



Transparency Report 2021

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1 Message from the Country Senior Partner

The measures and procedures that serve as the basis for the system of quality control for KPMG in Qatar outlined in this report, aims to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Board of KPMG in Qatar has considered:

- The design and operation of the quality control systems as described in this report;
- The findings from the various compliance programs operated by our firm (including the KPMG International review programs as described in section 11.1.2 and our local compliance monitoring programs); and
- Findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all this evidence together, the Board of KPMG in Qatar confirms with a reasonable level of assurance that the systems of quality control within our firm have operated effectively in the year to 30 September 2021. Further, the Board of KPMG in Qatar confirms that an internal review of independence compliance within our firm has been conducted in the year to 30 September 2021.

As we emerge from the Covid-19 pandemic, our focus continues to be on the well-being of our staff. We also maintain our passion and strong commitment to quality and exceptional client experience by leveraging a robust audit quality framework and other recognized standards. That is what makes our people extraordinary and differentiates us with our clients.

The business landscape has changed significantly with the economy and our clients are still recuperating from the stresses imposed by Covid-19. The intensification of digital and disruptive technologies, and flexible ways of working has been the focus of many clients while pursuing growth. Our business is also agile, and we successfully responded quickly to our staff and operational needs, and the constantly evolving client needs.

Our growth-focused strategy has also advanced across Audit, Advisory and Tax to strengthen our services including ESG, Digital and Technology, quality and efficient auditing, Cybersecurity, risk consulting, and transfer pricing.

We remain optimistic about the growth in the Qatar economy in the run-up to the FIFA World Cup and beyond as Qatar's growth is fuelled by its 2030 vision. KPMG in Qatar will continue to work alongside our clients and support them to achieve their business objectives and aspirations.



Ahmed Abu-Sharkh
Country Senior Partner

Throughout this document, "KPMG", "we", "our" and "us" refers to the global organization or to one or more of 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. 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 2021 KPMG International Transparency Report.

2 Living our culture and values

It's not just what we do at KPMG that matters: we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviours. Shared across every level and in every country, jurisdiction and territory in which we operate, they are the foundation of our unique culture.

2.1 Fostering the right culture, starting with tone at the top

2.1.1 Tone at the top

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

At KPMG in Qatar we promote a culture in which consultation is encouraged and recognized as a strength. We communicate our commitment to clients, stakeholders, and society at large to earn the public's trust.

Outlined in KPMG's Global Code of Conduct ("the Code") are the responsibilities all KPMG personnel have to each other, our clients, and the public. It shows how our Values inspire our greatest aspirations and guide all our behaviours and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities. The KPMG Values are set out in Appendix A.

Our Values lie at the heart of the way we do things. To do the right thing, the right way. Always. They drive our daily behaviours, guide our decisions, and shape our character. They form the foundation of a resilient culture ready to meet challenge with integrity, so we never lose sight of our principal responsibility to protect 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.

Everyone at KPMG is held accountable to comply with the Global Code of Conduct and to confirm their compliance with the Code. Everyone at KPMG is also required to take regular training covering the Code. We are committed to holding ourselves accountable for behaving in a way that is consistent with the Code. Individuals are encouraged to speak up if they see something that makes them uncomfortable or that is not in compliance with the Code.

Moreover, everyone at KPMG is held accountable for reporting — and 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, each KPMG firm is required 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.

KPMG in Qatar operates a whistleblowing hotline which is available for KPMG partners, employees, retainers/ advisors, students, interns, contractors, and temporary staff who are associated with KPMG in Qatar to confidentially report concerns they have relating to how others are behaving (both internally and externally). The whistleblowing hotline allows people to report their concerns (via telephone, email, or letter). Our people can raise matters anonymously and without fear of retaliation. During 2021, no matters which required investigation were reported to the KPMG in Qatar hotline (2020: and no cases investigated).

Matters reported to the hotline are investigated under the supervision of Compliance Officer, who has a direct reporting line to a sub-committee of the Partner Board of KPMG in Qatar on whistle blowing complaints. Matters reported through the Local Hotline will be forwarded to the local Escalation Committee (“Committee”) comprising the Country Senior Partner, Ethics and Independence Partner and Quality Performance & Liaison Partner within 2 business days of receipt by the Compliance Officer in the form of an incident report.

The KPMG International hotline is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to certain areas of activity by any KPMG International entity, activities of KPMG firms or KPMG personnel.

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.

The Global People Survey provides KPMG in Qatar leadership and KPMG International leadership with results related to upholding the KPMG Values. KPMG in Qatar and KPMG International monitor the results and take appropriate actions to communicate and respond to any findings (please refer to section 10.2).

2.1.2 System of quality control

Tone at the top, leadership, and a clear set of Values and conduct are essential to set the framework for quality. However, these are required to be backed up by a system of quality control that holds us accountable to meet the highest professional standards.

KPMG continues to invest significantly in audit quality across the global organization. We are building on our sound audit quality foundations, both in terms of how we manage KPMG firms and how KPMG firms execute audit engagements.

This means ongoing investment in the system of quality management, global monitoring of audit quality, enhanced support, and providing best-in class technology and tools for engagement teams.

KPMG’s global audit quality program supports consistent deployment of investments to enhance and drive a common approach.

A robust and consistent system of quality control is essential to delivering quality services. KPMG International has quality control policies that apply to all KPMG firms. These are included in KPMG’s Global Quality & Risk Management Manual (GQ&RM Manual), which applies to all KPMG personnel.

To adopt the new international standard on quality management (ISQM 1) which was approved by the IAASB and will be effective from December 2022, KPMGI initiated a program to redesign the network-wide requirements for member firms’ systems of quality management. ISQM 1 requires each KPMG firm to design, implement and operate a system of quality management to consistently deliver quality audits, and to evaluate the effectiveness of the system on an annual basis.

As we prepare for ISQM 1, we have adopted a new Global Quality Framework to better outline how we deliver quality at KPMG, and how everyone at KPMG is accountable to its delivery. ‘Perform quality engagements’ sits at the core along with our commitment to continually monitor and remediate our processes as necessary.



While being ready for ISQM1 it also meets the requirements of the current International Standards on Quality Control (ISQC 1), issued by the International Auditing and Assurance Standards Board (IAASB) and 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.

While this Transparency Report summarizes KPMG’s approach to audit quality, it may also be useful for stakeholders interested in member firms’ Tax and Advisory services, as many KPMG quality control procedures and processes are cross-functional and apply equally to all services offered.

2.1.3 Leadership responsibilities for quality and risk management

KPMG in Qatar demonstrates commitment to quality, objectivity, independence, ethics and integrity, and communicates our focus on quality to clients, stakeholders and society. Our leadership plays a critical role in setting the right tone and leading by example — demonstrating an unwavering commitment to the highest standards of professional excellence and championing and supporting major initiatives.

Our leadership team is committed to building a culture based on quality, objectivity, independence, integrity and ethics, demonstrated through their actions - written and video communications, presentations to teams and one-to-one discussions.

KPMG in Qatar is required to seek input from the chair of the relevant Global Steering Group or his/her delegate on the performance of certain leaders within KPMG in Qatar 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 at KPMG in Qatar.

Country Senior Partner

In accordance with the principles in ISQC 1, our Country Senior Partner Ahmed Abu-Sharkh has assumed ultimate responsibility for KPMG in Qatar’s system of quality control. Details of some of the measures that he and the rest of the Partners have taken to ensure that a culture of quality prevails within KPMG in Qatar are set out in section 3.1.2.

Risk Management Partner

The Risk Management Partner (RMP) is responsible for the direction and execution of risk, compliance, and quality control in KPMG in Qatar. The RMP is a member of KPMG in Qatar's Executive Committee and has a direct reporting line to the Country Senior Partner. The RMP consults with the appointed Area Quality and Risk Management Leader.

Ethics and Independence Partner (EIP)

The Ethics and Independence Partner has primary responsibility for the direction and execution of ethics and independence policies and procedures in KPMG in Qatar and reports on ethics and independence issues to the Country Senior Partner.

The Audit, Tax and Advisory functions – Function Heads

The three heads of the client service function (Audit, Tax and Advisory) are accountable to the Country Senior Partner for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality assurance 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 control is ultimately the responsibility of all professionals in the firm.

