



# Transparency Report 2023

Quality is how we make a difference



KPMG LLP, Cayman Islands

---

December 2023

# 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 behaviors both professionally and personally.

Our Values guide our behaviors day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit, 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 our Managing Partner

Together. For better: Driving quality across all we do.

Quality is as much an outcome as it is the standard for which we hold ourselves to account. It is the gateway to building trusted relationships with our clients and those who rely on us. For more than 55 years, quality has helped us become a trusted advisor to so many businesses and stakeholders in the Cayman Islands and across the world. KPMG LLP in the Cayman Islands’ success will always be linked to the quality of the services we provide – even more so as the world evolves at a pace unrivalled in recent memory. The pace and scale of dramatic change happening around us only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future.

That’s why 2023 was a pivotal year for us as we:

- Transformed the audit experience for both our clients and our teams by investing in KPMG Clara - our cloud-based audit methodology and workflow platform. KPMG Clara delivers smarter, data-driven outcomes and deeper insights by blending the best of technology with the best of our people. This market-leading technology helps KPMG’s 90,000+ audit professionals in 144 countries, deliver consistent high-quality audits in a seamless way.
- Applied a consistent risk-based approach to our System of Quality Management to drive audit quality and meet the requirements of the International Standard on Quality Management (ISQM) 1. We have placed the highest priority on our System of Quality Management and believe consistent execution and adherence to these requirements and the intent of the professional standards behind them will help drive higher quality across our organization for clients big and small, no matter where they do business.
- Continue to upskill our people and build teams that are fluent in ESG to help our clients meet the goals necessary to build a more sustainable future. With stakeholders demanding more accountability on environmental, social and governance (ESG) issues, and regulators begin to require disclosures across new metrics, we’re investing to make ESG the watermark running through our firm.

Providing high-quality services takes hard work, dedication, and focus, as well as a continued investment in the people that make it happen. We’re making sure our incredible people - who respect our code of conduct, live our values and care about doing the right thing - are with us every step of the way. All while ensuring, we help them expand their careers, supporting their well-being, and building a safe and inclusive workplace. Their individual success is key to our collective growth.

Audit has been a fundamental part of our business for generations, and as the world changes dramatically, our fidelity to ensuring the successful working of the capital markets through the robust quality of our audits has stayed constant. It’s why we’ve been successful for over 55 years and will never waiver from our commitment to deliver high-quality audit and assurance services.

Thank you for trusting KPMG in the Cayman Islands.



**Andrew Stepaniuk**  
Managing Partner,  
KPMG LLP in the Cayman Islands

Message from our  
Managing Partner

Message from our Head of  
Audit

A system of quality  
management is foundational  
for audit quality

Live our culture and  
Values

Apply expertise and  
knowledge

Embrace digital  
technology

Nurture diverse skilled  
teams

Associate with the right  
clients and engagements

Be independent and  
ethical

Perform quality  
engagements

Assess risks to quality

Monitor and remediate

Communicate effectively

Financial information

Partner remuneration

Network arrangements

Statement on the  
effectiveness of the  
System of Quality  
Management of KPMG  
LLP, the Cayman Islands  
member firm as at 30  
September 2023

Appendices





# Message from our Head of Audit

Audit and assurance quality remains the highest priority for KPMG LLP in the Cayman Islands. Quality is the foundation on which we earn and maintain the trust of our clients and of the public.

We demonstrate our commitment to Quality through our continued investment in KPMG Clara, our smart audit platform. We continue to build on the capabilities of Clara, leveraging the advancements rolled out by KPMG globally, and through our incremental investment in the automation of our Asset Management audits. Through improved capabilities in automation and artificial intelligence, we seek to enhance both the efficiency and effectiveness of our audits.

Along with the rest of the KPMG network, we are committed to the consistent application of the International Standard on Quality Management (ISQM 1), commissioning dedicated resources to implement our system of quality management (SoQM).

The quality of our service is highly dependent on the quality of our people. In order to attract and retain a high-quality workforce, we ensure that we provide our people with the right opportunities to upskill themselves, implement an attractive remuneration, rewards & recognition program, and look after their well-being. Through our code of ethics, we hold our people to high standards of ethical behavior. We motivate our people through an environment that encourages them to find their individual and collective purpose. To this end, we have made the necessary investments in our ESG capabilities. Finally, to ensure a pipeline of talent, we work closely with our Delivery Centers to provide opportunities for mobility and advancement. In a world that increasingly transcends borders, it is increasingly important that our talent pool reflects the same outlook.

Maintaining Trust in the integrity of financial information, which enables the proper functioning of financial markets, is our raison d'être, our reason for existence. We will never waiver from our commitment to maintain the level of quality in our work.

We encourage you to read this report and learn more about how we ensure that we continue to retain your Trust in us and the quality of our services.

This Transparency Report covers the year October 1, 2022 to September 30, 2023.

We trust you find this report informative.



