



# Transparency Report 2023

Quality is how we make a difference.

KPMG in Malta

[www.kpmg.com.mt](http://www.kpmg.com.mt)



# 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 behaviours both professionally and personally. Our Values guide our behaviours 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 in our differences.



### For Better

We do what matters.

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# Introducing the Transparency Report

This Transparency Report contains information that is in accordance with the terms of the disclosure requirements of Section 18 of the Accountancy Profession Act (CAP, 281 Laws of Malta) relevant to audit firms which carry out statutory audits of public interest entities.

This report provides information as to how we are organised, managed and how we ensure quality, which remains our top priority and underpins everything we do. All of our actions are guided by our Values. They drive our daily behaviours, guide our decisions and shape our culture. Integrity remains a core Value – we do what is right, in the right way, at the right time. We embody our Values of integrity and excellence in our commitment to quality. Our KPMG Transparency Report will share with you how we are delivering on our fundamental promise of audit quality to serve the public interest, investors, audit committees and our stakeholders. Our leadership strives to promote a culture that quality is everyone’s job. Our methodologies and processes, to which we refer in this document, similarly reflect the drive for quality.

Our firm has an unwavering commitment to audit quality. It begins with the outstanding people we recruit and the values we instil in developing professionals committed to meeting our responsibilities to client, capital markets, regulators, communities and the public. We know that our standards are required to be of the very highest level in order to build and maintain public trust. Responsibility for quality starts at the top and means driving and reinforcing accountability through the complete chain of command in all our audit teams and practices so that every action helps us meet our rigorous quality objectives.

We strive to be employers of choice by creating an environment where people can fulfil their potential and feel motivated and proud to give their best. We work hard to foster an inclusive culture of diverse talent. We are committed to continuous development and coaching. We measure our people’s engagement by inviting them to take part in an annual Global People Survey which also provides valuable insights into many other areas of our business. These insights enable us to focus on maintaining strengths or taking advantage of development opportunities.

Our KPMG Story sets out our path to achieving our vision of becoming the “Clear Choice”. It provides clarity on who we are and what we stand for, where we are going, how we will get there and what we want to be known for, unifying all our people, not only in Malta, but around the world. Our local strategy recognises the need to be “future ready” which means growing expertise to support our clients through this period of unprecedented change and disruption.

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We are living through dynamic times. As geopolitical events continue to challenge us all, we have focused on the economic wellbeing of people outside our organisation, sought to ensure our people are well prepared for the challenges that may come and focusing on resilience in this dynamic environment. Our clients will be equally challenged, and we have continued to expand our resources to allow us to cover the inevitably difficult elements of our work over the coming years, whilst continuing investing in technological advancement in our service delivery. This will enable us to ensure we retain a focus on quality through challenging times.

This Transparency Report covers the year 1 October 2022 to 30 September 2023. We hope you will find this report a useful insight into our business. We invite you to read our Annual Review and to browse our website for further information relating to other aspects of our firm.

We'll continue to work hard to provide you with quality and earn your trust.

Thank you for trusting KPMG.



**David Caruana**  
Compliance Principal



**Claude Ellul**  
Head of Audit - Audit Quality

January 2024

Throughout this document, "KPMG", "we", "our" and "us" refers to KPMG in Malta.

Any references to the KPMG global organisation 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 the [KPMG International Transparency Report](#).



# Audit Quality

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

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

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

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# Our system of quality management is foundational for audit quality

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

Across the global organisation, 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.

## KPMG International global approach to SoQM and ISQM 1



Sets **policies and procedures** to support KPMG firms' effective SoQM in accordance with ISQM1 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



Our globally consistent approach to ISQM 1 drives the robustness of our responses to the risks of achieving the quality objectives set out in the standard. For each component in the standard, we have established minimum required quality objectives, quality risks and responses for all KPMG firms.

KPMG International has established a risk assessment process required to be used by KPMG firms in identifying additional firm specific quality objectives, quality risks, and responses and requirements for testing and evaluation of their system of quality management together with guidance, tools and templates to support the consistent implementation of ISQM 1 across KPMG firms.

The globally consistent approach is used by all KPMG firms across the global organisation. The objective of this centralised approach is to drive consistency, robustness, and accountability of responses within KPMG firms’ processes.

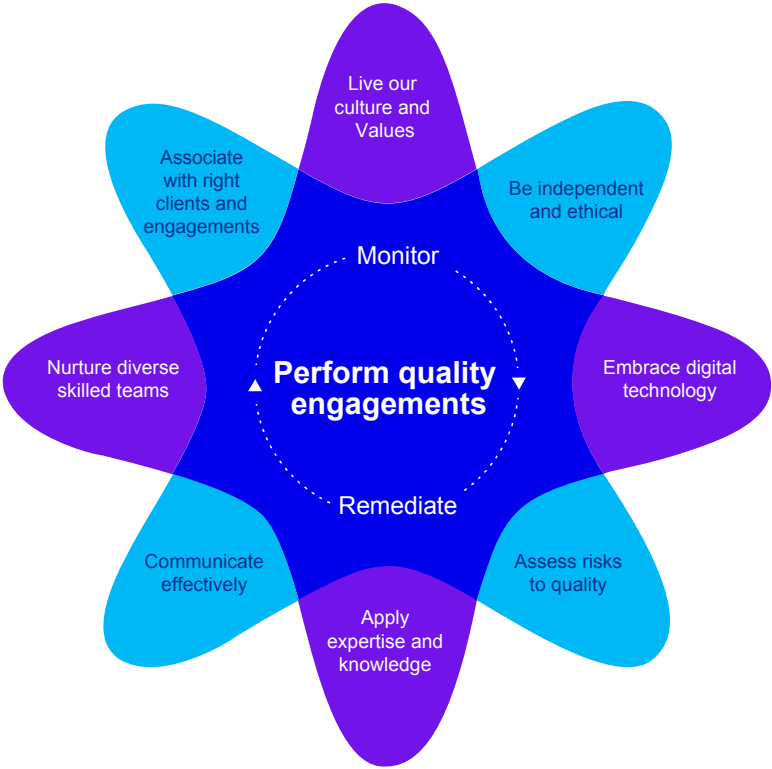
To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality


Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contribute to its delivery.

The drivers outlined in the framework are the ten components of our KPMG SoQM. In line with ISQM 1, our SoQM also aligns with the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which apply to professional services firms that perform audits of financial statements.

Sections 2-11 of the Transparency Report describe how we effectively operate each SoQM component. Combined with our firm’s SoQM Statement of Effectiveness (See section 15), this Transparency Report summarises how our SoQM effectively supports the consistent performance of quality engagements. This report may also be useful for stakeholders interested in KPMG firms’ Tax and Advisory services, as certain aspects of our firm’s SoQM are cross-functional and apply equally as the foundation of quality for all services offered.

KPMG’s Global Quality Framework





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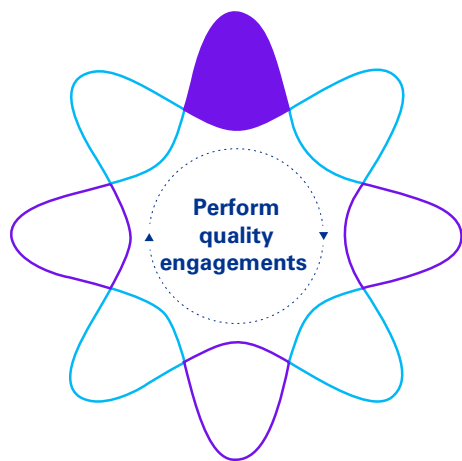
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# Live our culture and Values

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

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.

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

### 2.1.1 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 organisation 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 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 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 organisation, as well as our individual and collective responsibilities.

Everyone at KPMG can expect to be held accountable for their behaviour 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.



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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.

### 2.1.2 The KPMG multidisciplinary model

Today's organisations face complex problems that require the best, most integrated thinking. At KPMG, 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 an 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.