KPMG in Qatar's Head of Audit is responsible for the effective management and control of the Audit Function. This includes:

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

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, root cause analysis procedures and other quality matters identified from a variety of sources.

For more complex issues (which might require amendments to KPMG's global audit methodology or audit tools) these will be raised with the KPMG International Global Audit groups for consideration and potential development of solutions by the KPMG Global Solutions Group (KGSG) and the International Standards Group (ISG). For more information about the KGSG and the ISG refer to section 8.1.2 of the member firm transparency report.

Audit Quality Steering Committee (AQSC)

In addition, within the Audit function our AQSC considered matters relating to maintaining and improving audit quality. During the year, the AQSC comprised Gopal Balasubramaniam (HoA), Diana Gerrard (RMP & AQ Partner) and Rizwan Yaseen (AQ lead). The AQSC meets once a month with heads/ leads of other audit quality initiatives such as 2LoD, SoQM, QPR, RCA, IRM, DPP, Risk Management, KCW, L&D and considers the detailed findings (and related actions and updates) from these functions. This process is designed to allow us to challenge ourselves in various aspects of audit quality and improvement.

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

2.2.1 Our business

KPMG in Qatar is a professional services firm that delivers Audit, Tax and Advisory services. We operate out of two offices across Qatar and had an average of 9 partners in the year to 30 September 2021. Our audit services in Qatar are delivered through KPMG in Qatar and KPMG LLC. Full details of the services offered by KPMG in Qatar and KPMG LLC can be found on our [website](#).

2.2.2 Our strategy

Our strategy is set by the KPMG in Qatar Partners and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a multi-year collective strategy implementation that is taking place across the global organization.

2.3 Defined accountabilities, roles and responsibilities, including for leadership

2.3.1 Legal structure

Effective 1 October 2020, KPMG in Qatar and all other KPMG firms entered new membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization became 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. Professional services to clients are exclusively provided by member firms.

Further detail on the revised legal and governance arrangements for the KPMG global organization from 1 October 2020 can be found in section 'Governance and leadership' of the 2021 KPMG International Transparency Report.

KPMG International Limited 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 Limited, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International Limited or any of its related entities have any such authority to obligate or bind any member firm. KPMG in Qatar is part of the KPMG global organization of professional services firms providing Audit, Tax, and Advisory services to a wide variety of public and private sector organizations. The KPMG organization structure is designed to support consistency of service quality and adherence to agreed Values wherever its member firms operate.

KPMG, Qatar Branch is registered with the Ministry of Commerce and Industry, State of Qatar and is a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG LLC of PO Box 4473, Area 25, C Ring Road, Doha is a limited liability company registered with the Qatar Financial Centre Authority (QFCA), State of Qatar as number 0051 and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

During the year to 30 September 2021, there was an average of 9 partners in KPMG in Qatar.

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

2.3.2 Name, ownership and legal relationships

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.

Member firms are generally locally owned and managed. Each 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.

2.3.3 Responsibilities and obligations of member firms

Pursuant to their membership agreements with KPMG International, member firms are required to comply with KPMG International's policies, procedures 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 member firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values (see section 2.1.1).

KPMG International's activities are funded by an annual payment paid to it by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm's status as a KPMG member firm and its participation in the KPMG organization may be terminated if, among other things, it has not complied with the policies, procedures and regulations set by KPMG International or any of its other obligations owed to KPMG International.

2.4 Overseen using robust governance structures

2.4.1 Governance structure

KPMG in Qatar applies high standards of corporate governance.

The Qatar Partners' Board

The Country Senior Partner chairs the Qatar Partners' Board ensuring that the Qatar Partners receive accurate, timely and clear information and ensuring effective communication and relationships with the members at large.

The principal governance and oversight body of KPMG in Qatar is the Qatar Partners' 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.

The Qatar Partners' Board comprises all Qatar partners, including the Senior Partner, the Head of Quality & Risk and all the other partners. The Qatar Partners Board meets from time to time to undertake certain statutory duties for KPMG in Qatar (including approving the annual accounts and the transparency report).

In 2021 and in prior years the firm had an executive committee which carried out these duties, and which met 15 times in the year end September 2021. The Qatar Partners' Board has now taken over these responsibilities and the firm no longer has a separate executive committee.

Full details of those charged with governance for KPMG in Qatar, including their biographies are set out in Appendix 2.

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

- The Quality, Risk Management, Independence & Ethics Committee
- HR Committee
- The Strategy committee

Details about the role and responsibilities and composition of each of these key bodies are set out on page 8.

KPMG in Qatar Regional Board

In addition to the Qatar Partners' Board, the firm has a board which comprises of both local and regional partners. This Board meets locally to consider the strategic direction of the firm in the region.

A sub-committee of this board is responsible for determining the remuneration of the Country Senior Partner and making recommendations on policies for partners' remuneration. It is also responsible for approving the process for determining partner remuneration and hearing appeals from partners regarding their remuneration.

As part of its activities, this sub-committee receives and considers a report from the Risk Management Partner on whether there are any quality concerns about specific partners.

The Qatar Partner Group

The Partner Group is responsible for management of the day-to-day activities of the KPMG in Qatar, approving policy and developing the business plan within the overall strategy, 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, prioritization and allocation of resources and investment and managing the risk profile of KPMG in Qatar.

The Partner Group members are all KPMG in Qatar partners. As of September 2021, in addition to the Senior Partner, the Partner Group included 8 partners.

The Partner Group aims to meet at least monthly either face-to face or via video link/conference call supplemented by frequent additional telephone calls and ad hoc meetings.

The Quality, Risk Management, Independence & Ethics Committee

The principal role of the Quality, Risk Management, Independence & Ethics 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.

During the year ended 30 September 2021, The Quality, Risk Management, Independence & Ethics Committee consisted of 5 members being. The Quality, Risk Management, Independence & Ethics Committee met 12 times in the year to 30 September 2021.

HR Committee

The HR Committee is responsible for considering HR policy related matters and assessing the efficiency and effectiveness of the firms HR processes.

The HR Committee comprises of 4 Partners and the Head of HR. The HR Committee met 8 times in the year ended 30 September 2021.

Further information regarding partner remuneration is set out in section 13.

Strategy committee

The strategy committee is responsible for developing the strategy of the firm for proposal, discussion and ultimate approval by the Qatar Partners' Board.

3 Applying expertise and knowledge

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

3.1 Methodology aligned with professional standards, laws and regulations

3.1.1 Consistent audit methodology and tools

Bringing consistency through our methodology

Our audit methodology, tools and guidance are:

- Globally consistent and fully compliant with the applicable standards, including International Standard on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA) and are supplemented to comply with local auditing standards and regulatory or statutory requirements by member firms;
- Inclusive of KPMG methodology interpretations that drive consistency in areas where the applicable standards are not prescriptive in the approach to be followed;
- Centered on identifying risk, focusing on risks of material misstatements and the necessary audit response;
- Made available to all KPMG audit professionals and required to be used, where necessary;
- Applied even where local auditing standards may be less demanding than the ISAs;
- How we enable a consistent approach to planning, performing and documenting audit procedures over key accounting processes; and
- Focused on the international assurance methodology and the alignment of assurance products in response to growth of Environmental, Social and Governance (ESG reporting).

The KPMG audit methodology is set out in the KPMG Audit Manual (for use with eAudit) and the KPMG Audit Execution Guide (for use with the KPMG Clara workflow) and includes KPMG interpretation of how to apply ISAs, which we believe enhance audit quality. The methodology emphasizes applying appropriate professional scepticism in the execution of audit procedures and requires compliance with relevant ethical requirements, including independence.

Enhancements to the audit methodology, guidance and tools are made regularly to maintain compliance with standards and address emerging auditing areas of focus and audit quality results (internal and external). For example, as a result of the COVID-19 pandemic, many companies are experiencing significant financial uncertainty. We have issued guidance to our auditors on conducting audit procedures in a remote-working environment, raising awareness of key audit risks such as going concern and impairments and provided reminders of the importance of exercising professional scepticism taking appropriate actions if information is identified that is unexpected or unusual and may be indicative of potential management bias, a fraud risk or fraud.

