share their perception on their experience of working at KPMG. Results can be analysed by several factors, including functional or geographic area, grade and gender to provide additional focus for action.

Through the GPS, our firm measures our people's engagement and gains additional insight about what drives engagement for KPMG people. The GPS includes specific audit quality questions for those individuals who participated in an audit in the previous 12 months, giving us a particular data set for audit quality-related matters.

The survey also provides our leadership and KPMG International leadership with insights related to quality and risk behavior, audit quality, upholding the KPMG Values, and employee and partner attitudes to quality, leadership and tone at the top.

We participate in the GPS, monitor results and take appropriate actions to communicate and respond to the findings of the survey. The results of the GPS, and the appropriate follow-up actions, are also aggregated for the entire global organization and are presented to the Global Board each year.

Audit-specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for consideration of appropriate remedial action, if needed. A global GPS action plan for audit is also communicated annually.

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Revenue (AED millions)	FY24	FY23	FY22
Total net revenue for KPMG LG	833	821	770
Total revenue split for the firm can be further analysed on the following percentage basis			
Audit of financial statements	34%	35%	34%
Assurance and other services for audit clients	2%	3%	2%
Services of non-audit clients	64%	62%	64%

Partner remuneration

Partner Earnings

Partners are remunerated out of the distributable profits of KPMG LG (such profits being determined by the KPMG LG Board) and are responsible for funding their own pensions along with KPMG LG's contribution towards pensions and other benefits. The final allocation of profits to partners is made by KPMG LG after assessing each partner's performance for the year. The remuneration committee (comprising independent non-executive directors) reviews the partner remuneration based on recommendations from ExCom, and this is presented to KPMG LG Board for final approval.

There are two elements to partner remuneration:

Base component – a proportion of the KPMG LG budgeted profits are allocated to partners as base component; this is effectively partner salary. The amount of base component reflects the role and seniority of each partner; and

Performance related component – rewards performance in the year by each partner against individual objectives previously agreed and the

service lines performance and profits of the KPMG LG as a whole. Our policies for this variable element of partner remuneration take into account a number of factors including quality of work, excellence in client service, growth in revenue and profitability, leadership, and living the values of KPMG LG. Audit partners are not permitted to have objectives related to or receive any remuneration from selling non-audit services to their audit clients. In addition, a part of their performance-related component is based on an assessment of their ability to deliver audit quality.

Drawings

During the year, partners working within KPMG LG received monthly drawings and variable pay, a performance-related component pertaining to previous year's results. The level of variable component is determined by the ExCom, in consultation and guidance from the Remuneration Committee and approved by the LG Board. The timing of pay-out is at the discretion of the ExCom, taking into account cash requirements for operating

and investment activities. Drawings represent monthly payments based on expected earnings in a year, and while the aim is to ensure these are stable month-to-month, the reality is that monthly drawings can vary in the course of a year if business conditions warrant this; this would require the involvement of the ExCom.



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- **Legal structure**
- **Responsibilities of KPMG firms**
- **Professional Indemnity Insurance**
- **Governance structure**

Legal structure

In many parts of the world, regulated businesses (such as audit and legal firms) are required by law to be locally owned and independent. KPMG member firms do not, and cannot, operate as a multinational corporate entity. KPMG member firms are generally locally owned and managed. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm's obligations or liabilities.

Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

Our firm and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member

firms. It does not provide professional services to clients, directly or indirectly, to clients. Professional services to clients are exclusively provided by member firms.

Each firm is part of one of three regions (the Americas, ASPAC and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International's policies and processes within the region.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International. KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any



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of its related entities have any such authority to obligate or bind any member firm.

Further detail on the revised legal and governance arrangements for the KPMG global organization can be found on the [About Us](#) page of kpmg.com.

The name of each audit firm that is a member of the organization and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available on [Lists of KPMG EU/EEA Audit Firms](#).

Responsibilities of KPMG firms

Member firms have agreed with KPMG International to comply with KPMG International’s policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values. KPMG International’s activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the KPMG International Global Board and consistently applied to the firms. A firm’s status as a KPMG member firm and its participation in the KPMG global

organization may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its other obligations agreed with KPMG International.