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

### 2.2.1 Our business

Our firm is a professional services firm that delivers Audit, Tax and Advisory services. We operate from 92, Marina Street, Pietà, Malta and had an average of 566 partners and employees in the year to 30 September 2023.

Full details of the services we offer can be found on our website [www.kpmg.com.mt](http://www.kpmg.com.mt).

### 2.2.2 Our strategy

Our strategy is set by our Board and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution. We recognise in achieving this that our commitment to quality in everything we do is the most important element of our strategy, our reputation depends on it, as does our ability to achieve all other elements of our strategy.

## 2.3 Defined accountabilities, roles and responsibilities related to 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 delegate 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.



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2.3.1 Leadership responsibilities for quality and risk management



Senior Partner

In accordance with the principles in ISQM 1, our Senior Partner André Zarb is the leader who has ultimate responsibility for our SoQM.

Details of some of the measures he and the rest of the Partnership Board have taken to ensure that a culture of quality prevails within our firm are set out in this 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 Partnership Board, the Executive Management Committee and chairs the Quality, Risk & Reputation Committee and has a direct reporting line to the Senior Partner. The RMP consults, as appropriate, with the Senior Partner, the Regional Risk Management Partner, Global Quality & Risk Management resources, and the general counsel or external counsel.

This 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 Senior Partner.



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 section 8.1.2.



The Audit, Tax and Advisory functions – Function Heads

The three heads of the client service functions (Audit, Tax and Advisory) are accountable to the Senior Partner for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality management procedures for their specific functions within the framework set by the Risk Management Partner. 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 Co-heads of Audit are 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 scepticism, objectivity, and ethics and integrity;
- Developing and implementing an audit strategy that is aligned with the firm’s audit quality requirements;
- Working with the RMP to monitor and address audit quality and risk matters as they relate to the Audit practice.



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2.4 Robust governance structures

2.4.1 Our legal and governance structure

KPMG in Malta is a civil partnership constituted under the laws of Malta and is registered as an audit firm with the Accountancy Board in terms of the Accountancy Profession Act (CAP. 281). The Compliance Principal in terms of the Accountancy Profession Act (CAP. 281) is David Caruana. KPMG in Malta is wholly owned, and its voting rights are fully held, by its partners all of whom are professionals actively involved in the provision of audit, tax and advisory services to the firm’s clients. Most services, including all audit services, are provided by KPMG in Malta.

The firm’s subsidiary and connected undertakings include KPMG Holding Limited which acts as the “paymaster” for the practice; KPMG Advisory Services Limited which provides certain non-audit

services and is authorised to act as a Class A Corporate Service Provider by the Malta Financial Services Authority; KPMG Talent (P5+) Limited which is licensed to provide recruitment services under the Employment and Training Services Act; K Software Limited which provides software services and KPMG Learning Academy which provides tuition.

KPMG and its subsidiary and connected undertakings in Malta are collectively referred to as KPMG in Malta in this report, unless the context clearly indicates otherwise. The contents of this report apply to the whole KPMG practice in Malta including that of its subsidiary and connected undertakings.

At KPMG, we apply high standards of corporate governance. KPMG in Malta’s governance structure as reflected in the Partnership Agreement is summarised in the figure below:

Governance Structure

Partnership Board

Chair: Senior Partner  
Members: Partners

Executive Management Committee

Chair: Senior Partner  
Members:  
Head of Audit – Operations  
Head of Audit – Audit Quality  
Head of Tax  
Head of Advisory (Head of Business Development)  
Quality & Risk Management Partner  
Head of Finance  
People’s Team Partner

Quality, Risk and Reputation Committee

Members:  
Quality and Risk Management Partner (Compliance Principal)  
Senior Partner  
Head of Audit – Audit Quality

EMC Sub-Committees

People’s Team Committee  
Chair: People’s Team Partner

Business Development Committee  
Chair: Head of Business Development

Audit Committee  
Chair: Head of Audit - Operations

Members: Audit Partners and Directors

Advisory Committee  
Chair: Head of Advisory

Members: Advisory Partners and Directors

Tax Committee  
Chair: Head of Tax

Members: Tax Partners and Directors



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## The Partnership Board

The principal governance and oversight body of our firm is the Partnership Board, 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 as well as the appointment of partners and staff to carry out the managerial roles within the firm's governance structure.

The Partnership Board is made up of all the Partners of KPMG in Malta. The Senior Partner chairs the Partnership Board ensuring that the Board members receive accurate, timely and clear information and ensuring effective communication. André Zarb is the current Senior Partner and was appointed in this role with effect from 1 October 2020. All the voting rights of the firm are held by the partners.

Full details of the Partners of our firm including their roles within the firm and expertise re set out in Appendix A.

In addition, there are 4 main bodies that deal with key aspects of governance within the group that report into the Board. These are the:

- Executive Management Committee;
- Quality and Risk Management Committee;
- Functional Partners Committee;

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

### Executive Management Committee

The Executive Management Committee (EMC) is responsible for management of the day-to-day activities of the firm, recommending policy to the Board and developing the business plan within the overall strategy set by the Board, together with its subsequent implementation.

It deals with operational matters affecting the firm including monitoring operating and financial performance, budgets, new business proposals, marketing, technology development, recruitment and retention and general remuneration, prioritisation and allocation of resources and investment and managing the firm's risk profile.

### The Quality and Risk Management Committee

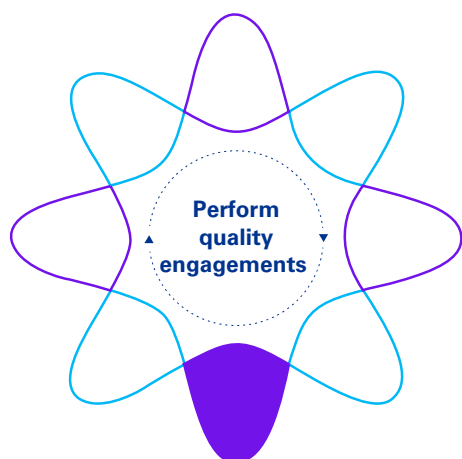
The principal role of the Quality, Risk Management & Reputation Committee is to provide oversight of quality and risk management matters across the firm. As part of its role, it oversees that a culture of quality and integrity is maintained within the firm and, where required, it will act as a sounding board to the Risk Management Partner on the policies and procedures relating to professional risk management, ethics and independence, quality control and compliance. The Committee also considers the impact of the key findings from our compliance quality monitoring programs and the adequacy of proposed remedial actions.

### Functional Partners' Committees

The partners and directors working within each of the firm's three clients service functions form part of a partners' committee for that function, chaired by the respective head of function. the objective of these committees is to ensure the effective management of each respective function within the firm,

See section 14.1 for information on the KPMG legal structure and 14.4 for information on the KPMG International Governance structure.





# Apply expertise and knowledge

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

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

## 3.1 Methodology aligned with professional standards, laws and regulations

### 3.1.1 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) s in response to the growth of ESG reporting;
- Consistent interpretation of how to apply ISAs and ISAEs.

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

## 3.2 Standardised methodology and guidance

The KPMG standardised 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.



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### 3.3 Deep technical expertise and knowledge

#### 3.3.1 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.

#### 3.3.2 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 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 our firm 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 center](#) maintained by KPMG International that highlights the potential financial statement implications of matters arising from significant external events to assist financial statement preparers and other stakeholders in understanding the potential accounting and disclosure implications of 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 organisation, 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.

#### 3.3.3 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 organisation.

During 2023, as part of the global organisation’s commitments to serving 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 standardised 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 – Assurance.