KPMG firms may add local requirements and/or guidance to the KPMG Audit Manual and the KPMG Audit Execution Guide to comply with additional local professional, legal, or regulatory requirements.

3.2 Deep technical expertise and knowledge

3.2.1 Access to specialist networks

KPMG in Qatar engagement teams have access to a network of KPMG specialists – 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. Specialists who are members of an audit team and have overall responsibility for specialist involvement on an audit engagement have the competencies, capabilities and objectivity to appropriately fulfil their role. Training on audit concepts is provided to these specialists.

3.2.2 KPMG's commitment to audit quality during the COVID-19 pandemic

The COVID-19 pandemic has forced us all to think differently, we continue to respond to and embrace this challenge. Most organizations are likely to have been impacted by the COVID-19 pandemic, either directly or indirectly, and the increased economic uncertainty and risk may have significant financial reporting implications. Issues including going concern, asset impairments and valuations will require careful judgment as organizations deal with a high degree of uncertainty and market volatility. KPMG firms' role as auditors is to evaluate these judgements.

Since the start of the pandemic, we have maintained an online COVID-19 | Financial reporting resource centre to assist companies and other stakeholders understand potential accounting and disclosure implications.

KPMG International has issued extensive guidance to assist teams in addressing the various accounting, financial reporting and audit related matters arising from the impacts of the COVID-19 pandemic including going concern, asset impairments, valuations and related disclosures, materiality, risk assessment, group audits, inventory, subsequent events and audit evidence of communications with Those Charged with Governance. Additionally, KPMG International has issued specific guidance for remote working environments which covers how teams work together, communications with management and the design and performance of audit procedures.

KPMG's guidance has been continually updated throughout the pandemic as other significant auditing, accounting and reporting issues have been identified.

KPMG is a technology-enabled organization, with audit technical accounting and auditing resources, guidance and audit platforms and tools available electronically, enabling the conversion to a remote working environment.

Enhanced communication has been increasingly important to everyone during the COVID-19 pandemic. We have leveraged our investments in technology to provide KPMG firms with regular communications, including virtual meetings to share best practices and guidance. In addition, we have enhanced our listening strategy to include specific COVID-19 pulse surveys to allow us to hear from our people in real time and shape our response accordingly.

3.3 Quality and risk management manual

KPMG International has quality control policies that apply to all member firms. These are included in KPMG's Global Quality & Risk Management Manual (GQRMM) which applies to all KPMG personnel. KPMG [insert name] is required to establish and maintain a system of quality control and design, implement, and test the operating effectiveness of quality controls.

4 Embracing digital technology

At KPMG, we are committed to serving the public interest and create value through continuous innovation. By leveraging leading technologies, we are transforming the audit experience for our professionals and our clients – enabling us to provide an even higher quality audit by increasing our ability to focus on the issues that matter through the data and insights it provides.

4.1 Intelligent, standards-driven audit workflow

All KPMG in Qatar professionals are expected to adhere to KPMG International and KPMG in Qatar policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations. KPMG in Qatar policies and procedures set for audit engagements incorporate the relevant requirements of accounting, auditing, ethical and quality control standards, and other relevant applicable local laws and regulations.

4.1.1 Evolving our audit workflow

We recognize that to deliver quality audits, we need to continually evolve and develop our technology solutions to keep pace with today's digital world.

That is why KPMG embarked on a process of reimagining our audit platform, workflow and methodology to provide enhanced consistency and support to our audit engagement teams, deliver detailed insights to the audit, and future-proof our systems for the expected continued development of new technologies such as robotic process automation, machine learning and cognitive technologies.

The release of the KPMG Clara workflow and revised audit methodology is an important milestone in KPMG's journey to innovate, digitalize and transform the audit. It is a significant investment that underlines our commitment to audit quality, consistency and innovation.

4.2 KPMG Clara

KPMG Clara is our smart and intuitive technology platform that is driving globally consistent audit execution. As a fully integrated, scalable, cloud-based platform, it enables the enhanced audit methodology through a data-enabled workflow.

The platform integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation, and data visualization.

The digital audit is increasingly integral to how KPMG member firms obtain audit evidence and interact with 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.

KPMG Clara is helping auditors see meaningful patterns across a business, whether conducting risk assessment, tracing every single transaction through a complex revenue process, or simply adding up the accounts. Current capabilities include:

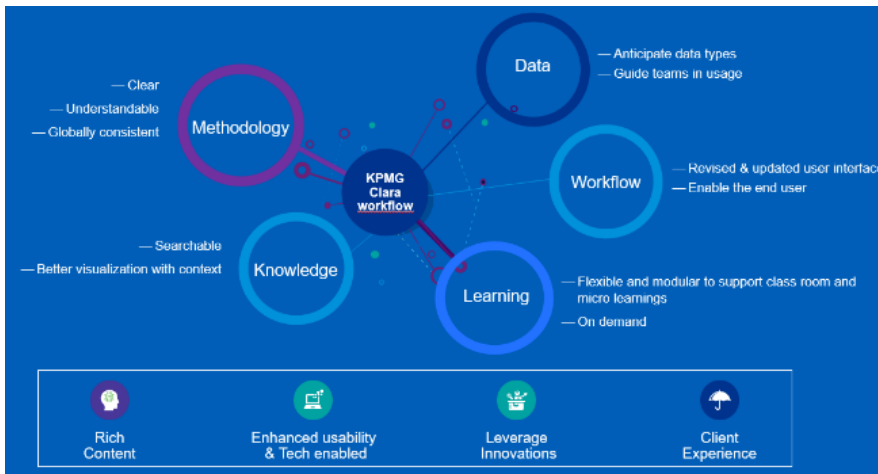
- Enabling the analysis of account balances and journal entry data;

- Automating 'period on period' balances comparison and 'time series' evolution information; and
- Enabling the analysis of sub-ledger, transactional data over certain business processes and accounts.

Our vision of the future

KPMG Clara was developed to be the base technology to help deliver new capabilities in a globally consistent way, enabling the audit workflows and a fully digital experience for our people.

The KPMG Clara platform evolves as technologies such as artificial intelligence, blockchain and cognitive capabilities transform how audits are delivered.



KPMG Clara workflow

We are replacing eAudit with a new workflow and revised audit methodology embedded into the KPMG Clara smart audit platform. Phased full deployment of KPMG Clara workflow commenced globally in 2020 with planned completion of full global transition by 2022 for applicable audits. Enhanced scaling capability will be delivered for our least complex national audits with global transition being completed by 2023.

The KPMG Clara workflow guides audit teams through a series of steps in a logical sequence aligned to the applicable auditing standards with a clear display of information, visuals, and guidance available, and with embedded advanced digital audit and project management capabilities. The workflow and revised audit methodology are scalable – adjusting the requirements to the size and complexity of the audit engagement. KPMG Clara workflow significantly enhances the execution of an audit by KPMG professionals and clearly drives audit quality and global consistency.

With data mining and tracking of relevant engagement level data indicators, the KPMG Clara workflow will also facilitate monitoring of audit execution at the engagement level.

4.2.1 We continue to enhance the KPMG Clara smart audit platform to accommodate accelerating security demands, integrate existing client-facing audit applications into a single platform, and develop new capabilities to digitize additional audit processes.

Once the KPMG Clara workflow has been fully deployed our predecessor audit workflow tool, eAudit, will be retired.

4.2.2 Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasized through a variety of mechanisms including the KPMG Global and KPMG in Qatar Code of Conduct. All KPMG professionals are required to confirm their compliance with the Code and take regular training.

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 the relevant IESBA requirements as well as other applicable laws, regulations, and professional standards.

We provide training on confidentiality, information protection and data privacy requirements to all KPMG in Qatar personnel annually.

5 Nurturing diverse skilled teams

Our people make the real difference and are instrumental in shaping the future of audit. 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 Recruiting appropriately qualified and skilled people, including specialists, with diversity of perspective and experience

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

5.1.1 Recruitment

KPMG in Qatar is committed to 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. KPMG in Qatar also recruits significant numbers at an experienced hire and partner level.

All candidates submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews, psychometric and ability testing, and qualification/reference checks. 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 in Qatar recruited over 15 new graduates in the year ended 30 September 2021 (2020: approximately 7).