Professional Indemnity Insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

Governance structure

KPMG International’s governance bodies are comprised of the Global Council, the Global Board (including its committees), the Global Management Team and the Global Steering Groups.

Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms. Among other things, the Global Council elects the Global Chairman and approves the appointment of Global Board members. It includes representation from 52 KPMG member firms..

Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team and approving policies

with which KPMG firms have agreed to comply. It also approves

the admittance or termination of KPMG firms to/ from the global organization.

It is led by the Global Chairman, Bill Thomas, and includes the Chairman of each of the regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)) and a number of members who are also member firm Senior Partners.

The list of current Global Board members is available on the [Leadership page](#) of kpmg.com.

Global Board committees:

The Global Board is supported in its oversight and governance responsibilities by several committees, including:

- Executive Committee,
- Governance Committee,
- Global Quality and Risk Management Committee, and
- Global Audit Quality Committee.

Each of these committees is comprised of Global Board members and reports directly to the Global Board.

The overarching responsibility of the Global Audit Quality Committee is to strive for consistent audit quality across all firms and to oversee KPMG International activities which relate to improving and maintaining the consistency and quality of audits, assurance engagements and the system of quality

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management provided by KPMG firms. The Global Head of Audit and the Global Head of Audit Quality (the latter being responsible for oversight of audit quality across KPMG for KPMG International) report on audit quality matters to this committee.

Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team (GMT). These responsibilities include developing the global strategy by working together with the Executive Committee and jointly recommending the global strategy to the Global Board for its approval. The GMT also supports KPMG firms in their execution of the global strategy and KPMG International decisions and policies by member firms. The GMT promotes the commitment to KPMG being a multidisciplinary organization. The GMT also oversees the activities of the Global Steering Groups.

It is led by the Global Chairman, Bill Thomas.

The list of current GMT members is available on the [Leadership page](#) of KPMG.com.

Global Steering Groups

There is a Global Steering Group for each key function and infrastructure area, chaired by the relevant member of the GMT and, together they assist the GMT in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the GMT.

In particular, the Global Audit Steering Group and Global Quality & Risk Management Steering Group work closely with regional and member firm leadership to:

- Establish, and ensure communication of, appropriate audit, quality and risk management policies;
- Establish and support effective and efficient risk processes to promote audit quality;
- Promote and support strategy implementation in member firms’ audit functions, including standards of audit quality; and
- Assess and monitor audit quality issues, including those arising from quality performance and regulatory reviews, and focus on best practices that reduce audit quality findings.

The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in ‘Governance and leadership’ section of the [KPMG International Transparency Report](#).

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Statement on the effectiveness of the System of Quality Management of KPMG Lower Gulf Limited as of 30 September 2024

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1) and KPMG International Limited Policy, KPMG Lower Gulf Limited (the "Firm" and/or "KPMG LG") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

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

KPMG LG outlines how its System of Quality Management supports the consistent performance of quality engagements in the Transparency Report.

AND

Integrated quality monitoring and compliance programs enable KPMG LG to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG LG performs its annual evaluation of the System of Quality Management, KPMG LG evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2024, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Emilio Pera
Country Senior Partner
United Arab Emirates, 28 November 2024

Statement on the effectiveness of the System of Quality Management of KPMG LLC as of 30 September 2024

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1) and KPMG International Limited Policy, KPMG LLC (the "Firm" and/or "KPMG LLC") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

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

KPMG LLC outlines how its System of Quality Management supports the consistent performance of quality engagements in the Transparency Report.

AND

Integrated quality monitoring and compliance programs enable KPMG LLC to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG LLC performs its annual evaluation of the System of Quality Management, KPMG LLC evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2024, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Emilio Pera
Country Senior Partner
Oman, 28 November 2024

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Appendix 1.

Key legal entities and areas of operation

KPMG Lower Gulf Limited is an exempted limited liability company incorporated in the Cayman Islands, with operations in the Sultanate of Oman and the United Arab Emirates. KPMG Lower Gulf Limited is wholly owned by KPMG Lower Gulf Limited Partnership, a limited partnership established in the Cayman Islands. KPMG LLP is a limited liability partnership incorporated in the Dubai International Financial Center in the United Arab Emirates, and is an affiliate of KPMG Lower Gulf Limited.