### 3.4 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.



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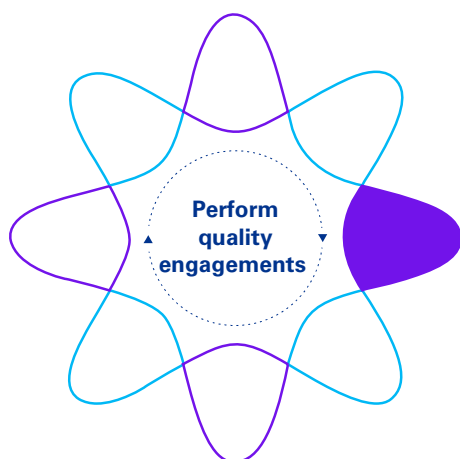
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# Embrace digital technology

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

At KPMG, we are 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 organisation are enhancing audit quality by increasing our ability to focus on the issues that matter.

## 4.1 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 visualisation. 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.

## 4.2 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 well as rules and standards issued by the Accountancy Board in Malta.

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.



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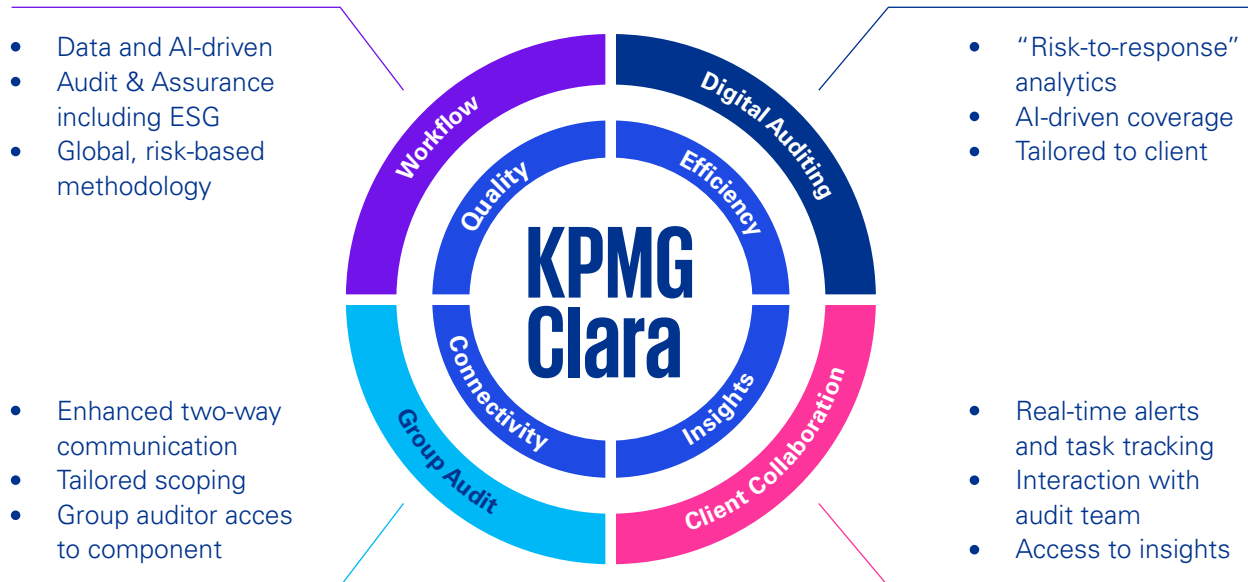
### 4.3 Digital data and emerging technologies

#### 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 organisation'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.



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

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

We have policies on information security, confidentiality, personal information and data privacy. We have a document retention policy

concerning the retention period for audit documentation and other records relevant to an engagement in accordance with applicable laws, regulations, and professional standards.

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



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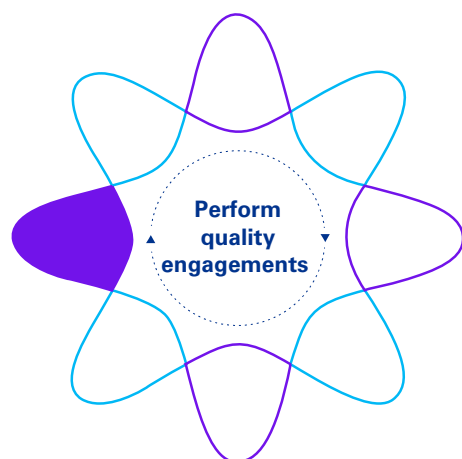
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# Nurture diverse skilled teams

- **Recruit appropriately qualified and skilled people with diversity of perspective and experience**
- **Assign appropriately qualified team**
- **Invest in data-centric skills – including data mining, analysis and visualisation**
- **Focus learning and development on technical expertise, professional acumen, and leadership skills**
- **Recognise quality**

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

## 5.1 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.

### 5.1.1 Recruitment

We have invested in understanding how we can attract the talent we need now and in the future across our firm. This includes building an

extraordinary people experience for all current and prospective partners and employees.

Our recruitment strategy is focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age. We also recruit significant numbers at an experienced hire.

All candidates apply and are employed following a variety of selection processes, which may include application screening, competency-based interviews, and qualification/reference checks.



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These leverage fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform competently, are suitable and best placed for their roles. KPMG's policies also require that recruits undergo reference and background checks subject to legal and regulatory requirements.

We recruited 21 new graduates in the year ended 30 September 2023 (2022: 23 new graduates).

Where individuals are recruited for senior grades, a formal independence discussion is conducted with them by the Ethics and Independence Partner or a delegate. We do not accept any confidential information belonging to the candidate's former firm/employer.

### 5.1.2 Inclusion, diversity and 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 recognise the KPMG organisation'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](#).

### 5.1.3 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.

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.

Partners are remunerated solely out of the profits of the whole firm and are personally responsible for funding pensions and other benefits. Audit partner remuneration setting takes no account of the level of non-audit services provided to the partner's audit clients.

#### 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.

### 5.2 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 specialised areas of accounting or auditing;
- Knowledge of relevant industries in which the client operates;
- Ability to apply professional scepticism;
- Understanding of KPMG's quality control policies and procedures; Quality Performance Review (QPR) results and results of regulatory inspections.

### 5.3 Invest in data centric skills – including data mining, analysis and visualisation

The KPMG organisation 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 specialise 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.

## 5.4 Focus learning and development on technical expertise, professional acumen, and leadership skills

### 5.4.1 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.

### 5.4.2 Lifetime learning strategy

#### Formal training

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

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

#### Mentoring and on-the-job coaching

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

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

We support a coaching culture as part of enabling KPMG professionals to achieve their full potential and instil that every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences.

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5.4.3 Licensing and mandatory requirements for IFRS® Standards

Licensing

All KPMG professionals in our firm are required to comply with applicable professional licence rules and satisfy the Continuing Professional Development requirements in the jurisdiction where they practice. KPMG in Malta policies and procedures are designed to facilitate compliance with licence 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.

We require that all client service professionals maintain accreditation with their professional body and satisfy the continuing professional development requirements of the respective body and, where applicable, that they satisfy, the Continuing Professional Education requirements as referred in Directive 1 Accountancy Profession (Continued Professional Education) issued in terms of the Accountancy Profession Act (CAP 281) as holders of the warrant of Certified Public Accountants. Our policies and procedures are designated to ensure that those individuals that require a license to undertake their work are appropriately licensed.

Mandatory requirements – IFRS Standards

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.

These require that at a minimum, all partners, managers 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.

5.5 Recognise quality

5.5.1 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);
- Standardised 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 behaviours and competencies we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on quality.

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

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.