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

5.1.2 Inclusion, Diversity & Equity programs

KPMG in Qatar is committed to building a diverse and equitable firm that is inclusive to all.

Inclusion, diversity and equity (IDE) is core to our very existence – helping us build great teams with diverse views that represent the world we live in. It leads to better decision making, drives greater creativity and innovation, and encourages us to stand up, live our Values, and do what is right.

We recognize our firms' global position working with clients around the world affords us a privileged place and that we are not perfect. With that comes an opportunity and responsibility to achieve more and push for a fairer, more equitable society.

Our co-created KPMG Global Inclusion, Diversity & Equity Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity and equity at KPMG in Qatar and across all KPMG firms.

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

5.1.3 Reward and Promotion

Reward

KPMG in Qatar has 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, and what they can expect to receive in return. The connection between performance and reward is achieved by assessing relative performance across a peer group to inform reward decisions.

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

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

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.

Partner admissions

The KPMG in Qatar process for admission to partnership is rigorous and thorough, involving appropriate members of leadership. Our criteria for admission to the KPMG in Qatar partnership are consistent with our commitment to our Values, and being an employer of choice

5.2 Assigning an appropriately qualified team

KPMG in Qatar has procedures in place to assign both engagement partners and other professionals to a specific engagement based on 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 considering the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Audit engagement partners are required to be satisfied that 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 member firms or external experts.

When considering the appropriate competence and capabilities expected of the engagement team, the engagement partner's considerations may include the following:

- An understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
- An understanding of professional standards and legal and regulatory requirements
- Appropriate technical skills, including those related to relevant information technology and specialized areas of accounting or auditing
- Knowledge of relevant industries in which the client operates
- Ability to apply professional judgment
- An understanding of KPMG [insert name]'s quality control policies and procedures

— Quality Performance Review (QPR) results and results of regulatory inspections.

5.3 Investing in data centric skills – including data mining, analysis and visualization

KPMG is strategically investing in our talent pipeline by partnering with world-class institutions to sustain our strong leadership, while also looking forward to cultivating the skills and capabilities that will be needed in the future. We are recruiting and training professionals who specialize in software, cloud capabilities, and artificial intelligence and who can bring industry best practices to our smart audit platform. We provide our professionals with training on a wide range of technologies to ensure that our 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 Focused learning and development on technical expertise, professional acumen and leadership skills

5.4.1 Commitment to technical excellence and quality service delivery

All KPMG in Qatar 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 within KPMG in Qatar, the firm accesses 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 steering groups at global, regional and, where applicable, at a local level.

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

Mentoring and on the job training

Learning is not confined to a single approach — rich learning experiences are available when needed through coaching and just-in-time learning, available at the click of a mouse 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. Audit Learning and Development teams' work with subject matter experts and leaders as appropriate to ensure the training is of the highest quality, is relevant to performance on the job and is delivered on a timely basis.

We support a coaching culture throughout KPMG 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.

5.4.3 Licensing and mandatory requirements for IFRS and U.S. GAAP engagements

Licensing

All KPMG in Qatar professionals are required to comply with applicable professional licence rules and satisfy the Continuing Professional Development requirements in the jurisdiction where they practice. KPMG in Qatar 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.

Mandatory requirements – IFRS and U.S. GAAP engagements

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

Similar policies apply to engagements performed outside the U.S. to report on financial statements or financial information prepared in accordance with U.S. GAAP and/or audited in accordance with U.S. auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR). These require that at a minimum, all partners, managers and, if appointed, the EQC reviewers (and for engagements conducted in accordance with US GAAP and/or US auditing standards engagements, the engagement partner, engagement manager, engagement in-charge and, if appointed the EQCR 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 Recognizing quality

5.5.1 Personal development

KPMG in Qatar's approach to performance development, 'Open Performance Development', is built around the Everyone a Leader performance principles, and includes:

- Global role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
- A goal library (including audit quality content); and
- Standardized review forms (with provision for audit quality ratings).

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

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

KPMG in Qatar monitors quality and compliance incidents and maintains 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 can assess performance.

6 Associating with the right clients and engagements

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

6.1 Following the client and engagement acceptance and continuance policies

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

KPMG firms are required to 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 Accepting appropriate clients and engagements

6.2.1 Client evaluation

KPMG in Qatar undertakes an evaluation of every prospective client.

This involves obtaining sufficient information about the prospective client, its key management and significant beneficial owners and then properly analyzing the information to be able to make an informed acceptance decision. This evaluation includes an assessment of the client's risk profile and obtaining background information on the client, its key management, directors and owners. If necessary, we obtain additional information required to satisfy our local legal and regulatory requirements.

6.2.2 Engagement evaluation

Each prospective engagement is also evaluated to identify potential risks in relation to the engagement. A range of factors are considered as part of this evaluation, including potential independence and conflict of interest issues (using Sentinel™, KPMG's conflicts and independence checking system), intended purpose and use of engagement deliverables, public perception, whether the services would be unethical or inconsistent with our Values, as well as factors specific to the type of engagement. For audit services, these include the competence of the client's financial management team and the skills and experience of partners and employees assigned to staff the engagement. The evaluation is made in consultation with other senior KPMG in Qatar personnel and includes review by quality and risk management leadership as required.

Where audit services are to be provided for the first time, the prospective engagement team is required to perform additional independence evaluation procedures, 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.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. 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

KPMG in Qatar undertakes an annual re-evaluation of all its audit clients. The re-evaluation identifies any issues in relation to continuing association and any mitigating procedures that need to be put in place (this may include the assignment of additional professionals such as an Engagement Quality Control (EQC) reviewer or the need to involve additional specialists on the audit).

Recurring or long running non-audit engagements are also subject to periodic re-evaluation.

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, and as part of the continuous independence evaluation process, engagement teams are required to identify if there have been any changes to previously identified threats or if there are new threats to independence. The threats are then evaluated and, if not at an acceptable level, are eliminated or appropriate safeguards are applied to reduce the threats to an acceptable level.

6.2.4 Withdrawal process

Where KPMG in Qatar comes to a preliminary conclusion that indicates that we should withdraw from an engagement or client relationship, we consult internally and identify any required legal, professional and regulatory responsibilities. We also communicate as necessary with those charged with governance and any other appropriate authority.

6.3 Managed portfolio of clients

KPMG in Qatar leadership appoints engagement partners who have the appropriate competence, capabilities, time and authority to perform the role for each engagement.

We review each audit partner's client portfolio in individual discussions with the audit partner. The reviews consider the industry, nature and risk of the client portfolio along with the competence, capabilities and capacity of the partner to deliver a quality audit for every client.

7 Being independent and ethical

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

7.1 Acting with integrity and living our Values

KPMG International has detailed independence policies and procedures, incorporating the requirements of the IESBA Code of Ethics. These are set out in KPMG's GQRMM, which applies to all KPMG firms. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, facilitate compliance with these requirements.

These policies are supplemented by other policies and processes to ensure compliance with the local standards and regulatory requirements. These policies and processes cover areas such as firm independence (covering, for example, treasury and procurement functions), personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

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

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

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

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

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

7.2 Maintaining an objective, independent and ethical mindset, in line with our code of conduct and policies

7.2.1 Personal financial independence

KPMG International policies require that KPMG firms and KPMG professionals are free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm assurance and audit 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 (KICS) to assist KPMG professionals in complying with personal independence investment policies. This system contains an inventory of publicly available investments and provides a tracking mechanism for required users to report acquisitions and disposals of their financial interests. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e., late reporting of an investment acquisition).

All partners and all manager grade and above client-facing employees are required to use the KICS system prior to entering an investment to identify whether they are permitted to do so. They are also required to maintain a record of all their investments in publicly traded entities in KICS, which automatically notifies them if any investment subsequently becomes restricted. Newly restricted investments are required to be disposed of within five business days of the notification. KPMG monitors partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals. The Global Independence Group provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG's independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2021 over 9 of KPMG in Qatar partners and employees were subject to these audits (this included 2 of our partners).

7.2.2 Employment relationships

Any KPMG in Qatar professional providing services to an audit client irrespective of function is required to notify the firm EIP if they intend to enter employment negotiations with that audit client. For partners, this requirement extends to any audit client of any KPMG firm that is a public interest entity.