- United Arab Emirates
- Sultanate of Oman



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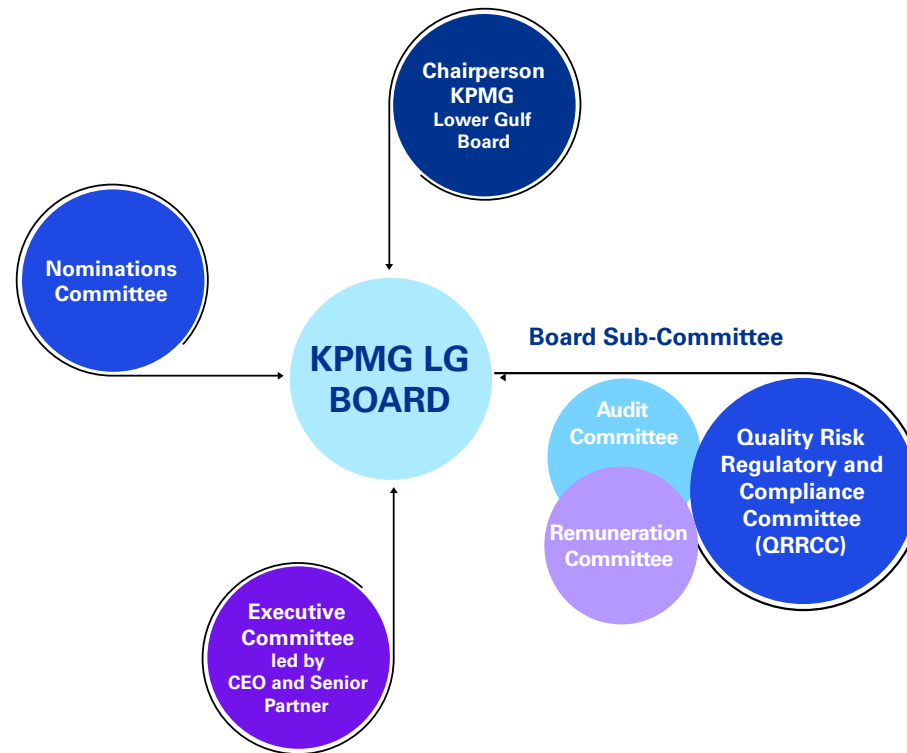
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Appendix 2.

Details of those charged with governance at KPMG Lower Gulf

The governance structure of KPMG LG is presented on the scheme below.



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Appendix 3.

Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements

Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.6 billion during the year ending 30th September 2024. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30th September 2024.



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Appendix 4.

DFSA Public Listed Company

The following information is disclosed to comply with the requirements of the DFSA Rulebook (Appendix 7, Article 4.13).

Public listed company	Total turnover	Revenues from services that are not audit services
Orascom Construction PLC	AED 2.88M	AED 1.21M



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Throughout this document, “KPMG”, “we”, “our” and “us” refers to KPMG Lower Gulf.

Any references to the KPMG global organization mean the member firms of KPMG International Limited, each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients.

No member firm has any authority to obligate or bind KPMG International Limited or any other member firm vis-à-vis third parties, nor does KPMG International Limited have any such authority to obligate or bind any member firm.

KPMG International means KPMG International Limited unless the context requires the reference to mean KPMG International Services Ltd (which provides services, products, and support to, or for the benefit of, member firms or KPMG International Limited but not services, products, or support to clients) or KPMG International Cooperative (which owns and licenses the KPMG brand)

Throughout this document, references to “Firm”, “KPMG firm”, “member firm” and “KPMG member firm” refer to firms which are either: members of KPMG International Limited; sublicensee firms of KPMG International Limited; or entities that are wholly or dominantly owned and controlled by an entity that is a member or a sublicensee. The overall governance structure of the KPMG International Limited is provided in the ‘Governance and leadership’ section of [KPMG International Transparency Report](#).

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