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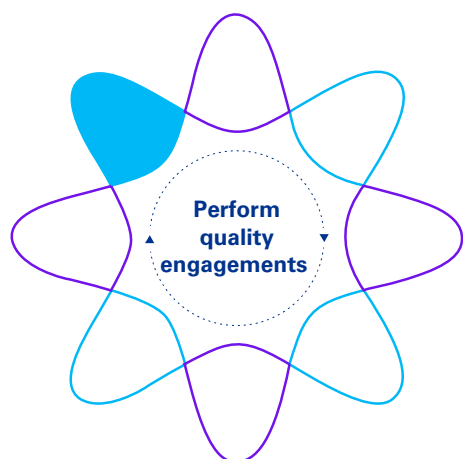
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# Associate with the right clients and engagements

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

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

## 6.1 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.

## 6.2 Accept appropriate clients and engagements

### 6.2.1 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.



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### 6.2.2 Engagement evaluation

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

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

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

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

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

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

### 6.2.3 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.

### 6.2.4 Withdrawal process

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

## 6.3 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.

Each partner's client portfolio is regularly reviewed to ensure that they have sufficient time to manage the portfolio and to ensure that the risks are being appropriately managed.

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 section 5.2 Assigning an appropriately qualified team.



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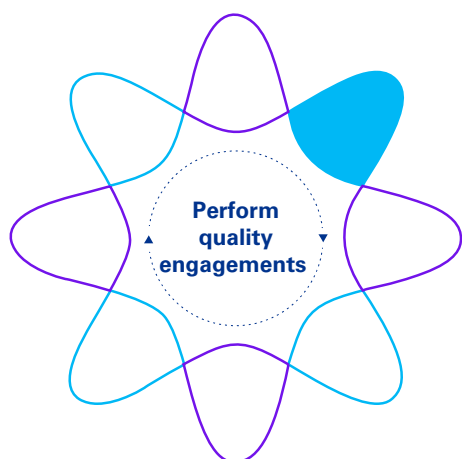
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# Be independent and ethical

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

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

## 7.1 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 behaviour throughout our firm in everything we do. Ethics and integrity are core to who we are. Within our [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 behaviours and actions.

## 7.2 Maintain an objective, independent and ethical mindset

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

Policies are supplemented to help ensure compliance with the standards issued by the Accountancy Board.

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

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

The Board of KPMG in Malta confirms that an internal review of independence compliance within our firm has been conducted in the year to 30 September 2023.



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## 7.2.1 Personal financial independence

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

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

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

In 2023, over 21 of our partners and employees were subject to these audits (this included approximately 18% of our partners and directors).

## 7.2.2 Employment relationships

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

## 7.2.3 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 KQCE program.

## 7.2.4 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 Securities & Exchange Commission (SEC).

## 7.2.5 Business acquisitions, admissions and investments

Any acquisition of, or investment in, a business requires sufficient due diligence procedures to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with KPMG International are required to enable independence and other issues to be addressed when integrating the business into the wider global organisation.

## 7.2.6 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.

### 7.2.7 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.

We have policies that are consistent with the IESBA principles, Directive 2, Code of Ethics for Warrant Holders issued in terms of the Accountancy Profession Act (CAP 281) and Article 18 of the Accountancy Profession Act (CAP 281) which address 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.

### 7.2.8 Fee dependency

KPMG firms have agreed to consult with their Regional Risk Management Partner where total fees from an 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 exceed 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.

### 7.2.9 Avoiding conflicts of interest

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

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

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

### 7.2.10 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.



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7.2.11 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.

In this regard, KPMG policy has addressed the EU Audit legislation where the key audit partners responsible for carrying out a statutory audit cease their participation in the statutory audit of the audited entity not later than seven years from the date of their appointment followed by three years’ time-out after that cessation.

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. In terms of the 2016 changes to the Companies Act (CAP 386) subject to transitional requirements, a public interest entity shall appoint an auditor for a maximum period of 10 years extended to a maximum period of 20 years subject to a public tender process being held after 10 years.

We have processes in place to track and manage compliance with audit firm rotation requirements.

7.3 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](#).



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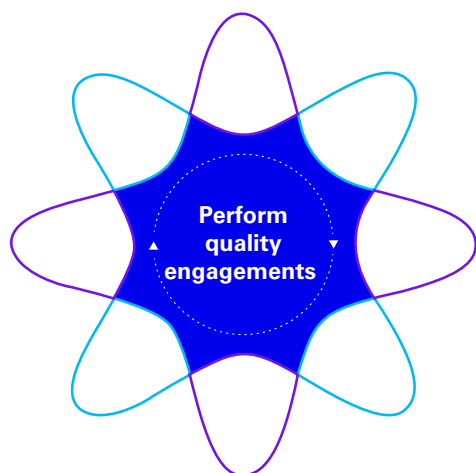
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# Perform quality engagements

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

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

## 8.1 Consult when appropriate

### 8.1.1 Encouraging a culture of consultation

KPMG encourages a culture of consultation that supports engagement teams in KPMG firms throughout their decision-making processes and is a fundamental contributor to audit quality. At KPMG, we promote a culture in which consultation is recognised 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.

### 8.1.2 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.



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**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.

**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.

Across our firm, the role of the sub-regional Department of Professional Practice (KIG DPP) is crucial in terms of the support that it provides to the Audit function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local technical and professional issues and disseminates international guidance on IFRS and ISAs.

Consultation with a team member at a higher level of responsibility than either of the differing parties usually resolves differences. In other circumstances, the matter may be elevated through the chain of responsibility for resolution by technical specialists. In exceptional circumstances, a matter may be referred to the Head of Audit, Head of DPP, Head of Quality and Risk or ultimately the country Senior Partner.

## 8.2 Critically assess audit evidence using professional judgment and scepticism

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 scepticism throughout the audit engagement. Professional scepticism 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.

## 8.3 Direct, coach, supervise and review

### 8.3.1 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.

### 8.3.2 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 engagements, 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.



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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.

Our firm has procedures in place to ensure that the role performed by EQCRs is also taken into account when performing the Partner Portfolio Review process to ensure adequacy of time and appropriate skill set for the role and reallocation if needed; and to assess, as part of our Quality Performance Reviews, the work performed by the EQC reviewer and the adequacy of involvement including discussion with the EQC reviewer.

## 8.4 Appropriately support and document conclusions

### 8.4.1 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).

### 8.4.2 Engagement documentation

Our firm's audit documentation is completed and assembled in accordance with KPMG International policy and applicable auditing standards.

We have implemented safeguards to protect the confidentiality and integrity of client and firm information and we have reduced the time period permitted to assemble audit documentation.

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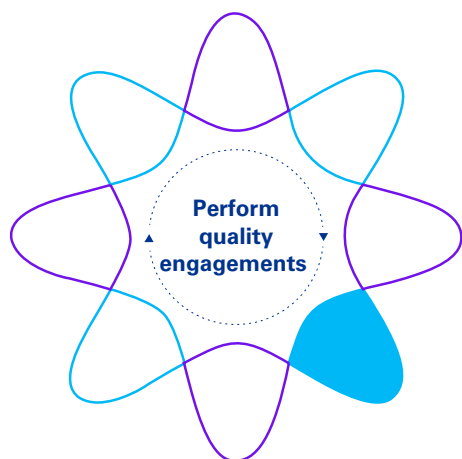
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# Assess risks to quality

- **Identify and understand risks to quality engagements and effective responses**

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

## 9.1 Identifying risks to quality and implement effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, 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.



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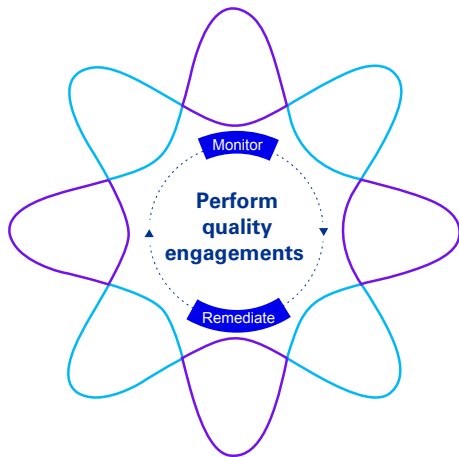
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# Monitor and remediate

- **Rigorously monitor and measure quality**
- **Obtain evaluations and act on stakeholder feedback**
- **Perform root cause analysis**

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 SoQM.