Former members of the audit team or former partners of KPMG in Qatar are prohibited from joining an audit client in certain roles unless they have disengaged from all significant connections to KPMG in Qatar, including payments which are not fixed and predetermined and/or would be material to KPMG in Qatar and ceased participating in KPMG in Qatar business and professional activities.

Key audit partners and members of the chain of command for an audit client that is a public interest entity are subject to time restrictions (referred to as 'cooling-off' periods) that preclude them from joining that client in certain roles until a defined time period has passed.

An assurance team member is also required to notify the EIP when they enter employment negotiations with the assurance client during the engagement. Former assurance team members or former partners of KPMG in Qatar who join an assurance client in certain roles cannot continue to participate in KPMG in Qatar's business or professional activities.

We communicate and monitor requirements in relation to employment and partnership of KPMG in Qatar professionals by 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.

In common with other KPMG firms, KPMG [insert name] uses KICS to record its own 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.

Additionally, KPMG in Qatar is required to record in KICS all borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets.

On an annual basis, KPMG in Qatar confirms compliance with independence requirements as part of the Risk Compliance Program.

7.2.4 Business relationships/suppliers

KPMG in Qatar has policies and procedures in place that are designed to ensure its business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those promulgated by the SEC.

7.2.5 Business acquisitions, admissions and investments (if applicable)

If KPMG in Qatar is in the process of considering the acquisition of, or investment in, a business, it is required to perform sufficient due diligence procedures on the prospective target to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with the Global Independence Group and Global Quality & Risk Management are required to enable independence and other issues to be addressed when integrating the business into KPMG in Qatar and the wider global organization.

7.2.6 Independence clearance process

In addition to the standard acceptance evaluation performed for every engagement, which includes an evaluation of independence, KPMG in Qatar follows specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities; these procedures, also referred to as 'the independence clearance process, are required to be completed prior to accepting an audit engagement for these entities.

The 'KPMG Independence Checkpoint' tool is used to automate and standardize all the workflows that comprise the independence clearance process.

7.2.7 Independence training and confirmations

All KPMG in Qatar partners and client service /facing professionals, as well as certain other individuals, are required to complete independence training that is appropriate to their grade and function upon joining KPMG in Qatar and on an annual basis thereafter.

New partners and client facing employees who are required to complete this training are required to do so by the earlier of (a) thirty days after joining KPMG in Qatar or (b) before providing any services to or becoming a member of the chain of command for, any audit client.

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

- The Global Code of Conduct or the KPMG in Qatar Code of Conduct; and
- Bribery and compliance with laws, regulations, and professional standards.

New partners and employees are required to complete this training within three months of joining KPMG in Qatar.

All KPMG partners and employees are required to sign, upon joining KPMG in Qatar / accepting their offer to join KPMG in Qatar - and thereafter, an annual confirmation stating that they have remained in compliance with applicable ethics and independence policies throughout the year.

7.2.8 Non-audit services

All KPMG firms are required, 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.

In addition to identifying potential conflicts of interest, Sentinel™ facilitates compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees are required to be entered into Sentinel™ 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 Sentinel™ submission.

Lead audit engagement partners (LAEPs) are required to maintain group structures for their publicly traded and certain other audit clients including their related entities or affiliates in Sentinel™. 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. For entities for which group structures are maintained, Sentinel enables LAEPs to review and request revision, approve, or deny, any proposed service for those entities worldwide. For approved proposed services, Sentinel designates a timeframe during which the approval remains valid. Upon expiration of the established timeframe, the services are required to be complete or be re-evaluated for permissibility; otherwise, the services are required to be exited.

KPMG in Qatar is required to establish and maintain a process to review and approve all new and modified services that are developed by KPMG in Qatar. KPMG in Qatar's EIP is involved in the review of potential independence issues related to these new or modified services.

KPMG global independence policies prohibit member firm audit partners from being evaluated on, or compensated based on, their success in selling non-assurance services to their audit clients.

7.2.9 Fee dependency

KPMG International's policies recognize that self-interest or intimidation threats may arise when the total fees from an audit client represent a large proportion of the total fees of the KPMG firm expressing the audit opinion. These policies require firms to consult with their Area Quality & Risk Management Leader where it is expected that total fees from an audit client will exceed 10 percent of the annual fee income of the member firm for two consecutive years. In addition, if the total fees from a public interest entity audit client and its related entities were to represent more than 10 percent of the total fees received by a particular member firm for two consecutive years, these policies further require that:

- This be disclosed to those charged with governance at the audit client; and
- A partner from another KPMG member firm be appointed as the engagement quality control (EQC) reviewer.

No audit client accounted for more than 10 percent of the total fees received by KPMG in Qatar over the last two years.

7.2.10 Resolving conflicts of interest

Conflicts of interest can arise in situations where KPMG [insert name] partners or employees have a personal connection with the client which may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the Risk Management Partner (RMP) or the EIP is required in these situations.

KPMG International policies are also in place to prohibit KPMG personnel from offering or accepting inducements, including gifts and hospitality to or from audit clients, unless the value is trivial and inconsequential, is not prohibited by relevant law or regulation and is not deemed to have been offered with the intent to improperly influence the behaviour of the recipient or which would cast doubt on the individual's or the member firm's integrity, independence, objectivity or judgment.

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.

All KPMG firms are required to use Sentinel™ for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG [insert name] has [a] risk management resource/s who is/are responsible for reviewing any identified potential conflict and working with the affected member firms to resolve the conflict, the outcome of which is required to be documented.

Escalation and dispute resolution procedures are in place for situations in which agreement cannot be reached on how to manage a conflict. If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.

7.2.11 Independence breaches

All KPMG in Qatar personnel are required to report an independence breach as soon as they become aware of it to the EIP. In the event of failure to comply with our independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy. All breaches of independence requirements of the IESBA Code 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 to with those charged with governance.

KPMG in Qatar has a documented and communicated disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations. KPMG in Qatar's Disciplinary Committee oversees policies and procedures in relation to ethical matters and breaches of requirements.

Matters arising are factored into our promotion and compensation decisions and, in the case of engagement leaders and managers, are reflected in their individual quality and risk metrics.

7.2.12 Partner and firm rotation

KPMG International partner rotation policies are consistent with the requirements of the IESBA Code of Ethics and require all member firms to comply with any stricter local applicable rotation requirements.

KPMG in Qatar 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 may not:

- Participate in the audit;
- Provide quality control for the audit;
- Consult with the engagement team or the client regarding technical or industry-specific issues;
- In any way influence the outcome of the audit;
- Lead or coordinate professional services at the client;
- Oversee the relationship of the firm with the audit client; or
- Have any other significant or frequent interaction with senior management or those charged with governance at the client.

KPMG in Qatar monitors the rotation of audit engagement leaders (such as the engagement partner, the engagement quality control reviewer and any other key audit partner role, where there is a rotation requirement) and develops transition plans to enable allocation of partners with the necessary competence and capability to deliver a consistent quality of service to clients.

7.3 Zero tolerance of bribery and corruption

Compliance with laws, regulations and standards is a key aspect for everyone at KPMG in Qatar. In particular, we have zero tolerance of bribery and corruption.

We prohibit involvement in any type of bribery — even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third parties, including by our clients, suppliers or public officials.

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

8 Performing quality engagements

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 audit including contradictory or inconsistent audit evidence. Each team member is required to exercise professional judgement and maintain professional scepticism throughout the audit engagements. Professional scepticism involves a questioning mind and alertness to contradictory or inconsistencies in the audit evidence. Professional judgement encompasses the need to be aware of an alert to biases that may pose threats to good judgements.

8.1 Consulting where necessary

8.1.1 Encouraging a culture of consultation

KPMG encourages a strong culture of consultation that supports engagement teams at KPMG firms throughout their decision-making processes and is a fundamental contributor to audit quality. KPMG in Qatar promotes a culture in which consultation is recognized as a strength and that encourages all KPMG professionals to consult on difficult or contentious matters.

To help with this, firms are required to have established protocols for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, the GQRMM includes mandatory consultation requirements on certain matters.