**Gordon Rajamohan**  
Partner, Head of Audit  
KPMG LLP in the Cayman Islands

[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

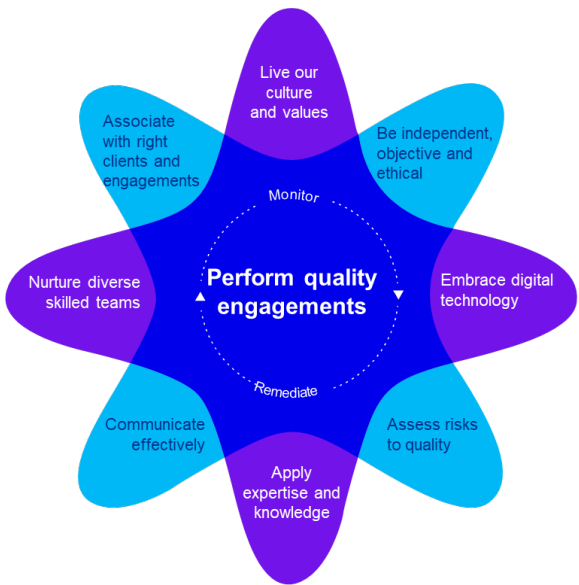
# A system of quality management is foundational for audit quality

Audit and assurance quality is foundational to instilling confidence and public trust in the capital markets and it remains our highest priority.

Across the global organization, KPMG firms have strengthened the consistency and robustness of their system of quality management (SoQM) to meet the requirements of the International Standard on Quality Management (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 clients, the capital markets and the public we serve.

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**
- 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 is used by all KPMG firms across the organization. The objective of this centralized approach is to drive consistency, robustness, and accountability of responses within KPMG firms' processes.

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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

The drivers outlined in the framework are the ten components of our KPMG SoQM. In line with ISQM 1, our SoQM also meet 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.

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.

Throughout this document, “KPMG”, “we”, “our” and “us” refers to KPMG LLP in the Cayman Islands member firm.

As of 1 October 2023, KPMG, which was constituted as a general partnership under the laws of the Cayman Islands, converted to a limited liability partnership registered in the Cayman Islands as KPMG LLP.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





# Live our culture and Values

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 and in every country, jurisdiction and territory in which we operate, they are the foundation of our unique culture.

## Foster the right culture, starting with tone at the top

### Tone at the top

KPMG International's leadership, working with regional and KPMG firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence and ethics. A culture based on integrity, accountability, quality, objectivity, independence and ethics is essential in an organization that carries out audits and other professional services on which stakeholders rely.

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 culture ready to meet any challenge with integrity, so we never lose sight of our principal responsibility to serve the public interest. And they propel us forward — through our work and the example we set — as we inspire confidence and empower change throughout the world.

We are committed to the highest standards of personal and professional behavior in everything we do. Ethics and integrity are core to who we are and why everyone at KPMG is held to this promise of excellence.

Within our [Global Code of Conduct](#), 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 all of 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, applicable laws, regulations or professional standards.

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. Reports received by the KPMG International hotline are taken seriously, and for each of them, KPMG International will consider how to respond and where necessary, investigate and take 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 results related to upholding the KPMG Values.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

## The KPMG multidisciplinary model

Today's organizations face complex problems that require the best, most integrated thinking. We firmly believe that our multidisciplinary model is the best way to serve our clients and is essential to delivering the highest levels of quality on the largest and most complex audit, tax and consulting engagements. It allows us to be agile and resilient from a business perspective and means we can more easily respond to market conditions. And it makes KPMG a more interesting and exciting place to work.

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

### Our business

Our firm is a professional services firm that delivers Audit, Tax and Advisory services. We operate out of one office located at SIX Cricket Square, 282 Shedden Road, George Town, Cayman Islands. As at 30 September 2023, KPMG in the Cayman Islands employed 352 staff, which included 28 partners (2022: 414 staff, 26 partners). In addition to this there were 20 contractors (2022: 20 contractors).

Our audit services in the Cayman Islands are delivered through KPMG in the Cayman Islands. Full details of the services we offer can be found on our [website](#).

### Our strategy

Our strategy is set by the KPMG Cayman Islands Management Committee ("MC") and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution.

## 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 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, audit quality and risk management activities.

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

## Managing Partner

In accordance with the principles in ISQM 1, our Managing Partner, Andrew Stepaniuk, is the leader who has ultimate responsibility for our SoQM.

Details of some of the measures the Managing Partner and the rest of the MC have taken to ensure that a culture of quality prevails within our firm are set out in this Transparency Report.

## Risk Management Partner

Our firm's Risk Management Partner ("RMP") is responsible for the firm's direction and execution of risk, compliance, and quality. The RMP is a member of the MC. The RMP consults, as appropriate, with the Managing Partner, the Regional Risk Management Partner, Global Quality & Risk Management resources, and external counsel.

The fact that the role is a MC position, and seniority of the reporting lines, underlines the importance that the firm places on risk and quality issues. The RMP is supported by a team of partners and professionals in each of the functions.

## Ethics and Independence Partner

Our firm's Ethics and Independence Partner ("EIP") has primary responsibility for the direction and execution of ethics and independence policies and procedures in our firm and reports on ethics and independence issues to the RMP.

## The Audit, Tax and Advisory functions – Function Heads

The three heads of the client service functions Audit, Tax and Advisory are accountable to the Managing 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 RMP. 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; and
- Working with the RMP to monitor and address audit quality and risk matters as they relate to the Audit practice.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



Audit Leadership Team

The Audit Leadership Team has regular discussions to agree actions about current and emerging audit quality issues arising from external and internal quality review processes, queries being raised by engagement teams, our SoQM evaluation, root cause analysis procedures and other quality matters identified from a variety of sources.