## 10.1 Rigorously monitor and measure quality

### 10.1.1 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.

### 10.1.2 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 key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

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

- Audit Quality Performance Review (QPR);
- 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.

### **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 is reviewed at least once in a three-year cycle as per local requirement of the Guidance Note issued by the Accountancy Board. 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 organisation. 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 organisation, 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 programme 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 emphasised 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.

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## 10.2 Obtain, evaluate and act on stakeholder feedback

### 10.2.1 Regulators

The Quality Assurance Oversight Committee forming part of the Accountancy Board within the Ministry for Finance and Employment completed their inspection of our firm in August 2023 and issued the final report in November 2023. No issues were identified that have a material impact on the conduct of our statutory audit business.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), to discuss audit quality findings and actions taken to address such issues across the entire organisation. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues. At a regional level, we also have regular dialogue with representatives of the Committee of European Auditing Oversight Bodies (CEAOB) – formerly known as the European Audit Inspection Group (EAIG), as well as the ASEAN Audit Regulators Group (AARG).

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.

### 10.2.2 Client feedback

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

### 10.2.3 Monitoring of complaints

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

### 10.3 Perform root cause analysis

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

Upon completion of the root cause analysis, 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 plans' implementation.



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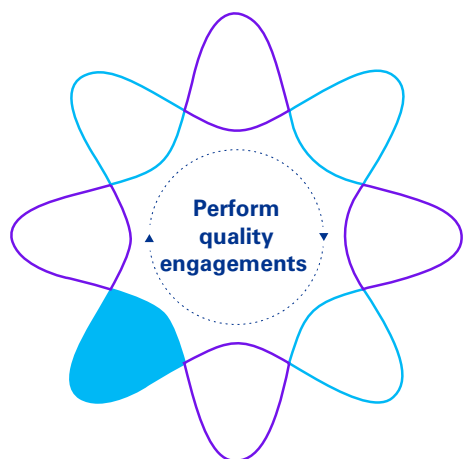
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# Communicating effectively

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

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

## 11.1 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.



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

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

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

The survey also provides our leadership and KPMG International leadership with insights related to quality and risk behaviours, 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 organisation and are presented to the Global Board each year.

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



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Fee revenue (including disbursements) earned by the firm for services provided during the year ending 30 September 2023 are summarised in the table below.

2023 Revenue	2023 € 000's	
Revenue from audit services <sup>1</sup>	14,909	39%
Revenue from tax and advisory services	23,344	61%
	38,253	100%

The total revenue is divided as follows:

	€ 000's
Revenues from the statutory audit of annual and consolidated financial statements of public interest entities and entities belonging to a group of undertakings whose parent undertaking is a public interest entity	4,040
Revenues from the statutory audit of annual and consolidated financial statements of other entities (non-PIEs)	6,036
Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm	2,201
Revenues from non-audit services to other entities	25,976

Revenues are reported gross, inclusive of expenses incurred in the performance of audits.

<sup>1</sup> Revenue earned from the secondment of audit professionals to the Audit function of other KPMG member firms as well as other assurance services are included as part of revenue from audit services.

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## Partners' profit share

Partners are remunerated solely out of the whole profits of KPMG in Malta and are personally responsible for funding pensions and most other benefits.

There are three elements to partner remuneration:

- Base component – A proportion of the KPMG in Malta budgeted profits are allocated to partners as base component. The amount of base component reflects the role and seniority of each partner;
- Performance related remuneration – Rewards performance in the year by each partner against individual objectives previously agreed. Our policies for this variable element of partner remuneration take into account a number of factors including quality of work, excellence in client service, growth in revenue and profitability, leadership and living the KPMG Values. Audit partners are not permitted to have objectives related to, or receive any remuneration from, selling non-audit services to their audit clients. In addition, a part of their performance-related component is based on an assessment of their ability to deliver audit quality; and
- Residual profit share – the residual profits are shared by the partners in accordance with the terms of the Partnership Agreement.

There is transparency among partners over the total income allocated to each partner.

## Drawings

During the year, partners received monthly drawings (the amount being dependent on their level of base component) and from time to time, additional profit distributions. The level and timing of the additional distributions is dependent on the firm's working capital requirements.

## Remuneration of directors

Directors are salaried employees of the firm and receive a fixed salary plus performance related bonuses. Audit directors are not permitted to have objectives related to, or receive any remuneration from, selling non-audit services to their audit clients.

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- Legal structure
- Responsibilities and obligations of KPMG firms
- Professional Indemnity Insurance
- Governance structure

## 14.1 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 organisation 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 organisation can be found in section 'Governance and leadership' of the [KPMG International Transparency Report](#).

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

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

Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was EUR 2.4 billion during the year ending 30 September 2023. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30 September 2023.

**14.2 Responsibilities and Obligations of KPMG 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 organisation 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.

**14.3 Professional Indemnity Insurance**

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

**14.4 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 organisation.

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](#).



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\* The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.

## 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 organisation. The GMT also oversees the activities of the Global Steering Groups.

It is led by the Global Chairman, Bill Thomas.

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

## Global Steering Groups

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

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

- Establish, and ensure communication of, appropriate audit, quality and risk management policies;
- Establish and support effective and efficient risk processes to promote audit quality;
- Promote and support strategy implementation in member firms' Audit functions, including standards of audit quality; and
- Assess and monitor audit quality issues, including those arising from quality performance and regulatory reviews, and focus on best practices that reduce audit quality findings.
- The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in 'Governance and leadership' section of the [KPMG International Transparency Report](#).

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 2022, can be found in the 'Governance and leadership' section of the [KPMG International Transparency Report](#).



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# Statement on the effectiveness of the System of Quality Management of KPMG in Malta as at 30 September 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 Malta (the "Firm" and/or "KPMG Malta") 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 fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b. Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG Malta outlines how its System of Quality Management supports the consistent performance of quality engagements in the 2023 Transparency Report.

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

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

Based on the annual evaluation of the Firm’s System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.



André Zarb  
Country Senior Partner  
29 November 2023  
KPMG in Malta



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# Appendix A: Public Interest Entities (PIEs)

The list of public interest entity audit clients for which our firm has signed an audit opinion in the year ended 30 September 2023 is given below. The definition of public interest for this purpose is that given under the provisions of the Accountancy Profession Act (cap. 281), issued by the Accountancy Board. In accordance with this definition, public interest entities comprise:

- those entities whose transferable securities are admitted to trading on a regulated market of any Member State;
- credit institutions;
- insurance undertakings; and
- any other entity as may be prescribed by the Accountancy Board (the Accountancy Board has to date not specified any such additional entities).

In addition, the firm carries out audits for several other entities, which though not PIEs by definition are nevertheless entities of significant public interest.



Notes:

- a. Sub-fund of the Company issued subordinated unsecured yield bond. Bonds are traded at the Prague Stock Exchange, a.s.
- b. Audit report for the year ended 31 December 2022 signed on 22 March 2023 following which we were rotated out because of mandatory rotation rules
- c. Sub-funds of the Company issued investor redeemable shares and bonds which are listed on the Prague Stock Exchange, a.s.

List of PIE audit clients						
Name	Audit Report issued in 2022/2023	Listed Equities	Listed Corporate Bonds	Listed Funds	Credit Institutions	Insurance Companies
ACL Fund SICAV p.l.c.	✓			✓		
Alpha Quest Funds SICAV p.l.c. <sup>(a)</sup>	✓			✓		
Bank of Valletta p.l.c.	✓	✓	✓		✓	
EUCare Insurance PCC Limited	✓					✓
FIMBank p.l.c. <sup>(b)</sup>	✓	✓			✓	
Fraternity Funds SICAV p.l.c. <sup>(c)</sup>	✓			✓		
Mapfre Middlesea p.l.c.	✓	✓				✓
Mapfre MSV Life p.l.c.	✓					✓
QIC Europe Limited	✓					✓
Vilhena Funds SICAV p.l.c.	✓			✓		

We were the auditors of the Central Bank of Malta. The last Audit report for the year ended 31 December 2022 was signed on 20 March 2023 following which new auditors were appointed.



