



Our System of Quality Management is foundational for audit quality

Audit and assurance quality is foundational to instilling confidence and public trust in the capital markets. High quality of audit and assurance services remain our highest priority.

The KPMG network has made significant investments in strengthening the consistency and robustness of our System of Quality Management (SoQM) to meet the requirements of the International System of Quality Management Standard 1 (ISQM 1), issued by the International Auditing and Assurance Standards Board (IAASB). Foundational for quality management, our globally consistent approach to ISQM 1 drives compliance with the requirements of the standard and our efforts to strengthen trust and transparency with our client, the capital markets, and the public we serve.

KPMG International's global approach to System of Quality Management (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 controls;
- Provides KPMG firms with a risk assessment framework that they have agreed 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;
- Includes monitoring activities over KPMG firms' SoQM to drive global consistency.

The globally consistent approach to SoQM is used by all KPMG firms across the global organization.

KPMG International has established KPMG Global Quality Framework, which outlines how we deliver quality and how every KPMG professional contribute to its delivery. The drivers outlined in the framework are the ten components of our KPMG SoQM. In line with ISQM 1, our SoQM also aligns with the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which apply to professional services firms that perform audits of financial statements.