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). For more information about the KGSG, the GAMG and the ISG refer to the Performing Quality Engagements section of this Transparency Report.

Audit Quality Steering Committee

In addition, within the Audit function, our Audit Quality Steering Committee considered matters relating to maintaining and improving audit quality. During the year, the Audit Quality Steering Committee comprised nine people. The Audit Quality Steering Committee met five times during the year (2022: seven) and considered the detailed findings (and related actions) from our SoQM evaluation, Root Cause Analysis Program (RCA) findings, external regulatory reviews, the internal Quality Performance Review Program and other quality control programs, as well as papers on a range of issues designed to allow us to challenge ourselves in various aspects of audit quality and improvement.

Robust governance structures

Our legal and governance structure

As of 1 October 2023, KPMG, which was constituted as a general partnership under the laws of the Cayman Islands, converted to a limited liability partnership registered in the Cayman Islands as KPMG LLP. As at 30 September 2023, 12 partners (2022: ten partners) held equity interests in KPMG LLP in the Cayman Islands. During the year to 30 September 2023, there was an average of 28 partners in KPMG in the Cayman Islands (2022: 25 partners).

A list of the entities which form KPMG in the Cayman Islands, together with details of their legal structure, regulatory status, the nature of their business and area of operation is set out in Appendix 1.

At KPMG, we apply high standards of corporate governance.

The Management Committee

The Managing Partner chairs the MC ensuring that the MC members receive accurate, timely and clear information and ensuring effective communication and relationships with the members at large. The current Managing Partner, Andrew Stepaniuk, was appointed in 2019 following a vote by a special majority of the equity partners of KPMG in the Cayman Islands. The Managing Partner meets with the broader board which is made up of all equity partners.

The principal governance and oversight body of KPMG in the Cayman Islands is the MC, which provides leadership to the firm and is responsible for our long-term growth and sustainability, setting our strategy and overseeing its implementation, monitoring performance against our business plan and protecting and enhancing the KPMG brand.

The MC consists of seven members, including the Managing Partner, the Risk Management Partner and five additional members. The MC meet from time to time to undertake certain statutory duties for KPMG in the Cayman Islands including approving the annual accounts and the transparency report. The MC meet at least quarterly but even more frequently when needed.

Full details of those charged with governance for our firm are set out in Appendix 2.

In addition, there are four main committees that deal with key aspects of governance that report into the MC. These are the:

- The Audit Quality Steering Committee
- The Remuneration Committee
- The Disciplinary Committee
- The System of Quality Management and Engagement Quality Oversight Committee

Details about the role and responsibilities and composition of each of these key committees are set out below.

Audit Quality Steering Committee

The Audit Quality Steering Committee, chaired by the Head of Audit, reports to the MC and ensures risk and quality matters are a priority for audit leadership.

Specifically, its responsibilities include:

- Reviewing the proposed significant audit initiatives ensuring the objectives and outcomes align with maintaining or enhancing audit quality.
- Recommending the strategic prioritization, resourcing and timetabling of audit initiatives as they impact audit quality across all offices.
- Confirming the robustness of our monitoring activities as consistent with our audit quality priorities.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



The Remuneration Committee

The MC’s Remuneration Committee, which meets at least four times per annum, has the delegated responsibility to approve and oversee the partner and director remuneration process. The Remuneration Committee currently comprises the Managing Partner, Head of Audit and Head of Tax.

As part of its activities, the Remuneration Committee receives and considers a report from the RMP on (i) the approach to ensuring that quality issues are appropriately considered in partner compensation and (ii) whether or not there are any quality concerns about specific partners.

The Disciplinary Committee

The Disciplinary Committee is comprised of the Managing Partner (Chair), Risk Management Partner, Ethics and Independence Partners and Head of People. The Disciplinary Committee is responsible for overseeing and implementation of 1) an effective disciplinary policy in accordance with local and KPMG Global requirements and 2) an efficient disciplinary process which responds to any significant violations of KPMG policies and reported instances of misconduct/unethical behavior, in accordance with the disciplinary policy.

The System of Quality Management and Engagement Quality Oversight Committee

The System of Quality Management and Engagement Quality Oversight Committee (SoQM Oversight Committee) is comprised of 4 individuals with relevant experience that are independent to the those operating the system of quality control. The SoQM Oversight Committee is chaired by a member of the Management Committee with direct reporting to the Management Committee and the Managing Partner. The purpose of the SoQM Oversight Committee is to assist the Management Committee in fulfilling its responsibilities relating to all relevant matters pertaining to the system of quality management, engagement quality, and the member firm’s role in serving the public interest – including dialogue with key regulatory bodies, inspection results, and regulatory risks. The SoQM Oversight Committee oversees controls and processes that the member firm has in place in respect of engagement quality and the system of quality management. The SoQM Oversight Committee is empowered to make policy recommendations to the Management Committee on all matters relevant to engagement quality, the system of quality management and the member firm’s role in serving the public interest.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

# Apply expertise and knowledge

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

## 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 procedures over key accounting processes. Key elements include:

- Meeting the applicable standards, including International Standards on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA);
- Identifying risks of material misstatements and the necessary audit response;
- Embedded in the practice of our audit and assurance professionals;
- Alignment to the International Standard on Assurance Engagements (ISAE) in response to the growth of ESG reporting;
- Consistent International’s interpretation of how to apply ISAs.