8.1.2 Technical consultation and global resources

Technical auditing and accounting support is available to member firms through the Global Audit Methodology Group (GAMG), KPMG Global Solutions Group (KGSG), the ISG and the PCAOB Standards Group (PSG).

Global Audit Methodology Group (GAMG)

KPMG's audit methodology is developed and maintained by the Global Audit Methodology Group (GAMG). The GAMG develops our audit methodology based on the requirements of the applicable auditing standards – International Standards on Auditing, PCAOB and AICPA

KPMG Global Solutions Group (KGSG)

The KGSG is responsible for the envisioning, development and deployment of global audit solutions, including new technology and automation innovations.

The KGSG and GAMG work collaboratively to support member firms through collaboration, innovation and technology. We have made significant investment in our audit methodology and tools with the core focus of improving audit quality, global consistency and standardization.

With locations in each of the three KPMG regions (Americas, EMA and ASPAC), the KGSG and GAMG teams comprise professionals with backgrounds in audit, IT, data science, mathematics, statistics, and more from around the world, who bring diverse experiences and innovative ways of thinking to further evolve KPMG's audit capabilities.

International Standards Group (ISG)

The ISG works with Global IFRS topic teams, geographic representation from around the world, and the IFRS Panel and ISA Panel to promote consistency of interpretation of IFRS and auditing requirements between member firms, identify emerging issues, and develop global guidance on a timely basis.

PCAOB Standards Group (PSG)

The PCAOB Standards Group (PSG) comprises a dedicated group of professionals with background in PCAOB auditing standards who promote consistency of interpretation of PCAOB auditing standards applied globally 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 resource

Member firms provide consultation support on auditing and technical accounting matters to their audit professionals through professional practice resources (referred to as Department of Professional Practice or DPP). This resource also assists engagement teams where there are differences of opinion either within teams or with the EQC reviewer. Unresolved differences are required to follow a prescribed escalation protocol for final resolution. KPMG's International Standards Group and PCAOB Standards Group are also available for consultation support when required.

8.2 Critically assessing audit evidence, using professional judgement and scepticism

How an audit is conducted is as important as the final result. KPMG in Qatar partners and employees are expected to demonstrate certain key behaviours and follow certain policies and procedures in the performance of effective and efficient audits.

8.3 Direct, coach, supervise and review

8.3.1 Embedding ongoing mentoring, supervision and review

To invest in the building of skills and capabilities of KPMG professionals, KPMG in Qatar promotes a continuous learning environment and supports a coaching culture.

Ongoing mentoring, coaching and supervision during an audit involves:

- Engagement partner participation in planning discussions;
- Tracking the progress of the audit engagement;
- Considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- Helping engagement team members to address any significant matters that arise during the audit and modifying the planned approach appropriately; and
- Identifying matters for consultation with more experienced team members during the engagement.

A key part of effective mentoring and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

8.3.2 Engagement quality control (EQC) reviewers

The EQC review is an important part of KPMG's framework for quality. An EQC review shall be performed for:

- Audits of financial statements of a listed entity and any related review(s) of interim financial information;
- Audits of financial statements of a non-listed public interest entity and any related review(s) of interim financial information;
- Audits of financial statements of a significant non-listed entity with a high public profile and any related review(s) of interim financial information;
- Engagements, including reviews of interim financial information, that require an EQC review under local laws or regulations;
- Any assurance engagements, classified as high risk as per engagement continuance; and
- Other engagements, including reviews of interim financial information, as designated by the risk management partner or country head of audit.

An EQC review provides reasonable assurance that the team has appropriately identified significant risks, including fraud risks, and has designed and executed audit procedures to address them.

EQC reviewers are required to meet training and experience criteria to perform a quality control review for a particular engagement. Reviewers are independent of the engagement team and audit client and have the appropriate experience and knowledge to perform an objective review of the more critical decisions and judgments made by the engagement team and the appropriateness of the financial statements.

The audit is completed only when the EQC reviewer is satisfied that all significant questions raised have been resolved, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters.

KPMG is continually seeking to strengthen and improve the role that the EQC review plays in member firm audits and have taken several actions to reinforce this, including issuing leading practice guidance (Department of Professional Practice – DPP), incorporating specific review requirements into our audit workflow, and developing policies relating to recognition, nomination and development of EQC reviewers.

8.4 Appropriately support and document conclusions

8.4.1 Reporting

Auditing standards, international standards on auditing, Qatar Financial Centre Regulatory Authority regulations and Qatar Commercial Companies Law No. 11 of 2015 largely dictate the format and content of the auditors' report that includes an opinion on the fair presentation of the client's financial statements in all material respects. Experienced engagement partners form all audit opinions based on the audit performed.

In preparing auditors' reports, engagement partners have access to extensive reporting guidance and technical support through consultations with our DPP, 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, as well as key audit matters to be communicated).

8.4.2 Engagement documentation

KPMG in Qatar audit documentation is completed and assembled according to the timeline established by the KPMG International policy, auditing standards and we have implemented administrative, technical and physical safeguards to protect the confidentiality and integrity of client and firm information.

9 Assessing risks to quality

At a global level, through the Global Audit Quality Council and the GQ&RM Steering Group, KPMG International reviews the results of the quality monitoring program, reviews firm root causes and planned remedial actions and develops additional global remediation actions as required.

Global remediation actions developed by KPMG International are aimed at changing culture and behaviour across the global organization and at driving consistent engagement team performance within KPMG firms. The remediation actions have been implemented through the development of global training, tools and guidance to drive consistency, ensure the fundamentals are right and that best practice is shared across the global organization.

10 Communicating effectively

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

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

Two-way communication with those charged with governance, often identified as the Audit Committee, is key to audit quality and is a key aspect of reporting and service delivery.

At KPMG in Qatar we stress the importance of keeping those charged with governance informed of issues arising throughout the audit. We achieve this through a combination of reports and presentations, attendance at Audit Committee or board meetings, and, when appropriate, ongoing informal discussions with management and members of the Audit Committee.

Communications with audit committees include:

- An overview of the planned scope and timing of the audit, which includes communicating significant risks identified;
- Significant findings from the audit which may include control deficiencies, and audit misstatements; and
- An annual written communication that states the engagement team and KPMG, Qatar have complied with relevant independence requirements; describes all relationships and other matters between KPMG, Qatar and the audit client that, in our professional judgment, may reasonably be thought to bear on independence; and states related safeguards we have applied to eliminate (or reduce to an acceptable level) identified threats to independence.

We ensure such communications meet the requirements of professional standards.

IFRS Institute

KPMG's Global IFRS Institute provides information and resources to help the KPMG in Qatar Partner Group and Audit Committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial reporting framework.

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

Annually KPMG in Qatar invites all its people to participate in an independent Global People Survey to share their perception about their experience of working for KPMG. The GPS provides an overall measure of our people's engagement through an Engagement Index as well as insights into areas driving engagement which may be strengths or opportunities. Results can be analysed by functional or geographic area, grade, role, gender to provide additional focus for action. Additional insight is provided on how we are faring on categories known to impact employee engagement. We also cover areas of focus which are directly relevant to audit quality; the survey includes specific audit quality related questions that all individuals who participated in audit respond to, giving us a particular data set for audit quality related matters.

The survey also specifically provides KPMG in Qatar leadership and KPMG International leadership with results related to quality and risk behaviours, audit quality, upholding the KPMG Values, employee and partner attitudes to quality, leadership and tone at the top.

KPMG in Qatar participates in the GPS, monitors results and takes appropriate actions to communicate and respond to the findings of the survey. The results of the GPS are also aggregated for the entire global organization and are presented to the Global Board each year and appropriate follow-up actions agreed. 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, with action plans subsequently developed.

11 Monitoring and remediation

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

11.1 Rigorously monitor and measure quality at the local and global level

11.1.1 Commitment to continuous improvement

KPMG commits to continually improve the quality, consistency and efficiency of KPMG firm audits. The quality monitoring and compliance programs (see section 11.1.2 for details) are globally administered and consistent in their approach across all member firms, including the nature and extent of testing and reporting. KPMG in Qatar compares the results of its internal monitoring programs with the results of those of any external inspection programs and take appropriate action.