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# Appendix B: Partners & Directors as at 30 January 2024

## Partners



### **Hermione Arciola**

Partner, Advisory Services

Hermione joined the Deal Advisory team in 2007. She was appointed Director with effect from 1 January 2014 and Partner with effect from 1 October 2019. She focuses principally on local and cross border vendor and buy-side due diligence assignments for clients operating in various sectors, valuation engagements and corporate finance.



### **Justin Axiaq**

Partner, Audit Services

Justin has been with KPMG for over 17 years, He was appointed Director with effect from 1 January 2019 and Partner with effect from 1 October 2023. During this time he gained invaluable insight and knowledge across a variety of sectors and specialisms. He co-leads the Private Enterprise and Gaming cluster and has extensive experience providing audit and assurance services to both listed and privately owned Maltese and international clients across a range of sectors. These include iGaming, technology, energy, retail, aviation and manufacturing. His experience also includes an international assignment with KPMG Netherlands where he gained significant exposure working on audits of large conglomerates.



### **Alex Azzopardi**

Partner, Advisory Services

Alex joined the firm in 2005 within the firm's Audit function and after 8 years, Alex moved to the Advisory function. Alex was appointed Director with effect from 1 January 2016 and Partner with effect from 1 October 2022. He currently leads engagements mainly focused on the provision of services in enterprise risk, corporate governance, regulatory compliance (including licensing), AML/CFT and internal audit services across the regulated financial services sectors and other non-regulated businesses. Alex is the Chairman of the Institute of Internal Auditors - Malta, Fellow of the MIA and a member of ISACA.





**Sean Azzopardi**  
Partner, Audit Services

Sean was appointed Director with effect from 1 October 2019 and was appointed to the role of Partner with effect from 1 October 2023. Sean joined the firm in 2006 as team member within audit. He currently co-leads the Banking and Asset Management cluster within the Audit function and has worked on some of the firm’s largest clients in this segment. Throughout his career with KPMG, he has also worked with the London and New York member firms gaining significant exposure in the Banking and Asset Management space. Sean also leads the local audit technology innovation committee whereby he is responsible for ensuring that the firm is equipped with the right audit tools to support engagement teams in carrying out their work effectively. He is also the Environmental, Social & Governance lead within audit.



**Giselle Borg**  
Partner, Advisory Services

Giselle was appointed Director with effect from 16 December 2017 and Partner with effect from 1 October 2022. Her professional journey began with a dedicated 13-year tenure with the audit department where she led engagements for various market players. She currently co-leads the Risk Consulting Advisory department and advises firms on governance, risk and compliance matters in the areas of corporate governance, regulatory reporting, risk management, internal audit, anti-money laundering and actuarial. Giselle also supports firms in their interaction with Regulators and in optimising their organisational structures to meet present and future regulatory requirements.



**Claudine Borg Azzopardi**  
Partner, Advisory Services

Claudine was appointed Director with effect from 1 October 2020 and Partner with effect from 1 October 2023. Claudine leads the People & Change Advisory function. She is a Psychologist, Executive Coach and Registered Supervisor. She has worked extensively in the field of change management and leadership development with diverse nationalities and projects in different geographies. Her professional career started in 1999 as a Psychologist working within the NHS in the UK before moving into Leadership Consultancy and Executive Coaching. She has led large complex transformations including all aspects of technological, behavioural and cultural change. She has been involved in workforce transformation, including talent strategy, data science and people analytics, organisational design, development of change methodology and toolkit development, stakeholder management (including experience at the Board level), communications development, and delivery.



**David Caruana**  
Partner, Advisory Services  
Risk Management and Ethics and Independence Partner  
Member of the EMC  
Compliance Principal

David, a Partner for 21 years, is the firm’s Risk Management and Ethics and Independence Partner. David is the Compliance Principal in terms of the Accountancy Profession Act (CAP 281) as well as the firm’s Money Laundering Reporting Officer (MLRO).



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**Clifford Delia**  
Partner, Corporate Accounting Advisory Services

Clifford was appointed Partner with effect from 1 October 2019. He currently co leads the firm’s Corporate Accounting Advisory Services line focusing on outsourced accounting support, accounting advisory and payroll services. Clifford joined KPMG’s outsourced accounting support team in 2008 following a number of years working within the Audit function in Malta and Ireland.



**Jonathan Dingli**  
Partner, Corporate Accounting Advisory Services

Jonathan was appointed Director with effect from 1 January 2015 and Partner with effect from 1 October 2018. Jonathan leads both the Accounting Advisory Services team and the Learning Academy at KPMG in Malta. He has over 20 years of experience in the accountancy profession (where he is also an IFRS Specialist) and over 14 years teaching experience. He is an elected member of the Council of the MIA.



**Claude Ellul**  
Partner, Head of Audit (Quality)  
Member of the EMC

Claude joined KPMG’s Audit function in 2003 and appointed Partner with effect from 1 October 2019. He specialises in financial services and currently Claude co-Heads the Audit function with specific focus on Quality. Throughout his career at KPMG, Claude has been involved in a number of advisory engagements through which he brought to bear his extensive experience in the financial services sector. He has also worked at KPMG in Dublin, Ireland. Claude sits on the Malta Institute of Accountants’ Sustainable Finance Committee.



**John Ellul Sullivan**  
Partner, Tax Services

John has been appointed Partner with effect from 1 January 2017. He has been employed with the firm since 2007. John advises a variety of multinationals and high net worth individuals on their international corporate structures.



**Doreen Fenech**  
Partner, Tax Services  
Member of the EMC  
People Partner

Doreen was appointed Partner with effect from 1 January 2015. She has over 26 years of experience in domestic and international tax for large/medium sized family businesses and companies in the technology, manufacturing, hotel and pharmaceutical industry as well as a number of public interest entities.



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**Thomas Galea**  
Partner, Head of Audit (Operations)  
Member of the EMC

Thomas joined KPMG in 2005 as an audit team member and successfully completed his ACCA qualification in December 2006. He is an accountant by profession, holds a Practising Certificate in Auditing and is also a Fellow of the Malta Institute of Accountants (MIA). He was appointed Director with effect from 1 October 2017 and Partner with effect from 1 October 2021 and today Thomas is the Head of Audit (Operations) of the Malta practice. During the past 18 years, other than in Malta, Thomas has also worked within the Audit function of the Irish and US KPMG offices gaining experience in a number of industries, particularly Banking and Private Enterprise. He is also active in training delivery at KPMG, regularly contributing to staff’s professional education and performance development. Thomas is an elected member of the council of the MIA and currently also sits on ACCA’s International Assembly where he has been Malta’s representative for the last 6 years.



**Curt Gauci**  
Partner, Advisory Services, Digital Solutions

Curt was appointed Director within the Digital Solution Advisory with effect from 1 October 2020 and Partner with effect from 1 October 2022. He has been working in the ICT industry in excess of 27 years. Throughout his career he has been involved in a variety of projects in the private and public sectors. He assisted local and foreign organisations coming from different industries in gaining operational efficiencies and competitive advantage through the leveraging of ICT. In the last few years Curt has been focused on assisting organisations on their digital transformation journeys specifically with adopting cloud and leveraging technologies, tools and methodologies to facilitate the transformation process and allow for faster return on investment.



**Anthony Pace**  
Partner, Tax Services  
Head of Finance  
Head of Tax Services  
Member of the EMC

Anthony is the head of taxation services function, particularly specialising in indirect taxation and succession planning for Maltese family businesses. Anthony joined the partnership in January 2003. In these 21 years as partner, he has led numerous direct and indirect tax advisory engagements in banking and financial services, gaming, real estate and family businesses. He has also led several tax due diligence engagements.



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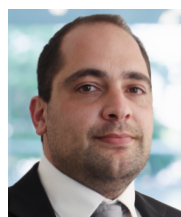
**David Pace**  
Partner, Advisory Services  
Head of Advisory Services  
Head of Business Development  
Member of the EMC

David was appointed Partner with effect from 1 January 2015 within the Deal Advisory team, which he joined in 2002. He was also appointed as the Head of Business Development and Head of Advisory with effect from 17 June 2016 and 1 October 2018 respectively. David is actively involved in assisting with business negotiations and has a lead role in the firm’s Merger and Acquisition service offering.



**Giles Schembri**  
Partner, Audit Services

Giles is an Audit Partner who leads the iGaming and Technology cluster within the Audit function at KPMG and has been involved in the iGaming sector for the past 19 years. Giles joined KPMG in 1994 and has principally practiced within the firm’s Audit function in Malta and in Milan, Italy. He has built his audit career working on both local and international companies that include large group structures and listed companies. Giles currently sits on the Gaming Committee of the Malta Institute of Accountants and has been a former member of the Continuing Professional Education Committee of the same institute.



**Simon Xuereb**  
Partner, Tax Services

Simon, a lawyer by training, is a Tax Partner who specialised in international taxation. He was appointed Director with effect from 1 January 2016 and Partner with effect from 1 October 2018. He leads a multi-disciplinary team of professionals in KPMG in Malta’s Private client, Family Office and Global Mobility Services Practice.



**Marco J. Vassallo**  
Partner, Advisory Services, Digital Solutions

Marco was appointed Director with effect from 21 July 2017 and Partner with effect from 1 October 2018. Marco joined KPMG in 1995 and over the past 28 years he has progressed through various roles within the IT sphere. He is now co-leading the firm’s Digital Solutions team and journeying with organisations through Digital Transformation projects. He is helping businesses to benefit from advancements in technology, enabling them to innovate and create value in entirely new ways to build a sustainable competitive advantage.



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**André Zarb**  
Senior Partner  
Chairs the EMC  
Partner, Tax Services

André assumed responsibility for the Tax function in Malta in 1993, followed by making partner in 1994. André was the Head of Tax Services till 30 September 2020 and appointed Senior Partner of the Firm with effect 1 October 2020. Over the years André has advised leading local businesses, international clients, multinationals and private equity firms on various tax matters. André has also regularly advised the public sector on major changes in tax legislation and has closely contributed into developments which helped establish Malta as a financial centre. In addition, following Malta’s accession to the European Union he has regularly advised on EU related fiscal matters.



**Lisa Zarb Mizzi**  
Partner, Tax Services

Lisa, a lawyer by profession, was appointed Director with effect from 1 June 2019 and Partner with effect from 1 October 2022. She advises a variety of multinationals and high net worth individuals intending to structure a presence in Malta, on international corporate tax and cross-border tax planning, as well as focuses on advising financial services companies on their operations in Malta and corporate restructurings from a tax perspective. Lisa is also actively involved in the automatic exchange of information service offering of the firm. Lisa regularly delivers tax presentations and training both internally and externally.

Juanita Brockdorff has retired as Partner (and Principal) of the firm on 31 March 2023.

Hilary Galea-Lauri has retired as Partner of the firm on 30 September 2023 and was retained as a Principal of the firm up to 17 November 2023.



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Directors  
Client Service Functions



**Christopher Azzopardi**  
Director, Audit Services

Christopher was appointed Director with effect from 1 October 2019. He currently leads IT Assurance and Attestation services. He heads our IT audit support work for external financial audit engagements and is responsible for the leveraging of technology within this sphere, including Data and Analytics and Statistical Sampling. Through a dedicated team, he provides assurance over the operating effectiveness of IT controls and substantive testing in supporting statutory financial audits through various technology solutions. Chris is actively involved in fora on Distributed Ledger Technologies (DLTs) assurance related services within KPMG internationally. He is currently acting as the IT Audit Quality leader for KPMG member firms within the KPMG Islands Group (KIG).



**Roderick Borg**  
Director, Tax Services

Roderick was appointed Director with effect from 1 October 2022. He advises organisations and individuals on various tax matters relating to cross-border and domestic transactions. He assists clients with the implementation of restructuring processes and actively handles corporate liquidation issues. Roderick regularly delivers training courses relating to tax.



**Daniel Brincat**  
Director, Audit Services

Daniel has been appointed Director with effect from 1 April 2022. Daniel joined KPMG Malta in 2010 and during the past 13 years he has also worked within the Audit function of the Crown Dependencies and Canada offices gaining experience in a variety of industries, particularly Financial Services and Private Enterprise. Today, Daniel is predominantly focused on Private Enterprise clients, with a broad portfolio of local and international clients across various industries.



**Mark Dalli**  
Director, Audit Services

Mark was appointed Director in Audit with effect from 1 October 2022. He has joined KPMG in 2009 and since then he has worked within the respective Audit functions in Malta, Luxembourg and Toronto. During these years, Mark accumulated a wealth of experiences from the audits of several group structures. He now services several clients operating in the iGaming and Technology spheres as well of other entities involved in the digital and affiliate marketing space. Many of these entities are among the largest players in this sector across the globe. Mark also participates in the Malta Institute of Accountants iGaming Committee.



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**Kurt Farrugia**  
Director, Tax Services

Kurt was appointed Director in the Tax function at KPMG in Malta on 1 October 2023, having joined in 2014 after reading for a Master in Accountancy at the University of Malta. Kurt advises a portfolio of both local and international private equity clients and specialises in the field of international corporate tax with a particular focus on aviation, financing structures, holding structures and succession planning. He now leads a multi-disciplinary team of professionals advising clients on the tax implications of corporate reorganisations, compliance obligations and international tax considerations. Kurt also delivers ACCA Lectures with the KPMG Learning Academy and sits as Vice-Chair of the Direct Tax Committee at the Malta Institute of Accountants.



**Christabelle Formosa**  
Director, Audit Services

Christabelle was appointed Director with effect from 1 October 2023. Christabelle has worked in the audit field since 2013 and joined KPMG Malta's Audit function in 2017, specialising in financial services. She has also worked within the Audit function of KPMG Ireland gaining experience in a number of industries including the Asset Management sector. Christabelle is predominantly focused on servicing banking and asset management clients including listed and regulated entities.



**Noel Grima**  
Director, Audit and Advisory Services

Noel was appointed Director with effect from 1 October 2021. He is the firm's subject matter expert on valuations and financial instruments, leading the local financial risk management team servicing clients across all functions. His background is in the areas of valuation, corporate finance, financial reporting, transaction services and M&A.



**Sharon May Scicluna**  
Director, Tax Services

Sharon has been appointed Director in the Tax function with effect from 1 October 2023. Sharon provides advice and assistance to a diversified portfolio of both local and international clients with regards to various taxation matters with a particular focus on succession planning, financing structures and group restructuring, mergers and acquisitions, including but not limited to due diligence engagements and acquisition structuring engagements. Sharon regularly delivers tax presentations and training both internally and externally.



**Thane Micallef**  
Director, Audit Services

Thane was appointed Director with effect from 1 October 2019. He leads the Insurance cluster within KPMG's Audit function. He was instrumental in the setting up of this cluster following the reorganisation of the audit department and is heavily involved in its day-to-day management.



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**Russell Mifsud**  
Director & Gaming Lead

Russell is an economist and was appointed Director with effect from 1 October 2019. He leads KPMG Malta’s Gaming industries. He has been involved with gaming and leisure businesses for his entire professional career and is a sought-after subject matter expert across the KPMG International network. His broad experience from having advised clients on Corporate Strategy, M&A, Licensing, Regulation and ESG, arms him with a unique perspective within the sector, where he is regularly invited to share his insights across the gambling ecosystem. Russell was recognised as an “Emerging Leader of Gaming (ELG) 40 Under 40” within the US in 2021. He is a founder member of a core group of professionals that specialise in gaming within the KPMG network. He sits on the board of the Malta Remote Gaming Council (MRGC) and is a Silicon Valletta board member. Russell founded the KPMG Malta Gaming eSummit and the KPMG Gaming Faculty.



**Ryan Mizzi**  
Director, Advisory Services

Ryan was appointed Director with effect from 1 October 2022. He joined the firm in 2011 and has extensive experience cutting across a number of advisory service offerings including vendor and buy-side assistance within the context of both local and foreign transactions. Ryan assists clients with their funding strategies including via capital markets and has led numerous valuation assignments across industries. Ryan has also led sizable strategy engagements involving multi-disciplinary workstreams. During his years with the firm, Ryan has worked in Europe, Middle East, North Africa, and for several months with KPMG’s Silicon Valley and Philadelphia offices.



**Yanica Mizzi Sahan**  
Director, IT Assurance Services

Yanica has been appointed Director with effect from 1 October 2023 in IT Assurance and Attestation Services. She is an accountant by profession, holding a practising certificate in Auditing. Over the past 13 years she specialised in IT Audit support work for external financial audit and IT assurance. Yanica's primary areas of expertise are within the fields of gaming, banking, and finance. Yanica is actively involved in delivering training on IT technical subjects, both locally and within the broader KPMG network. She also contributes to Quality Practice reviews, and she plays a significant role in fostering the growth of the staff and talent acquisition efforts.



**Paul Pace Ross**  
Director, Tax Services

Paul was appointed Director with effect from 1 January 2015, and forms part of the firm’s Tax services, specialising in international corporate tax, shipping and aviation. He joined KPMG in 2002 and over the years he led numerous cross-border engagements and today he leads a multi-disciplinary team of professionals advising clients on the tax and corporate implication of restructuring, mergers, continuations, exit strategies and other reorganisation projects.



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**Eric Padovani**  
Director, Corporate Accounting Advisory Services

Eric was appointed Director in the Tax function with effect from 1 October 2021. He plays a key role in leading a team of professionals providing an array of accounting advisory and compliance services as well as VAT compliance services to a variety of clients.



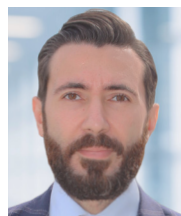
**Marlon Sammut**  
Director, Corporate Accounting Advisory Services

Marlon was appointed Director with effect from 1 October 2022. He joined KPMG in 2009 and his main areas of practice focus on accounting and financial reporting, VAT compliance and Finance function transformation services to local and international clients. Today he leads the firm’s Finance function transformation service line, assisting clients optimise their finance processes and procedures.



**Amanda Sharaf**  
Director, Audit Services

Amanda was appointed Director with effect from 1 October 2022. She joined the Audit function in 2008. During her years with KPMG, other than in the Malta office, Amanda also worked within the Audit function of the Canadian and US KPMG offices, gaining experience on a number of industries, with particular focus on Banking and Asset Management. She currently forms part of the Banking and Asset Management cluster within the Audit function, whereby she leads the audits of a number of clients within this segment.



**Steve Stivala**  
Director, Advisory Services

Steve was appointed Director with effect from 1 October 2022. He is an economist by profession, leading the Infrastructure, Public Policy and Strategy team. Steve provides the economic background and specialist knowledge required in a firm providing multi-faced business solutions to clients. Steve and his team bring to the table an economic perspective to client problems, using both quantitative tools and qualitative insight.



**Shirley Vella**  
Director, Tax Services

Shirley was appointed Director with effect from 1 October 2022. She manages the Corporate Income Tax Compliance section. She has worked on national and multinational clients which have set up structures in Malta in various industries, including but not limited to Banks, Insurance Companies, Asset Management and Finance Companies, and Shipping Companies.



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**Tonio Zarb**  
Consultant, Engagement Leader, Advisory Services

Tonio retired from the partnership on 30 September 2021 and with effect from 1 October 2021 is a consultant to the firm and an Engagement leader within the Advisory function. He has joined the firm in 1979 and was appointed partner in 1989. He led the firm’s advisory from 1989 to 2018 and was the firm’s Senior Partner from October 2012 to September 2020. Tonio is also the President of the Institute of Financial Services Practitioners and a Governor of Finance Malta. Tonio has extensive experience in deal advisory and restructuring services and possesses detailed knowledge of strategy and business planning processes. He has led several engagements relating to business valuations, financing (including public offerings), financial due diligence, and financial reviews. Tonio has a particular interest in leadership, organisational culture and governance and has carried out a number of engagements in this area. Tonio is a past President of the Malta Institute of Accountants having spent twenty-four years on the Institute’s Council in various roles and served as a member of the council of the European Federation of Accountants.

Noel Mizzi has terminated his employment with the firm on 30 April 2023 and ceased to be a Director and Principal of the firm with effect from his termination date.



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## Business Support Services



**Ariane Azzopardi**

Director, Quality and Risk Management

Ariane is a Director within the Quality and Risk Management function. She has over 15 years’ experience in this field and is the delegate of the Risk Management Partner at KPMG in Malta. She is involved in the implementation and monitoring compliance with quality and risk management policies and procedures in KPMG in Malta also handling compliance and risk management queries. Ariane is also the chairperson of the MIA AML committee.



**Edward Curmi**

Director and Advisory Chief Operating Officer

Edward was appointed Director with effect from 1 October 2022. Along his career, Edward gained deep organisational insights, working within executive roles in industry as well as part of delivery teams within professional services firms. After six years involved in significant Deal Advisory mandates for KPMG, in September 2019 he moved on to fully dedicate his time to drive the operational and administrative functions across Advisory, as its Chief Operating Officer. As Advisory COO, Edward has been instrumental in championing a number of tools, structures and process improvement initiatives for this fast-growing function, improving the overall experience for people within and clients of Advisory.



**Noel Fsadni**

Director, IT Operations

Noel was appointed Director with effect from 1 April 2022. Joining KPMG in 1999 as an IT administrator and, over the years, progressively moving into the internal IT administration, technology implementation, and digital transformation of the firm. Over the years at KPMG, he also project-managed and implemented a wide variety of internal IT and technology projects both locally and within the international KPMG network.



**Konrad Grech**

Director, Finance

Konrad is the firm’s Finance Director and heads the Infrastructure Operations. He has been with the firm for over 33 years and has served in this position for the past 17 years. He previously worked in the Audit and Tax functions. He is the secretary to the Executive Management Committee (EMC) and assists the partnership group in the strategic decisions of the firm.



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**Adrienne McCarthy**

Director, KIG Head of People

Adrienne joined the firm in 2015 as a Change Management Consultant. In 2016 she was appointed as the firm’s internal Head of People, Performance and Culture. Her main areas of expertise are attracting talented people and implementing key engagement strategies. She is MSc qualified in Organisational Psychology with over 21 years global HR experience. She was appointed Director with the firm with effect from 1 October 2018. Adrienne’s personal vision has been and continues to be about building a workplace of talented people who enjoy working together to achieve the Extraordinary. During 2022 Adrienne was appointed KIG Head of People.



**Michelle Spiteri Bailey**

Director, Audit Services - Quality and Support

Michelle's experience in Auditing and Accounting spans for over 25 years. Her main areas of focus with KPMG were the implementation of the new audit quality standards, audit learning and development and supporting audit and assurance staff in new audit tools and methodology. Michelle graduated as an accountant and auditor from the University of Malta in 1997, pursued her studies at the University of Leicester obtaining a Masters in Business Administration (Finance) in 2006 and eventually read for her Ph.d. and obtained a doctorate with Cranfield University in 2019, specialising in audit quality, trust and ethics. She was also a lecturer at Masters level at the University of Malta in Advanced Audit and Assurance for 10 years and continues to deliver training within the firm.

Kevin Mifsud has terminated his employment with the firm on 10 July 2023 and ceased to be a Director and Principal of the firm with effect from his termination date.



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