Our audit and assurance methodologies emphasize applying appropriate professional skepticism in the execution of procedures and require compliance with relevant ethical requirements, including independence.

### Standardized methodology and guidance

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

### Deep technical expertise and knowledge

#### Access to specialist networks

Specialist expertise is an increasingly important part of the modern audit and is a key feature of our multi-disciplinary 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. They also receive a global annual update on global quality performance issues.

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.

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

Significant external events and conditions, such as the impacts arising from climate change, geopolitical events, volatile interest rates and elevated levels of inflation, may potentially have significant financial statement implications, increasing complexity, subjectivity and uncertainty for matters such as management’s going concern assessment, asset impairments and asset valuations. KPMG International issues extensive guidance to assist engagement teams in addressing the financial reporting, auditing and reporting related matters arising from the impacts of these significant external events and conditions.

We also have access to online financial reporting resource centers that highlight the potential financial statement implications of matters arising from these significant external events to assist financial statement preparers and other stakeholders in understanding the potential accounting and disclosure implications arising from these significant external events and conditions.

KPMG International’s guidance is continually updated as new significant accounting, auditing and reporting issues emerge.

We are a technology-enabled organization, with technical accounting and auditing resources, guidance, platforms and tools available digitally, which enables our engagement teams to effectively operate in office and remote-working environments.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





### 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 are making significant investments in putting ESG at the heart of the organization.

During 2023, as part of the global organization’s commitments to meeting both the public interest, KPMG International:

- Released a revised methodology for ESG assurance designed to be flexible and scalable, while enabling high quality, globally consistent assurance engagement delivery that complies with assurance standards and aligns with our financial statement audit methodology. The scope of the execution guide is broader than ESG assurance and is also applicable for all ISAE 3000 assurance engagements;
- Delivered guidance to be used in conjunction with the methodology that is supported by standardized risks and procedures for Greenhouse gas assurance engagements;
- Released cloud-based ESG assurance workflow compliant with the revised assurance methodology, built on our smart technology platform — KPMG Clara — that provides our teams, and our clients, with a consistent user experience;
- Released learning curriculum to increase the foundational ESG literacy of KPMG professionals and enable upskilling on the new methodology and KPMG Clara workflow for Assurance.

### Quality and risk management policies

KPMG International has global quality and risk management policies that all KPMG firms have agreed to apply to themselves and their personnel and are consistent with ISQM 1, where applicable.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

# Embrace digital technology

At KPMG, we are anticipating the technologies that will shape our near future and are driving an ambitious innovation agenda. We have transformed the audit experience for our professionals and clients. The alliances and leading technologies used across the KPMG global organization are enhancing audit quality by increasing our ability to focus on the issues that matter.

## 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. It brings new insights by helping auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply adding up the accounts.

A fully digital audit approach is integral to how KPMG firms perform quality audit and assurance engagements and interact with their 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.

## Intelligent, standards driven audit and assurance workflows

At our firm, all professionals 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 in meeting these expectations. Our policies and procedures set for audit and assurance engagements incorporate the relevant requirements of accounting, auditing, assurance, ethical and quality management standards, and other relevant laws and regulations.

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, that are aligned with the applicable standards, providing an improved experience to auditors.

## Digital data and emerging technologies

### Our vision of the future

KPMG Clara was developed to be a foundational technology platform to deliver audit quality. It evolves with technologies such as artificial intelligence (AI), data & analytics and cognitive capabilities transforming how audits are delivered.

AI plays an increasingly significant role in delivering audits; for example, the alliance with MindBridge is helping to better identify high-risk transactions, allowing us to obtain audit evidence and insights into client data.

The KPMG organization’s procurement and global alliance relationships with Microsoft were recently renewed and expanded. The multi-year agreement further integrates data, automation and AI enablement into KPMG Clara to develop deeper, increasingly relevant insights, freeing up KPMG teams to focus on higher-risk areas of audit.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

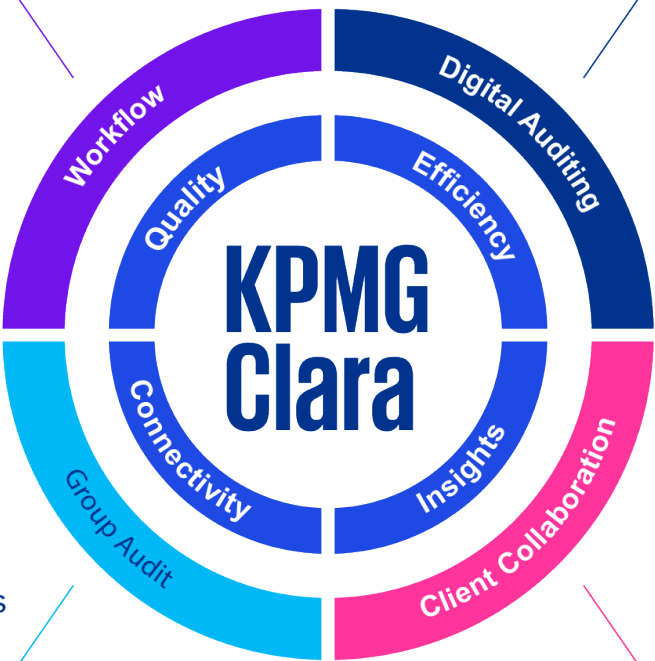
[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





- Data and AI-driven
- Audit & Assurance including ESG
- Global, risk-based methodology



- “Risk-to-response” analytics
- AI-driven coverage
- Tailored to client

- Enhanced two-way communication
- Tailored scoping
- Group auditor access to component

- Real-time alerts and task tracking
- Interaction with audit team
- Access to insights

### Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms, including the KPMG Global 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





# Nurture diverse skilled teams

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

Recruit appropriately qualified and skilled people, with diversity of specialist skills, 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 audits. This requires the right recruitment, development, reward, promotion, retention and assignment of professionals.