11.1.2 Internal monitoring and compliance programs

KPMG in Qatar monitoring programs evaluate both:

- Engagement performance in compliance with the applicable standards, applicable laws and regulation and KPMG International key policies and procedures; and
- kpmg in Qatar compliance with KPMG International key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

Our internal monitoring programs also contribute to the assessment of whether our system of quality control has been appropriately designed, effectively implemented, and operates effectively. These include

Quality Performance Reviews (QPR) and Risk Compliance Programs (RCP), which are conducted annually across the Audit, Tax and Advisory functions.

The results and lessons from the integrated monitoring programs are communicated internally and appropriate action is taken at local, regional and global levels.

Audit Quality Performance Reviews (QPRs)

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

Risk-based approach

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

KPMG in Qatar conducts the annual QPR program in accordance with KPMG International QPR instructions. The reviews are performed at KPMG in Qatar level and are monitored regionally and globally. Firm Audit QPR reviews are overseen by a senior experienced lead reviewer independent from the firm.

Reviewer selection, preparation and process

There are robust criteria for selection of reviewers. Review teams include senior experienced lead reviewers that are independent of the firm under review.

Training is provided to review teams and others overseeing the process, with a focus on topics of concern identified by audit oversight regulators and the need to be as rigorous as external reviewers.

Evaluations from Audit QPR

Consistent criteria are used to determine engagement ratings and member firm Audit practice evaluations. Audit engagements selected for review are rated as 'Satisfactory', 'Performance Improvement Needed' or 'Unsatisfactory'.

Reporting

Findings from the QPR program are disseminated to firm professionals through written communications, internal training tools, and periodic partner, manager and staff meetings.

These areas are also emphasized in subsequent inspection programs to gauge the extent of continuous improvement.

Lead audit engagement partners are notified of unsatisfactory ratings on their respective cross-border engagements. Additionally, lead audit engagement partners of parent companies/head offices are notified where a subsidiary/affiliate of their client group is audited by a member firm where significant quality issues have been identified during the QPR.

Risk Compliance Program (RCP)

KPMG International develops and maintains quality control policies and processes that apply to all KPMG firms. These policies and processes, and their related procedures, include the requirements of ISQC 1. During the annual RCP, we perform a robust assessment program consisting of documentation of quality controls and procedures, related compliance testing and reporting of exceptions, action plans and conclusions.

The objectives of the RCP are to:

- Document, assess and monitor the extent of compliance of KPMG [insert name] system of quality control with Global Quality & Risk Management (GQ&RM) policies and key legal and regulatory requirements; and
- Provide the basis for KPMG [insert name] to evaluate that the firm and its personnel comply with relevant professional standards and applicable legal and regulatory requirements.

Where deficiencies are identified, we are required to develop appropriate action plans and monitor the status of each action item.

Global Quality & Compliance Review (GQ&CR) program

Each KPMG firm is subject to a GQ&CR conducted by KPMG International's GQ&CR team, independent of the member firm, at various intervals based on identified risk criteria

The GQ&CR team performing the reviews is independent of the firm and is objective and knowledgeable of GQ&RM policies. GQ&CRs assess compliance with selected KPMG International policies and procedures and share best practices among member firms. The GQ&CR provides an independent assessment of:

- A firm's commitment to quality and risk management (tone at the top) and the extent to which its overall structure, governance and financing support and reinforce this commitment;
- A firm's compliance with KPMGI policies and procedures; and
- The robustness with which the member firm performs its own compliance program (RCP).

KPMG in Qatar develop action plans to respond to all GQ&CR findings that indicate improvement is required and agree these with the GQ&CR team. Our progress on action plans is monitored by the

GQ&CR central team. Results are reported to the GQ&RM Steering Group and where necessary, to appropriate KPMG International and regional leadership.

11.1.3 Area Quality & Risk Management Leaders

The Global Head of Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders (ARLs) who serve a regular and ongoing monitoring function to assess the effectiveness of a member firm's efforts and processes to identify, manage and report significant risks that have the potential to damage the KPMG brand. Significant activities of the ARL, including member firm issues identified and related member firm response/remediation, are reported to GQ&RM leadership.

11.2 Obtain, evaluate and act on stakeholder feedback

11.2.1 Regulators

KPMG, Qatar branch is registered with the Ministry of Commerce and Economy. KPMG LLC is registered with the Qatar Financial Regulatory authority. [

We have considered any findings and recommendations received from the regulators and have implemented actions to address deficiencies and strengthen policies and procedures as appropriate.

11.2.2 Client feedback

We proactively seek feedback from clients through in-person conversations (client satisfaction review) and engagement feedback to monitor their satisfaction with services delivered. We endeavour to take this feedback and make dynamic changes at both the engagement level and firm level to meet clients' needs. Further, we regularly conduct webinars for clients and prospective clients on contemporary topics and post the event, we solicit feedback on their perceptions and usefulness of the information shared.

11.2.3 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 on our operating firms' websites or in our general terms of business.

11.2.4 Other assessment of audit quality

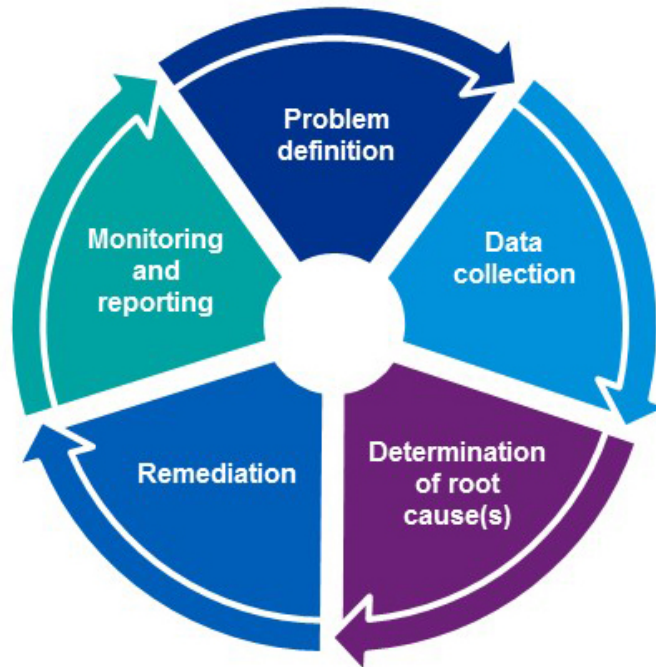
The firm has set up a robust system of in-flight reviews for a selection of statutory audit engagements. Every year some of the files are selected for an independent review by a manager other than an engagement manager. The manager is involved in an independent review at each stage of the audit including the planning, interim audit and the final audit. The suggestions of the independent reviewer are formally communicated to the engagement team, which are considered in the overall audit process before finalization of the audit. The key findings from the in-flight reviews are also discussed amongst the entire audit department management team. This aids in continuous knowledge sharing and overall improvement in the audit quality.

11.3 Perform root cause analysis

KPMG in Qatar conducts Root Cause Analysis (RCA) in respect of audit quality issues. In 2021, RCA training based on our Global RCA 5 Step Principles was attended by those individuals at KPMG in Qatar who will be performing RCA or directing those performing RCA. The training provides a

common platform for advancing the practices and skills associated with resourcing, planning and conducting RCA.

The Global RCA 5 Step Principles are as follows:



It is the responsibility of all KPMG firms to perform RCA and thereby identify and subsequently develop appropriate remediation plans for the audit quality issues identified.

KPMG in Qatar's Head of Audit is responsible for audit quality including the remediation of audit quality issues. The firm's Risk Management Partner monitors the remediation plan(s) implementation.

12 Partner remuneration

Partners are remunerated out of the distributable profits of KPMG in Qatar, being profits after allocating 10% of profit to un-distributable reserves and are personally responsible for funding pensions and most other benefits. The final allocation of profits to partners is made after assessing each partner's contribution for the year. The sub-committee of the Regional Committee approves this process and oversees its application.

There are two elements to partner remuneration:

- Base component – a proportion of the KPMG in Qatar budgeted profits are allocated to members as base component; this is effectively member salary. The amount of base component reflects the role and seniority of each partner. In the year to 30 September 2021, the total base component was approximately 54% of the profits allocated to individual members (2020: 111%); and
- Profit related performance component – rewards performance in the year by each partner against individual objectives previously agreed and the overall profits of their part of KPMG in Qatar as a whole. Our policies for this variable element of partner remuneration consider several factors including quality of work, compliance and risk management, 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.