### Recruitment

KPMG in the Cayman Islands is committed to building an extraordinary people experience for all current and prospective KPMG partners and employees. We are proud to be the current Top Employer in the Cayman Islands, as issued by the Cayman Islands Society of Human Resources.

All candidates applying for professional positions apply and follow a thorough selection processes, which may include application screening, competency-based interviews and qualification/reference checks. These leverage fair and job-related criteria to ensure that candidates possess the appropriate characteristics to perform competently, are suitable and best placed for their roles.

Upon joining the firm, new joiners participate in an onboarding program. Induction programs include training in areas such as ethics and independence, quality and risk management principles, engagement management and our people management procedures.

All new recruits are required to complete a number of acknowledgements to confirm that they will abide by the rules and policies that are applicable to them.

For each new recruit (client facing), from assistant manager and above, an Independence Compliance pre-audit is performed by the Ethics and Independence team in order to identify financial products or relationships and that could impair the independence rules as well as to assure that all the required reportable products are reported in KPMG Independence Compliance System (KICS) as applicable.

### Inclusion, diversity & equity programs

At KPMG, we are committed to building a diverse and equitable firm that is inclusive to all. Inclusion, Diversity and Equity (IDE) underpins our Values and is vital to our Purpose.

It leads to better decision-making, drives greater creativity and innovation, and encourages us to stand up, live our [Values](#), and do what is right.

We recognize the KPMG organization's global position working with clients around the world affords us a privileged place. With that comes an opportunity and responsibility to achieve more and push for a fairer, more equitable society.

The KPMG Global Inclusion, Diversity & Equity Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity, and equity across all KPMG firms.

For more about Inclusion & Diversity at KPMG read [here](#).

### Reward and Promotion

#### Reward

We have compensation and promotion policies that are informed by market data, clear, simple, fair and linked to the performance review process. This helps our partners and employees understand what is expected of them, including audit quality accountabilities outlined in globally consistent audit role profiles and the audit quality goal. The connection between performance and reward is achieved by assessing performance across a peer group to inform reward decisions.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



Reward decisions are based on consideration of both personal and individual firm performance.

The extent to which our people feel their performance has been reflected in their reward is measured through the annual Global People Survey, with action plans developed as required.

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

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. Function heads 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 taking into account 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).

Audit engagement partners are responsible for determining their engagement teams have appropriate competencies, training and capabilities, including time, to perform audit engagements in accordance with our audit methodology, professional standards, and applicable legal and regulatory requirements. 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.

Invest in data centric skills – including data mining, analysis and visualization

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 our firm, 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 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 upskilled 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.

Focus 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, audit policies require all KPMG audit professionals to have the appropriate knowledge and experience for their assigned engagements.

Lifetime learning strategy

Formal training

In addition to rolling out the training released by the Global/Regional Audit Learning and Development group, KPMG in the Cayman Islands develops and provides local audit trainings for all audit professionals. These local trainings provide an overview of the industries operating in the Cayman Islands and KPMG in the Cayman Islands’ approach to auditing such entities.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

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. We have accreditation requirements for many of our services which ensure that only professionals with the appropriate training and experience are assigned to engagements and are appropriately licensed where necessary.

Our technical learning curriculum provides a core training program for all audit professionals and differs by level and industry. To drive continued focus on audit quality, we deliver regular training on Audit Quality to engagement leaders and other audit professionals.

These cover key messages regarding quality, and actions in respect of the internal and external monitoring. In addition, all of our audit professionals complete technical training focused on performing high quality audits with different topic areas included as relevant.

Audit training includes mandatory courses and completion of these is monitored through a Learning Management System. This allows individuals to monitor their compliance both with their ongoing Continuing Professional Development requirements and with KPMG's mandatory training and accreditation requirements. In addition to structured technical training, we encourage coaching, consultation, on-the-job training and mentoring.

**Licensing and mandatory requirements for IFRS® Standards and US GAAP engagements**

**Licensing**

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/ in the Cayman Islands 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 – IFRS and US GAAP.

**Mandatory requirements – IFRS Standards and US GAAP engagements**

In addition, KPMG International has specific requirements for partners, managers and Engagement Quality Control (EQC) reviewers working on IFRS Standards engagements in countries where IFRS Standards are not the predominant financial reporting framework.

Similar policies apply to engagements performed outside the US to report on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR). These require that at a minimum, all partners, managers and, if appointed, the EQC reviewers (and for engagements conducted in accordance with US GAAP and/or US auditing standards engagements, the engagement partner, engagement manager, engagement in-charge and, if appointed the EQC reviewers) assigned to the engagement have completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.

**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:

- Globally consistent 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 globally consistent 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



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 assessing the overall evaluation, promotion and remuneration of partners [and directors and managers]. These evaluations are conducted by performance managers and partners who are able to assess performance.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

# Associate with the right clients and engagements

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.

## 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

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 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

KPMG International and KPMG firms have policies and procedures 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.

Our firm’s engagement partners 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 page 16, 'Assign an appropriately qualified team'.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





# Be independent and ethical

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 personal and professional behavior throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our [Global 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.

## 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. These are set out in the KPMG GQRMM, which applies to all KPMG firms. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements.

These policies are supplemented by other policies and processes to ensure compliance with the standards issued by CIIPA and those of the PCAOB, AFM, CPAAOB, CPAB, FRC and AOA where applicable. These policies and processes cover areas such as firm independence (covering, for example, treasury and procurement functions), personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

The Head of the Global Independence Group is supported by a core team of specialists to help ensure that robust and consistent independence policies and procedures are in place at KPMG firms, and that tools are available to help the firms and their personnel comply with these requirements.

KPMG in the Cayman Islands has a designated Ethics and Independence Partner (EIP) who has primary responsibility for the direction and execution of ethics and independence policies and procedures in KPMG in the Cayman Islands. The EIP is responsible for communicating and implementing KPMG International policies and procedures and ensuring that local independence policies and procedures are established and effectively implemented when they are more stringent than the KPMG International requirements.

The EIP fulfils this responsibility through:

- Implementing/monitoring the ethics and independence quality control process and structure within the firm;
- Approving/appointing partners responsible for ethics and independence within the firm;
- Overseeing the processes related to the evaluation of specific independence threats in connection with clients and prospective clients;
- Participating in the development and delivery of training materials;
- Implementing procedures to address non-compliance;
- Overseeing the disciplinary process for ethics and independence matters.

Amendments to KPMG International's ethics and independence policies are included in regular quality and risk communications with all KPMG firms. KPMG firms are required to implement changes as specified in the communications, and this is checked through the internal monitoring programs.

KPMG in the Cayman Islands partners and employees are required to consult with the EIP on certain matters as defined in the GQRMM. The EIP may also be required to consult with the Global Independence Group, depending upon the facts and circumstances.

KPMG firm compliance with independence requirements is part of the global KPMG Quality & Compliance Evaluation program.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

Personal financial independence

KPMG firms and KPMG professionals 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.

During the year ended September 30, 2023, 65 (2022: 111) of KPMG in the Cayman Islands’ employees were subject to these audits (14 of which were performed for Partners or Directors (2022: 29)).

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 in audit and assurance clients.

Firm financial independence

KPMG firms are required to also 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 or funds. This includes investments held in associated pension and employee benefit plans.

All 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 global KPMG Quality & Compliance Evaluation 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.

We also provide all partners and employees with annual training on:

- the Global Code of Conduct, and
- bribery and compliance with laws, regulations, and professional standards.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





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 exceeding 15 percent for two consecutive years, we would engage a partner from another KPMG firm as the engagement quality control (EQC) reviewer and the fee dependency would be publicly disclosed.

Avoiding conflicts of interests

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

Independence breaches

All KPMG personnel are required to report an independence breach as soon as they become aware of it. All 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 under applicable laws, regulations, independence rules and KPMG International policy. These 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. All 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 anti-bribery and corruption policies can be found on the [anti-bribery and corruption site](#).



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



# Perform quality engagements

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 at KPMG firms throughout their decision-making processes and is a fundamental contributor to audit quality. At KPMG, we promote a culture in which consultation is recognized as a strength and that encourages all KPMG professionals to consult on difficult or contentious matters.

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 and risk reporting manuals also include required consultations on certain matters.



## 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 KPMG International'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)

Promotes consistency of interpretation of IFRS Accounting Standards and IFRS Sustainability Disclosure Standards by KPMG firms, and develops global audit guidance in response to emerging issues and to promote global consistency.

### KPMG 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.

## Member firm professional practice resources

Provide consultation support on auditing and technical accounting matters to their audit professionals involving regional or global teams when required.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

**[Perform quality engagements](#)**

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



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.

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. We support a continuous learning environment where every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

Engagement quality control (EQC)

The EQC review is an important part of our approach to quality. 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, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters.

EQC reviewers must meet training, knowledge and experience criteria to perform the EQC review for a particular engagement. Reviewers must be objective, cannot be members of the engagement team and must be independent of the audit client

Appropriately support and document conclusions

Reporting

Engagement leaders form all audit opinions based on the audit performed and evidence obtained. In preparing auditors' reports, engagement leaders have access to extensive 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 through 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



# Assess risks to quality

## Identifying risks to quality and implement effective responses

The quality of a KPMG audit rests on the foundational SoQM and our approach to ISQM 1 emphasizes consistency and robustness of controls within our processes. KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, process risk points and controls (responses to those risks) that all KPMG firms agree to adopt. KPMG firms also perform their own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to their firm's facts and circumstances.

The 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 evaluation of SoQM to demonstrate the SoQM controls are implemented and operating effectively.

In our firm, we also perform our own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to our firm's facts and circumstances.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

**[Assess risks to quality](#)**

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





# Monitor and remediate

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



## 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.

### Internal monitoring and compliance programs

Quality monitoring and compliance programs that are created by KPMG International are used by KPMG firms 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 key KPMG International 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)
- The global KPMG Quality & Compliance Evaluation (KQCE)
- Global Quality & Compliance Review (GQCR)

The results and lessons from 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

**[Monitor and remediate](#)**

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



## Audit Quality Performance Reviews (“QPRs”) program

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

### *Risk-based approach*

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

We conduct the annual QPR program in accordance with KPMG International QPR instructions which promote consistency across the KPMG organization. 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 2023 KQCE program covered the period from 1 October 2022 to 30 September 2023 and helps support our conclusion on the operating effectiveness of our SoQM as of 30 September 2023 and compliance with quality and risk management policies.

## Global Quality & Compliance Review (GQCR) program

A GQCR is carried out by a KPMG International team and 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. The overall objective of the GQCR program is to assess the firm's compliance with selected KPMG International policies, including those related to governance and SoQM.

## 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.

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

We are registered with major international audit regulators including the Canadian Public Accountability Board ("CPAB") as well as the US PCAOB. We are also registered with the Japanese Certified Public Accountants and Audit Oversight Board ("CPMOB"), the Netherlands Authority for Financial Markets ("AFM"), and the Financial Reporting Council ("FRC").

KPMG in the Cayman Islands is regulated by the Cayman Islands Auditors Oversight Authority. The Auditors Oversight Authority ("AOA") was established on 1 May 2012 by The Auditors Oversight Act and is charged with regulating and supervising auditors of market traded companies.

KPMG in the Cayman Islands' signing partners are subject to a licensing regime, being under the auspices of the Cayman Islands Institute of Professional Accountants (CIIPA), which was formed in the Cayman Islands in 1970 and has evolved into one of the largest professional societies in the Cayman Islands. In 2013, CIIPA became a full member of the International Federation of Accountants ("IFAC"), the worldwide organization representing the accountancy profession.

The Firm was reviewed by the AOA in 2016. The final report has been released but cannot be shared without the consent of the Regulator. We are not aware of significant issues noted during the review. From 2013, CIIPA has been in the process of monitoring the observance of the International Standard on Quality Control ("ISQC 1") within the firms of licensed practitioners. All CIIPA licensed practitioners ("practitioner members") are subject to review by means of the Quality Assurance Review System ("QARS"). The reviews encompass the practitioner member firm's quality control procedures and all assurance engagements and assess the firm's compliance with ISQC 1.

The Institute of Chartered Accountants in England and Wales ("ICAEW") is the review body appointed to undertake the QARS monitoring visits, determine the review methodology and issue reports designed to assist firms in rectifying deficiencies and making improvements to the standard of their audit work. We were reviewed in 2015, 2019 and 2022. The inspection team did not note any adverse findings during these inspections.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



Our most recently published PCAOB inspection report in November 2009 can be found [here](#).

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), 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.

Every KPMG firm is expected to maintain professional and respectful relationships with applicable regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions

**Client feedback**

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered.

**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 on our operating firms' websites/in our general terms of business.

**Perform root cause analysis**

In our firm, our SoQM provides the foundation for consistent delivery of quality engagements and our 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. Firms design their RCA program in accordance with the KPMG International's RCA guide.

Upon completion of the RCA, we design and implement remedial actions that respond to the underlying cause 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. Our firm's RMP monitors the remediation plan(s)' implementation.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



# Communicate effectively

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

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

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.

**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 and access 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 KPMG 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.

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 behaviors, 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

**[Communicate effectively](#)**

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

# Financial information

## Companies listed in the EU/EEA

Entities that have transferable securities listed on an EU/EEA regulated market for which KPMG in the Cayman Islands has signed an audit opinion in the year 2023 are given below.

1	Hedosophia European Growth
2	Brigade-M3 European Acquisition Corp.
3	EPIC Acquisition Corp
4	RA Special Acquisition Corporation

## Financial Information

The financial information of KPMG in the Cayman Islands for the year ended September 30, 2023 is as follows:

Service	September 30, 2023
Audit and directly related services for audit clients listed in EU	0.29%
Permitted non-audit services for audit clients listed in EU	0.01%
Other audit and non-audit services	99.70%
Total revenue	100.00%



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





# Partner remuneration

Partners who own an equity interest in KPMG in the Cayman Islands are remunerated based on a fixed salary for the year, plus a share of the distributable profits of KPMG in the Cayman Islands. The allocation of the distributable profits to each partner is determined and approved by the Remuneration Committee based on seniority and experience of each Partner plus an element which reflects individual performance against objectives for the year.

Partners and directors who do not hold an equity interest are remunerated based on a fixed salary, plus a discretionary bonus dependent on their individual performance against set objectives and performance of KPMG in the Cayman Islands as a whole.

Our policies for the variable element of partner and director 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 KPMG Values.

Partners and directors serving as audit engagement 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)





# Network arrangements

## 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.

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 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 in section ‘Governance and leadership’ of the [KPMG International Transparency Report](#).

## Responsibilities and obligations of Member 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.



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)

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 also approves the appointment of Global Board members. It includes representation from 53 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 also 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 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, including holding them accountable against their commitments. 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 Global Management Team (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](#).

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.

Further details about KPMG International including the governance arrangements for the year ending 30 September 2023, can be found in the ‘Governance and leadership’ section of the [KPMG International Transparency Report](#).



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



# Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023

December 22, 2023

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1) and KPMG International Limited Policy, KPMG LLP, the Cayman Islands member firm (known as the "Firm" and/or "KPMG in the Cayman Islands") 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 in the Cayman Islands is part of the Cayman Cluster. The Cayman Cluster consists of KPMG in the Cayman Islands, KPMG (BVI) Limited and KPMG Bahamas (together known as the "KPMG Cayman Cluster"). KPMG in the Cayman Islands outlines how the KPMG Cayman Cluster's System of Quality Management supports the consistent performance of quality engagements in the Transparency Report.

Integrated quality monitoring and compliance programs enable the KPMG Cayman Cluster 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 the KPMG Cayman Cluster performs its annual evaluation of the System of Quality Management, the KPMG Cayman Cluster 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 KPMG Cayman Cluster's System of Quality Management as of 30 September 2023, the System of Quality Management provides the KPMG Cayman Cluster with reasonable assurance that the objectives of the System of Quality Management are being achieved.



**Andrew Stepaniuk**  
Managing Partner,  
KPMG LLP in the Cayman Islands



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

[Appendices](#)



# Appendices



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

## Appendix 1: Key legal entities and areas of operation

Name of Entity	Legal Structure	Regulatory Status	Nature of Business	Area of Operation
KPMG LLP	Cayman Islands Limited Liability Partnership.	Subject to audit regulation by CIIPA, PCAOB, AOA, CPAAOB, AFM, FRC and CPAB	Professional services	Audit and Assurance, Tax and Advisory Services

As of 1 October 2023, KPMG, which was constituted as a general partnership under the laws of the Cayman Islands, converted to a limited liability partnership registered in the Cayman Islands as KPMG LLP.

[Appendices](#)



# Appendices



[Message from our Managing Partner](#)

[Message from our Head of Audit](#)

[A system of quality management is foundational for audit quality](#)

[Live our culture and Values](#)

[Apply expertise and knowledge](#)

[Embrace digital technology](#)

[Nurture diverse skilled teams](#)

[Associate with the right clients and engagements](#)

[Be independent and ethical](#)

[Perform quality engagements](#)

[Assess risks to quality](#)

[Monitor and remediate](#)

[Communicate effectively](#)

[Financial information](#)

[Partner remuneration](#)

[Network arrangements](#)

[Statement on the effectiveness of the System of Quality Management of KPMG LLP, the Cayman Islands member firm as at 30 September 2023](#)

## Appendix 2: Management Committee of KPMG in the Cayman Islands at September 30, 2023



**Andrew Stepaniuk †**  
Managing Partner

+1 345 914 4315  
[astepaniuk@kpmg.ky](mailto:astepaniuk@kpmg.ky)



**Gordon Rajamohan †**  
Partner, Head of Audit

+1 345 914 4357  
[gordonrajamohan@kpmg.ky](mailto:gordonrajamohan@kpmg.ky)



**Joel Dodson**  
Partner, Head of Accounting Advisory Services

+1 345 815 2613  
[joeldodson@kpmg.ky](mailto:joeldodson@kpmg.ky)



**Wanda Mellaneo**  
Partner, Asset Management

+1 345 914 4359  
[wmellaneo@kpmg.ky](mailto:wmellaneo@kpmg.ky)



**David Conen †**  
Partner, Head of Tax

+1 345 914 4356  
[dgconen@kpmg.ky](mailto:dgconen@kpmg.ky)



**Jonathan Cohen**  
Partner, Head of Risk Management

+1 345 815 2641  
[jcohen@kpmg.ky](mailto:jcohen@kpmg.ky)



**Luke Murray**  
Partner, Head of People

+1 345 815 2609  
[lmurray@kpmg.ky](mailto:lmurray@kpmg.ky)

† Member of the Remuneration Committee

[Appendices](#)



© 2023 KPMG LLP in the Cayman Islands, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

For more detail about the structure of the KPMG global organization please visit <https://home.kpmg/xx/en/home/misc/governance.html>.

This Transparency Report 2023 contains copyright © material of the IFRS®Foundation. All rights reserved. Reproduced by KPMG LLP with the permission of the IFRS Foundation. Reproduction and use rights are strictly limited. For more information about the IFRS Foundation and rights to use its material please visit [www.ifrs.org](http://www.ifrs.org)

Disclaimer: To the extent permitted by applicable law, the Board and the IFRS Foundation expressly disclaims all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise (including, but not limited to, liability for any negligent act or omission) to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

IFRS® is a registered Trade Mark of the IFRS Foundation and is used by KPMG LLP under license subject to the terms and conditions contained therein. Please contact the IFRS Foundation for details of countries where its Trade Marks are in use and/or have been registered.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

kpmg.ky



Throughout this document, “KPMG”, “we”, “our” and “us” refers to KPMG LLP in the Cayman Islands member firm.

As of 1 October 2023, KPMG, which was constituted as a general partnership under the laws of the Cayman Islands, converted to a limited liability partnership registered in the Cayman Islands as KPMG LLP.

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 KPMG International Limited is provided in the ‘Governance and leadership’ section of KPMG International Transparency Report.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG LLP, a Cayman Islands limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International .

For more detail about the structure of the KPMG global organization please visit <https://home.kpmg/xx/en/home/misc/governance.html>.