Drawings

During the year, partners working within KPMG in Qatar received monthly drawings, and from time to time, additional profit distributions. The level and timing of the additional distributions are decided by the Country Senior Partner, considering cash requirements for operating and investing activities.

13 Network arrangements

13.1 Legal structure

On 1 October 2020, KPMG in Qatar and all other KPMG firms entered new membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organization became members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

Since 1 October 2020, KPMG International Limited has been the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services 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.

Pursuant to their membership agreements with KPMG International, member firms are required to comply with KPMG International's policies, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes being professionally and financially stable; having an ownership, governance and management structure that ensures continuity and stability and long-term success; and being able to comply with policies issued by KPMG International, adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

KPMG International Limited 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 Limited, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International Limited or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the revised legal and governance arrangements for the KPMG global organization from 1 October 2020 can be found in section 'Governance and leadership' of the [2021 KPMG International Transparency Report](#).

13.2 Responsibilities and Obligations of Member Firms

Under agreements with KPMG International, member firms are required 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 (as set out in the Appendices to this document).

KPMG International's activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the KPMG International Global Board and consistently applied to the firms. A firm's status as a KPMG member firm and its participation in the KPMG global organization may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its other obligations owed to KPMG International.

13.3 Professional Indemnity Insurance

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis and is principally written through a captive insurer that is available to all KPMG member firms.

Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

Global Council

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms.

Among other things, the Global Council elects the Global Chairman and approves the appointment of Global Board members. It includes representation from 56 KPMG firms that are “members” of KPMG International Limited as a matter of English law.

Further details on KPMG International’s governance structure can be found in the [2021 KPMG International Transparency Report](#).

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 are required to comply. It also approves the admittance or termination of KPMG firms to/from the global organization.

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

The list of current Global Board members is set out on the Leadership page of [kpmg.com](https://home.kpmg/xx/en/home/about/who-we-are/our-leadership.html) <https://home.kpmg/xx/en/home/about/who-we-are/our-leadership.html>.

Global Board committees

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

- Executive Committee;
- Governance Committee;
- Global Quality, Risk & Reputation Committee; and
- Global Audit Quality Committee.

The overarching responsibility of the Global Audit Quality Committee is to strive for globally consistent audit quality across all firms and to oversee those KPMG International activities which relate to improving and maintaining the consistency and quality of audits provided by KPMG firms.

Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. 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 Global Management Team 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.

It is led by the Global Chairman, Bill Thomas.
The list of current Global Management Team members is available in the [Leadership](#) section on KPMG.com.

Global Steering Groups

There is a Global Steering Group for each key function and infrastructure area, chaired by the relevant member of the Global Management Team and, together they assist the Global Management Team in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the Global Management Team (GMT). Under the oversight of the GMT, they promote the execution of the global strategy and compliance with KPMG International decisions and policies by member firms.

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 and quality/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 section 'Governance and leadership' of the [2021 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 2021, can be found in section 'Governance and leadership' of the [2021 KPMG International Transparency Report](#).

14 Statement by the Board of KPMG in Qatar on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality control for KPMG [insert name] outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality controls is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Board of KPMG in Qatar has considered:

- The design and operation of the quality control systems as described in this report;
- The findings from the various compliance programs operated by our firm (including the KPMG International review programs as described in section 11.1.2 and our local compliance monitoring programs); and
- Findings from regulatory inspections and subsequent follow up and/or remedial actions.






Taking all this evidence together, the Board of KPMG [insert name] confirms with a reasonable level of assurance that the systems of quality control within our firm have operated effectively in the year to 30 September 2021.

Further, the Board of KPMG in Qatar confirms that an internal review of independence compliance within our firm has been conducted in the year to 30 September 2021.

Appendix 1 - Key legal entities and areas of operation

Name of Entity	Legal Structure	Regulatory Status	Nature of Business
KPMG in Qatar branch	KPMG, Qatar Branch is registered with the Ministry of Commerce and Industry, State of Qatar and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved	Ministry of Commerce and Industry, State of Qatar	Audit, Tax and Advisory
KPMG LLC	KPMG LLC is a limited liability company registered with the Qatar Financial Centre Authority (QFCA), State of Qatar and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved	Qatar Financial Centre Authority (QFCA), State of Qatar	Audit, Tax and Advisory

Appendix 2 - Details of those charged with governance at KPMG in Qatar at 30 September 2021

<p>Ahmed Abu-Sharkh Country Senior partner</p>  <p>Ahmed brings more than 30 years' experience in serving clients and leading Audit, Advisory and leading country practices in various locations across Europe and the Middle East.</p>	<p>Gopal Balasubramaniam Head of Audit</p>  <p>Gopal has over 24 years' experience in providing audit services to a wide range of KPMG's clients in Qatar and specializes in the oil and gas industry.</p>	<p>Diana Gerrard Head of Quality & Risk, EIP</p>  <p>Ahmed brings more than 30 years' experience in serving clients and leading Audit, Advisory and leading country practices in various locations across Europe and the Middle East.</p>
<p>Krishnaswamy Venkatesh Head of Advisory</p>  <p>Venkat has over 18 years' experience in private equity and financial advisory including debt structuring/raising, valuations, merger/acquisition advisory, equity structuring/raising (private placement and public offerings) and privatizations.</p>	<p>Barbara Henzen Head of Tax</p>  <p>Barbara has over 22 years' experience in international and national tax law with a focus on indirect tax law, delivering and managing tax projects for multinational clients and tax litigation.</p>	<p>Omar Mahmood Audit Partner, MESA FS Lead</p>  <p>Omar is an experienced financial services partner who has worked in the Middle East and the UK for many clients with local and global operations. His predominant focus is providing audit services in the banking sector, both conventional and Islamic, covering retail, corporate and investment banking.</p>

Yacoub Hobeika
Audit Partner



Yacoub has over 20 years' experience in audit and advisory services to businesses in Lebanon, Saudi Arabia and Qatar. Yacoub specializes in auditing, advising family and owner managed businesses, and leading engagements and audits in the insurance sector.

Nizar Hneini
Advisory Partner



Nizar brings extensive global experience in leading consulting and transformational projects. Nizar has advised several boards and senior leaders in the public and private sectors on digital transformation, technology, governance and strategy execution.

Ali Al-Shabibi
Advisory Partner



Ali brings a wealth of global senior leadership and business management experience. This includes serving as the Group Head of Assurance Business Transformation and People at Al Khaleej Sugar/Jamal Al Ghurair Group, a significant Dubai headquartered conglomerate.

Appendix 3 - Public Interest Entities

The list of public interest entity audit clients for which KPMG in Qatar has signed an audit opinion in the year ended 30 September 2021 is given below. PIEs audited by the member firm:

Entity name	Country	Also in	US Sec	exchange	Ticker
Doha Bank	Qatar		No	QSE	DHBK
Ezdan Holding	Qatar		No	QSE	ERES
Gulf International	Qatar		No	QSE	GISS
Mannai Corporation Q.P.S.C.	Qatar		No	QSE	MCCS
Qatar Navigation	Qatar		No	QSE	QNNS
Nakilat	Qatar		No	QSE	QGTS
Qatar Islamic Bank	Qatar		No	QSE	QIBK
Qatar General Insurance and Reinsurance	Qatar		No	QSE	QGRI
Qatar National Bank QPSC	Qatar		No	QSE	QNB
United Development Company	Qatar		No	QSE	UDCD
Widam Food Company	Qatar		No	QSE	WDAM
Qatar fuel QSC (Woqod)	Qatar		No	QSE	QFLS

Appendix 4 - The KPMG Values

Our Values represent what we believe in, and what's important to us as an organization. They 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 our stakeholders.

Our Values are:

- Integrity: We do what is right.
- Excellence: We never stop learning and improving.
- Courage: We think and act boldly.
- Together: We respect each other and draw strength from our differences.
- For Better: We do what matters.

Our Values express our firm's long-standing core beliefs, and in 2020 the language was updated to make them bolder, simpler, and more memorable to help each of us bring them to life every day.



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

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate