



Transparency Report 2023

Quality is how we make a difference

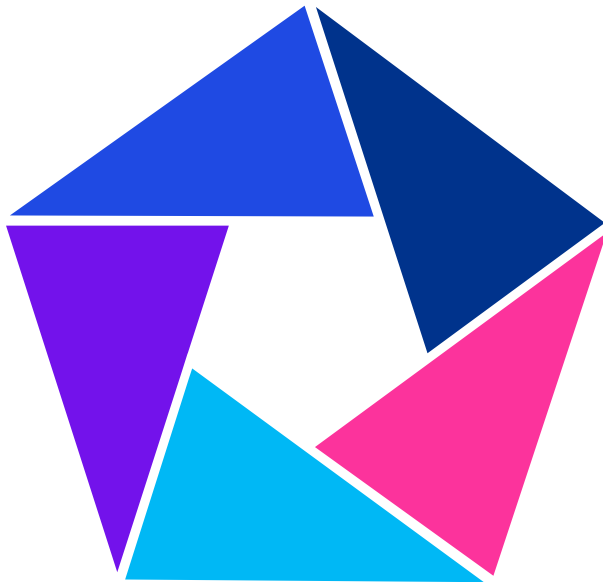
KPMG in Singapore



KPMG Values

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

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



Our Values are:



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.

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Committed to delivering quality

Quality is as much an outcome as it is the standard for which we hold ourselves to account. It is the gateway to building trusted relationships with clients, stakeholders, and between KPMG personnel. Providing high-quality services is what allows people at KPMG to continuously earn the trust that has underpinned our organisation.

At KPMG, building trust is the key to our success and it starts with quality. This is even more so as the world evolves at a pace unrivalled in recent memory. Businesses are integrating technology in ways once unimaginable, shifting geopolitical winds and economic uncertainty have displaced norms, and businesses need to mobilize action against threats like the climate crisis.

The pace and scale of dramatic change happening around us only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG. We have taken a consistent risk-based approach to our System of Quality Management to drive audit quality and meet the requirements of the International Standard on Quality Management (ISQM) 1.

We're investing significant resources to stay ahead of the curve. This significant investment has occurred in tandem with greater investments in tools, technology and talented people across the organisation — all to create a more seamless, integrated approach across borders.

At KPMG:

- We've transformed the audit experience by delivering a fully digital audit approach that is more efficient, more consistent and more adaptable.

- We're utilizing powerful technologies, including artificial intelligence, and leaning on our alliances with technology leaders to further enhance quality and provide even more value through deeper analysis of businesses, big and small, across the world.
- We're upskilling KPMG people and building teams that are fluent in environmental, social and governance (ESG) assurance reporting to help our clients meet the goals necessary to build a more sustainable future.

No process, technology or investment is fool proof, but our commitment and focus on ensuring that we uphold our standards and those of our profession is unyielding. We learn from shortcomings and constantly look for opportunities to improve our performance and quality.

By tapping on the diverse expertise of our people, we have served our clients and stakeholders well, safeguarding the public interest. At KPMG, we will never waiver from our commitment to deliver high-quality audit and assurance services. This is made possible by our highly engaged people, strong retention rates and relentless focus on quality. Our work is evident in our significant market share amongst top tier SGX companies.

We encourage you to read this report to learn more about how we're working to ensure you can trust KPMG to deliver professional excellence and quality.



Lee Sze Yeng
Managing Partner
KPMG in Singapore



Alex Koh
Head of Audit
KPMG in Singapore

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Audit quality

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

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

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

A system of quality management is foundational for audit quality

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

We have strengthened the consistency and robustness of our system of quality management that enables compliance with the International Standard on Quality Management (ISQM 1) and *Singapore Standard on Quality Management (SSQM 1), issued by the International Auditing and Assurance Standards Board (IAASB) and the Institute of Singapore Chartered Accountants (ISCA) respectively.

Foundational for quality management, our globally consistent approach to ISQM 1 drives compliance with the requirements of the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

*This Standard is based on International Standard on Quality Management 1, with such amendments as were considered appropriate for local adoption.

KPMG International's global approach to SoQM and ISQM 1



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



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



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



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



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



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

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

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

To provide more transparency on what drives KPMG audit and assurance quality, this report is structured around the KPMG Global Quality Framework. For KPMG, the Global Quality Framework outlines how we deliver quality and how every KPMG professional contributes to its delivery. The drivers outlined in the

framework are the 10 components of the KPMG SoQM. In line with ISQM 1, the SoQM also aligns with the International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standards Board for Accountants (the IESBA Code of Ethics), which applies to professional services firms that perform audits of financial statements.

This report describes how KPMG in Singapore effectively operates each SoQM component. Combined with our firm's SoQM Statement of Effectiveness (See section on Statement on the effectiveness of the System of Quality Management of KPMG in Singapore), this Transparency Report summarizes how our SoQM effectively supports the consistent performance of quality engagements. This report may also be useful for stakeholders interested in the firm's Tax and Advisory services, as certain aspects of our firm's SoQM are cross-functional and apply equally as the foundation of quality for all services offered.

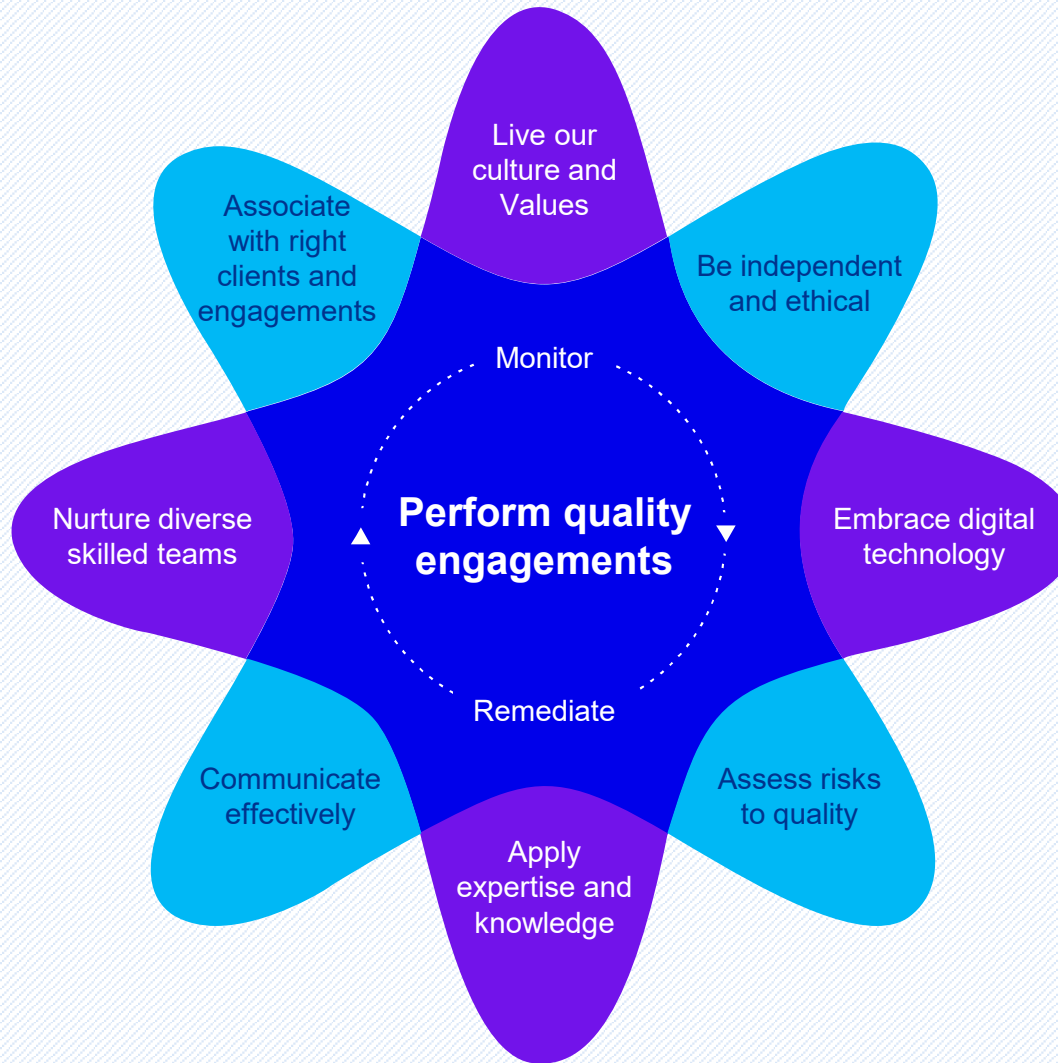
KPMG in Singapore has also established a local governance structure to support the implementation and testing of our system of quality management.

Throughout this document, "we", "KPMG", "us", and "our" refers to the global organisation, to KPMG International Limited ("KPMG International") or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity.

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 [2023 KPMG International Transparency Report](#).

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International Limited or any other member firm vis-à-vis third parties, nor does KPMG International Limited have any such authority to obligate or bind any member firm.

KPMG's Global Quality Framework



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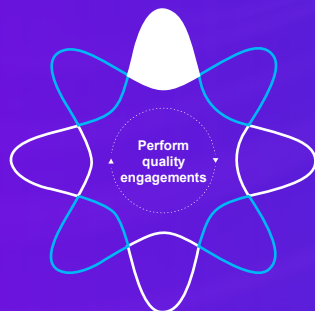
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Live our culture and Values

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

It's not just what we do at KPMG that matters — we also pay attention to how we do it.

The KPMG Values represent our core beliefs, guiding and unifying our actions and behaviours. Shared across all personnel and in every country, jurisdiction and territory in which we operate, they are the foundation of KPMG's unique culture.

Foster the right culture, starting with tone at the top

As a member of a global organisation, we recognise that strong and clear leadership from KPMG International is critical to set the tone at the top and provides the blueprint for accountability to all KPMG firms.

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

All KPMG firms have agreed to follow a common set of values, standards and service-quality expectations.

KPMG leadership drives an awareness that everyone across the organisation who is involved in supporting firms' SoQM, performing an audit, assurance or any engagement across tax and advisory, has a responsibility for quality and a part to play.

Clear Values and a strong Code of Conduct

At KPMG, our Values lie at the heart of the way we do things. To do the right thing, the right way, at the right time. They form the foundation of a resilient culture ready to meet challenges with integrity, so that people in KPMG firms never lose sight of our principal responsibility to serve the public interest. These Values

also propel people in KPMG firms forward — through our work and the example we set — as we inspire confidence and empower change across the global organisation.

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

Everyone at KPMG can expect to be held accountable for their behaviour, consistent with the Code, and are required to confirm their compliance with it. Individuals are strongly encouraged to speak up if they see something that makes them uncomfortable or not in compliance with the Code or our Values.

Everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, our policies, applicable laws, regulations or professional standards.

To safeguard this principle of accountability, we are 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 laws or regulations.



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We maintain our Ethics Hotline at +65 6213 2222. Reports filed through the hotline are directed to our Risk Management Partner for further investigation and resolutions. In addition, the [KPMG International hotline](#) is a mechanism for KPMG personnel, clients and other third parties to confidentially report concerns they have relating to KPMG International, activities of KPMG firms or KPMG personnel. Reports received by the hotlines are taken seriously, and for each of them, we will consider how to respond and, where necessary, investigate and take appropriate action.

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

In addition to the processes outlined above, the Global People Survey provides KPMG in Singapore leadership and KPMG International leadership with results related to upholding our Values.

The KPMG multidisciplinary model

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

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

Leadership responsibilities for quality and risk management

Our leadership plays a critical role in driving the quality agenda for the organisation. Steering groups are established to drive the execution of the quality strategy. Each of these groups have their specific areas of focus, and they work closely with one another on quality matters, along with regional and global leadership, to:

- Establish and ensure communication of appropriate audit, quality and risk management policies.
- Establish and support effective and efficient processes to promote audit quality.
- Promote and support the implementation of our strategy in KPMG firms' audit functions, including standards of audit quality.

- Assess and monitor audit engagement quality, including issues arising from quality performance and regulatory reviews, and seek to identify best practices to improve audit quality.

Taking responsibility for audit quality at the KPMG firm level

While KPMG International creates the global framework and policies for audit quality, KPMG firm's leadership is responsible for the delivery of that quality.

Each KPMG firm is responsible for establishing and maintaining a SoQM. In Singapore, our Head of Audit has primary responsibility for audit quality and is supported by the firm's Risk Management Partner (RMP) and the Audit Quality Leader in maintaining and monitoring our SoQM.

Robust governance structures

The overall governance structure of KPMG International and further detail on the KPMG International global leadership groups are provided in the '[Governance and leadership](#)' section of the report.

Responsibilities and obligations of KPMG firms

Our firm's membership agreement requires that we comply with KPMG International's policies, procedures and regulations, including quality standards governing how KPMG firms 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 multinational clients, manage risk and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work and commits to a common set of KPMG Values

A firm's status as a KPMG member firm and its participation in the KPMG organisation 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 agreed with KPMG International.

Further details of KPMG in Singapore's governance structure can be found in the '[Governance and leadership](#)' section of this report.

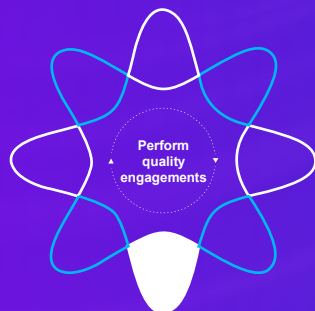
Clearly articulated strategy focused on quality, consistency, trust and growth

Our business

Our firm is a professional services firm that delivers Audit, Tax and Advisory services. In Singapore, we have one office. We had an average of 3,500 in the year to 30 September 2023. Our audit services in Singapore are delivered through KPMG LLP. Full details of the services we offer can be found on our [website](#).

Our strategy

Our strategy is set by our Operations Committee and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution.



Apply expertise and knowledge

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

Across the global organisation, KPMG is committed to continuing to build on our professionals' technical expertise and knowledge recognizing its fundamental role in delivering quality audits.

Methodology aligned with professional standards, laws and regulations

Consistent audit and assurance methodology and tools

The KPMG audit and assurance methodology, tools and guidance drive a consistent approach to planning, performing and documenting procedures over key financial reporting processes. Key elements include:

- Meeting the applicable standards, including International Standards on Auditing (ISA), standards issued by the 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.
- Identifying risks of material misstatements and the necessary audit response.
- Embedded in the practice of all KPMG audit and assurance professionals.
- Alignment with the International Standards on Assurance Engagements (ISAE) in response to the growth of ESG reporting.
- Consistent interpretation of how to apply ISAs and ISAEs.

KPMG's audit and assurance methodologies emphasize applying appropriate professional scepticism in the execution of procedures and require compliance with relevant ethical requirements, including independence.

Standardized methodology and guidance

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

Deep technical expertise and knowledge

Access to specialist networks

Specialist expertise is an increasingly important part of the modern audit and is a key feature of our multidisciplinary model. KPMG's engagement teams have access to a network of KPMG specialists to consult — either within our 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 KPMG audits. They also receive a global annual update on global quality performance issues.

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

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

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

KPMG International maintains an online financial reporting resource centre that highlights the potential financial statement implications of matters arising from significant external events to assist financial statement preparers and other stakeholders in understanding the potential accounting and disclosure implications arising from these significant external events.

Our guidance is continually updated as new significant accounting, auditing and reporting issues emerge.

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

ESG Assurance quality

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

We believe the same level of professionalism, quality, consistency and trust should apply to ESG reporting as to financial data. We are making significant investments in putting ESG at the heart of the organisation.

During 2023, as part of the global organisation's commitments to serving the public interest, KPMG International:

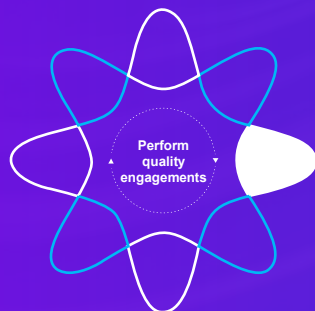
- Released a revised methodology for ESG assurance designed to be flexible and scalable, while enabling high-quality, globally consistent assurance engagement delivery that complies with assurance standards and aligns with our financial statement audit methodology. The scope of the execution guide is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

- Released a learning curriculum to increase the foundational ESG literacy of KPMG professionals and enable upskilling on the new methodology and KPMG Clara workflow — Assurance.

KPMG in Singapore has a dedicated cross-functional team of experts. Alongside, we have also established an ESG technical desk with access to global network and alliance partners.

Quality and risk management policies

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



Embrace digital technology

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

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

KPMG Clara

Our intelligent audit and assurance technology platform KPMG Clara integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation and data visualization. It brings new insights by helping auditors to see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process or simply adding up the accounts.

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

Intelligent, standards-driven audit and assurance workflows

At our firm, all professionals are expected to adhere to KPMG International and our firm's policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations. Our policies and procedures set for audit and assurance engagements incorporate the relevant requirements of accounting, auditing, assurance, ethical and quality management standards, and other relevant laws and regulations.

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

Digital data and emerging technologies

Our vision of the future

KPMG Clara was developed to be a foundational technology platform for KPMG to deliver audit and assurance quality.

It evolves with technologies such as artificial intelligence (AI), data & analytics and cognitive capabilities, transforming how audits are delivered.

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

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

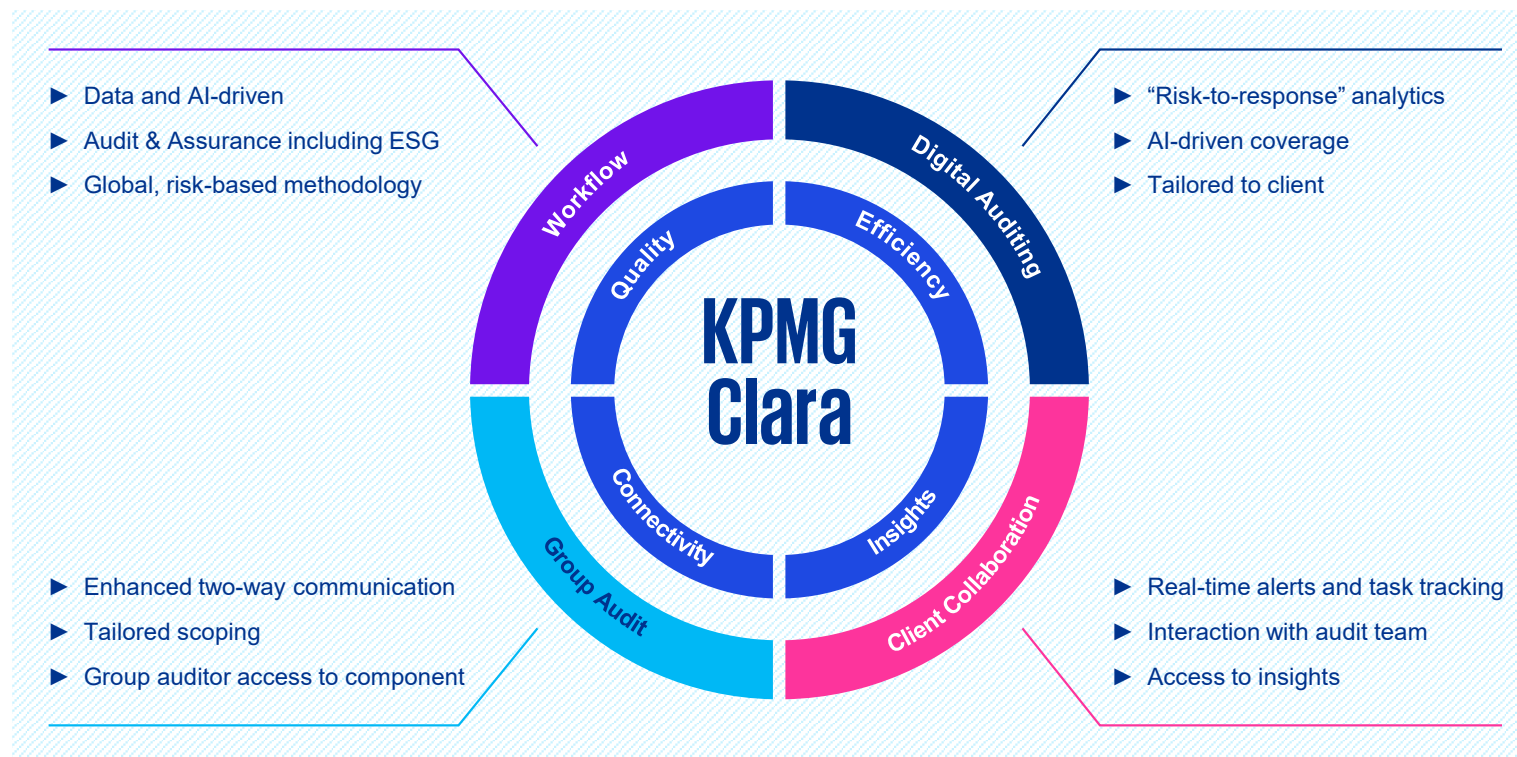
Client confidentiality, information security, and data privacy

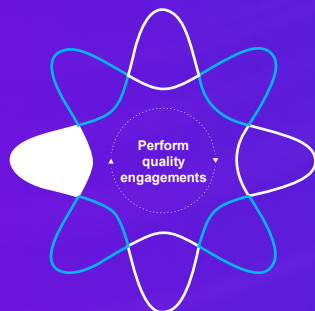
The importance of maintaining client confidentiality is emphasized through a variety of mechanisms, including the Code.

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

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

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





Nurture diverse skilled teams

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

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

Recruit appropriately qualified and skilled people with diversity of specialist skills, perspective and experience

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

Recruitment

KPMG has invested in understanding how we can attract the talent we need now and in the future across the organisation. This includes building an extraordinary people experience for all current and prospective partners and employees.

KPMG International provides KPMG firms with guidance and training on sourcing high-quality talent with the necessary skills, expertise and qualifications to deliver organisational objectives and with the ability to make a positive contribution to the Values, capabilities and goals of the organisation.

We perform candidate application screening that is based on fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform and are suitable and

best placed for their roles. KPMG firms also carry out rigorous reference and background checks on prospective partners and employees subject to legal and regulatory requirements.

Inclusion, diversity and equity programs

KPMG in Singapore is committed to building a diverse and equitable organisation that is inclusive to all. Inclusion, diversity and equity (IDE) underpins our Values and is vital to our Purpose.

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

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

KPMG's Global IDE Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity and equity across all KPMG firms.

For more about inclusion and diversity at KPMG, [read here](#).



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Reward and promotion

We have compensation and promotion policies that are informed by market data and are clear, simple, fair and linked to the performance and talent review process. Such policies help audit teams understand what is expected of them, including the audit quality accountabilities outlined in globally consistent audit role profiles and a mandatory audit quality goal. The connection between performance and reward is achieved by assessing performance across a peer group to inform reward decisions. Reward decisions are based on the consideration of both personal and individual firm performance.

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

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

Assign an appropriately qualified team

Partner assignments

Procedures in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement. Our Head of Audit is responsible for the partner assignment process. Key considerations include partner experience and capacity — based on an annual partner portfolio review — to perform the engagement taking into account the size, complexity and risk profile of the engagement and the type of support to be provided (i.e. the engagement team composition and specialist involvement).

Engagement teams

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 the KPMG audit methodology, professional standards and applicable legal and regulatory requirements.

If the right resource is not available within the KPMG firm, the firm can access a network of highly skilled KPMG professionals from other KPMG firms.

Investing in ESG and data-centric skills, including data mining, analysis and visualisation

KPMG is strategically investing in prospective talent 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. KPMG firms are recruiting and training professionals who specialise in software, cloud capabilities and AI and who can bring leading technology capabilities to our smart audit platform.

We provide training on a wide range of technologies to ensure that professionals not only meet the highest professional standards, but are also upskilled to tackle emerging challenges in ESG and digital transformation. With this approach we bring together the right people with the right skills and the right technology to perform quality audits.

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

Commitment to technical excellence and quality service delivery

All KPMG 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.

Lifetime learning strategy

Annual training priorities for development and delivery are identified by the audit learning and development groups at the global, regional and, where applicable, KPMG firm level. Minimum mandatory learning requirements for audit professionals across the organisation are established annually.

Ongoing mentoring and on-the-job coaching

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

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

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

Professional qualification and accreditation

KPMG in Singapore supports our audit and tax employees towards professional accreditations such as the Singapore Chartered Accountant and Accredited Tax Advisor. Our candidates have consistently attained higher pass rates than the national average. Eligible staff with these qualifications are recognised through market-leading remuneration.



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Nurture diverse skilled teams

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Perform quality engagements

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Mobility across disciplines and in the global network

We promote mobility - across disciplines and globally within the KPMG network. Our employees have benefited from the opportunity and flexibility to expand and develop their personal and career goals and ambitions. These mobility programmes have allowed our employees to build on their capabilities and support them in their audit delivery.

Continuing professional development (CPD)

All KPMG in Singapore professionals are required to comply with applicable professional licence rules and satisfy the Continuing Professional Development requirements in Singapore. KPMG policies and procedures are designed to facilitate compliance with licence requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework – IFRS, SFRS (I).

Compliance with the CPD requirements is tested as part of firm's annual monitoring programmes.

In addition, KPMG has specific requirements for partners, managers and Engagement Quality Control (EQC) reviewers and engagement-in-charges with respect to reporting on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity's internal control over financial reporting (ICOFR). These require that at a minimum, the above-mentioned personnel 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.

Recognise quality

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

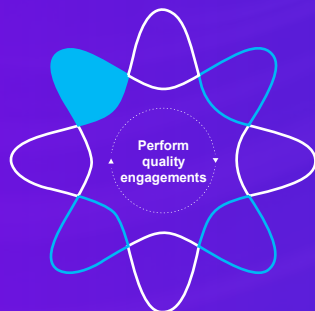
- Globally consistent audit role profiles (including role profiles specific to audit quality accountabilities and responsibilities).
- A goal library (including a mandatory audit quality goal applicable to everyone covered by the globally consistent audit role profiles and additional optional audit quality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

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

At the same time, 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 organisation.

KPMG in Singapore monitors quality and compliance incidents and maintains quality and risk ratings in assessing the overall evaluation, promotions and remuneration of partners and staff.

These evaluations are conducted by performance managers and partners who are able to assess performance.



Associate with the right clients and engagements

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

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

Global client and engagement acceptance and continuance policies

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

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

Accept appropriate clients and engagements

Client evaluation

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

Engagement evaluation

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

- Potential independence and conflict of interest issues.
- Intended purpose and use of engagement deliverables.

- Public perception.
- Whether the services would be unethical or inconsistent with our Values.

In addition, the evaluation of an audit engagement includes an assessment of the competence of the client's financial management team and the skills and experience of KPMG professionals.

Where we are providing audit services for the first time, additional independence evaluation procedures are performed, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

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

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

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

Continuance process

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

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

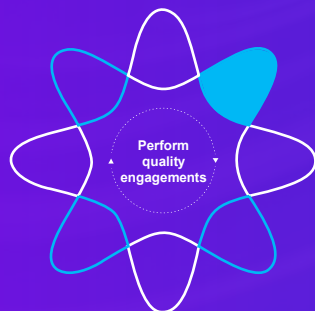
Withdrawal process

If a KPMG firm comes to a preliminary conclusion that indicates it should withdraw from an engagement or client relationship, it must consult internally and identify any required legal, professional and regulatory responsibilities with respect to that relationship. The firm will also have to consider further communications with those charged with governance and any other appropriate authority as required under its professional obligations.

Manage portfolio of clients

At KPMG, we have policies and procedures to enable us to monitor the workload and availability of engagement partners, managers and staff, and personnel to provide sufficient time to complete their responsibilities.

Engagement partners are responsible for determining that members of the engagement team collectively have the appropriate competence and capabilities, including sufficient time, to successfully perform the engagement in accordance with professional standards and regulatory and legal requirements. For more information, see section Assign an appropriately qualified team.



Be independent and ethical

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

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

Act with integrity and live our Values

We know that trust is earned by doing the right thing. At KPMG we are committed to the highest standards of personal and professional behaviour throughout the global organisation in everything we do. Ethics and integrity are core to who we are. Within our [Global Code of Conduct](#), we outline the responsibilities KPMG people have to each other, clients and the public. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions.

Maintain an objective, independent and ethical mindset

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

Policies are supplemented at KPMG firms to help ensure compliance with additional standards issued by national or applicable regulatory bodies. For KPMG in Singapore, such additional standards include those promulgated by the ACRA and the US Securities and Exchange Commission (SEC).

KPMG in Singapore has a designated Ethics and Independence Partner (EIP) who is responsible for communicating and implementing KPMG policies and procedures and ensuring that any additional local independence policies and procedures are established and effectively implemented.

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

Personal financial independence

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

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

KPMG firms monitor partner and manager compliance with this requirement as part of our program of independence compliance audits of professionals.

KPMG International provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

Employment relationships

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

Firm financial independence

KPMG firms are required to also be free from prohibited interests in, and prohibited relationships with, audit clients and their management, directors and, where required, significant owners. KPMG's independence compliance system records direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities or funds. This includes investments held in associated pension and employee benefit plans.

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

KPMG firms confirm compliance with independence requirements annually as part of the global KQCE program.

Business relationships/suppliers

KPMG in Singapore 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 ACRA and the US Securities and Exchange Commission (SEC).

Business acquisitions, admissions and investments

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

Independence training and confirmations

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

All KPMG in Singapore partners and employees also receive annual training on the global or local Code of Conduct.

Non-audit services

All KPMG firms have agreed, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients. In Singapore, we are required to comply with the ACRA Code of professional Conduct and Ethics for Public Accountants and Accounting Entities.

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

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

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

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

Fee dependency

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

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

Avoiding conflicts of interest

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

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

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

Independence breaches

All KPMG in Singapore personnel are required to report an independence breach to the EIP as soon as they become aware of it. All breaches of independence requirements of the IESBA Code of Ethics or other external independence requirements (including ACRA and SEC 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 Singapore has a disciplinary policy in relation to non-compliance with independence policies, incorporating incremental sanctions reflecting the seriousness of any non-compliances that result in regulatory breaches. KPMG in Singapore's Disciplinary Committee reviews instances of non-compliance with independence policies and determines appropriate disciplinary action. Non-compliance with independence policies are reflected in an individual's quality and risk ratings, and considered in promotion and compensation decisions.

Partner rotation

KPMG in Singapore 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 these partners are restricted in the roles they can perform.

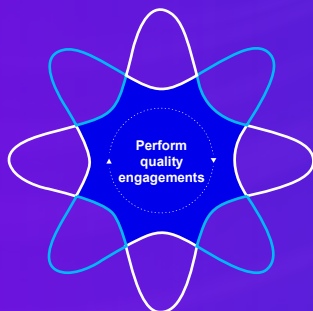
KPMG in Singapore monitors the rotation of audit engagement leaders (and any other key roles where there is a rotation requirement, such as the EQC reviewer) and develop related transition plans as necessary to enable the allocation of partners with the necessary competence and capability to deliver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

Have zero-tolerance approach to bribery and corruption

We have zero tolerance of bribery and corruption.

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

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



Perform quality engagements

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

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

Consult when appropriate

Encouraging a culture of consultation

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

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

Technical consultation and global resources

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

Global Audit Methodology Group (GAMG)

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

KPMG Global Solutions Group (KGSG)

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

The KGSG and GAMG teams bring diverse experiences and innovative ways of thinking to further evolve KPMG's audit and assurance capabilities.

More information about KPMG's global audit and assurance methodology and technology-based tools is included in the Embrace digital technology section of this report.

International Standards Group (ISG)

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

PCAOB Standards Group (PSG)

Promotes consistency in the interpretation of PCAOB standards in KPMG firms' audits of non-US components of US companies and of 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 the delivery of such training.

Professional practice resources

Provides consultation support on auditing and technical accounting matters to our audit professionals.

Critically assess audit evidence using professional judgment and scepticism

On all audits, we design and perform audit procedures whose nature, timing and extent are based on and responsive to the assessed risks. All audit evidence obtained during the course of the audit is considered, including contradictory or inconsistent audit evidence.

Each KPMG team member needs to exercise professional judgment and maintain professional scepticism throughout the audit engagement. Professional scepticism involves a questioning mindset and remaining alert to contradictory or inconsistencies in audit evidence. Professional judgment encompasses the need to be aware of and alert to biases that may pose threats to sound judgments.

Direct, coach, supervise and review

Embedding ongoing coaching, supervision and review

At KPMG, we promote a coaching culture as part of enabling KPMG professionals across the global organisation to achieve their full potential. We support a continuous learning environment where every team member in every KPMG firm is responsible for building the capacity of the team, coaching other team members and sharing experiences while directing, supervising and reviewing their work.

Second Line of Defence (2LoD)

2LoD reviewers provide coaching to specific audit teams during the conduct of their work and navigation of key audit areas. All 2LoD reviewers are trained and experienced senior staff. Their goal is to improve audit quality on these specific audits as they are occurring and before opinions are issued, and more broadly through active engagement with the audit teams.



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Engagement quality control (EQC)

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

An EQC review is an objective evaluation of the significant judgments made by the engagement team and its related conclusions, performed by the EQC reviewer, and completed on or before the date of the report. The EQC reviewer's evaluation of significant judgments includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate.

The EQC review is completed only after the EQC reviewer is satisfied that all significant matters they raised have been resolved, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters. EQC reviewers are required to meet training, knowledge and experience qualifications to perform the EQC review for a particular engagement.

Reviewers must be objective, cannot be members of the engagement team and must be independent of the audit client.

Appropriately support and document conclusions

Reporting

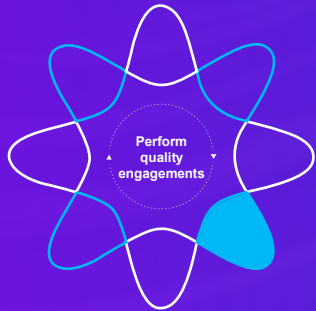
Engagement leaders form all audit opinions based on the audit performed and evidence obtained.

In preparing auditors' reports, engagement partners have access to reporting guidance and technical support through consultations with their Department of Professional Practice.

Engagement documentation

KPMG firms have agreed to complete and assemble audit documentation in accordance with KPMG International policy and applicable auditing standards. KPMG International policy includes safeguards, to protect the confidentiality and integrity of client and KPMG firm information, and a reduction in the time period allowed to assemble audit documentation.

KPMG in Singapore adopted global policies to reduce the time period allowed to assemble audit documentation, which is significantly less than the time period required by the applicable auditing standards.



Assess risks to quality

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

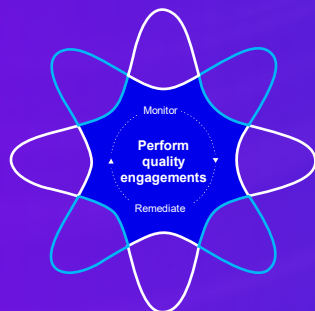
The quality of a KPMG audit rests on our SoQM and KPMG's global approach to ISQM¹ emphasizes consistency and robustness of controls within KPMG firms' processes.

Identifying risks to quality and implementing effective responses

KPMG International performs an annual iterative risk assessment process (I-RAP) to determine the baseline expected quality objectives, quality risks, process risk points and controls (responses to those risks) that all KPMG firms agree to adopt. KPMG firms also perform their own I-RAP, annually, to identify any additional quality objectives, quality risks or controls specific to their firm's facts and circumstances.

The consistent global approach:

- Sets the minimum controls to be implemented within all KPMG firms' SoQM processes in response to globally identified risks to meeting SoQM quality objectives.
- Defines the SoQM methodology used by KPMG in Singapore in the annual evaluation of SoQM to demonstrate that SoQM controls are implemented and operating effectively.



Monitor and remediate

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

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

Rigorously monitor and measure quality

Commitment to continuous improvement

KPMG commits to continually improving the quality, consistency and efficiency of KPMG firm audits.

The quality monitoring and compliance programs are globally consistent in their approach across all KPMG firms, including the nature of testing and reporting.

Internal monitoring and compliance programs

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

The programs evaluate:

- Engagement performance in compliance with the applicable professional standards, applicable laws and regulations, and key KPMG International policies and procedures.

- KPMG in Singapore compliance with key KPMG International policies and procedures, and the relevance, adequacy and effective operation of key quality management policies and procedures.

Our internal monitoring and compliance programs also contribute to the evaluation of KPMG firms' SoQM operating effectiveness. These programs include:

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

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

We give more detail on these programmes and how they work in the following sections.

Audit Quality Performance Reviews (QPR) program

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

Risk-based approach

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

KPMG in Singapore conducts the annual QPR program in accordance with KPMG International QPR instructions. The reviews are performed at KPMG in Singapore level and are monitored regionally and globally.

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 engagement 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.

Evaluation from Audit QPR

Consistent criteria is used to determine engagement ratings and audit practice evaluations. Audit engagements selected for review are rated as 'Compliant', 'Compliant - Improvement Needed' or 'Not Compliant'.

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Global Audit Quality Monitoring Group (GAQMG)

The GAQMG identifies issues to help drive audit quality. The group comprises a team of partners, directors and senior managers experienced in performing quality performance reviews of listed and related entity (LRE) audit engagements. The team also includes partners and professionals with experience in auditing general information technology controls and application controls.

KPMG Quality & Compliance Evaluation (KQCE) program

The KQCE program encompasses the testing and evaluation requirements of our SoQM which are necessary to support our compliance with ISQM 1, and compliance with key quality and risk management policies. KQCE program requirements are completed by all KPMG firms.

The 2023 KQCE program covered the period from 1 October 2022 to 30 September 2023 and helps support KPMG in Singapore's conclusions on the operating effectiveness of our SoQM as of 30 September 2023 and compliance with key quality and risk management policies in that period.

Global Quality & Compliance Review (GQCR) program

A GQCR is carried out by a KPMG International team and firms are selected for review using a risk-based approach, which considers a number of factors, including financial conditions, country risks, results of other monitoring programs and people surveys, with each firm subject to a GQCR at least once in a four-year cycle.

The GQCR team comprises partners and managers who are independent of the firm subjected to the review. The overall objective of the GQCR program is to assess the firm's compliance with selected KPMG International policies, including those related to governance and SoQM.

Internal monitoring and compliance program reporting

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

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

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

Remediation and monitoring

KPMG in Singapore develops remedial action plans to respond to findings identified through the KPMG International monitoring and compliance programs. Progress on action plans is monitored and results are reported, as appropriate, to local, regional and global leadership.

Obtain, evaluate and act on stakeholder feedback

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

Regulators

In Singapore, we are registered with our national regulator, ACRA, which carries out periodic inspections of our firm.

KPMG in Singapore is also registered with the Japanese Financial Services Authority, Financial Supervisory Authority of Norway, UK Financial Reporting Council and US PCAOB.

The US PCAOB inspected KPMG in Singapore in 2022. The public report on the inspection is publicly available on US PCAOB's website.

Findings arising from regulatory inspections were evaluated, remediation actions are taken as appropriate.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through IFIAR's Global Audit Quality Working Group (GAQ WG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues.

We also maintain professional and respectful relationships with our regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

Client feedback

Client feedback is also important. KPMG firms proactively seek feedback from clients through in- person conversations and third-party surveys.

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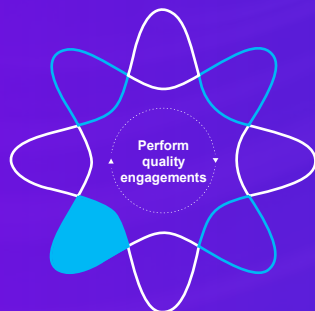
Perform root cause analysis

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

Upon completion of root cause analysis, we design and implement remedial actions that respond to the underlying cause of the audit quality issues and subsequently monitor the effectiveness of those actions. The RCA remedial action plans and monitoring results are reported to local, regional and global leadership.

Our Head of Audit is responsible for audit quality, including the remediation of audit quality issues. The Head of Audit and RMP monitor the remediation plans' implementation.

We continue to strengthen our root cause analysis process and drive consistency across the organisation.



Communicate effectively

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

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

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

Communications with those charged with governance

KPMG International stresses the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. KPMG in Singapore and our professionals achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and, when appropriate, ongoing discussions with management and members of the audit committee.

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

Audit Committee Institute (ACI)

In recognition of the demanding and important role that audit committees play in driving audit quality and the challenges that they face in meeting their responsibilities, KPMG's ACI aims to help audit committee members enhance their commitment and ability to implement effective audit committee processes.

Global IFRS Institute

KPMG's Global IFRS Institute provides information and resources to help board and audit committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial and sustainability reporting frameworks.



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

It is only with engaged, talented people that can KPMG firms deliver audits in line with our audit quality expectations. Annually, all KPMG personnel are invited to participate in KPMG's GPS to share their perception on their experience of working at KPMG.

Results can be analysed by several factors, including functional or geographic area, grade and gender to provide additional focus for action. Through the GPS, KPMG measures our people's engagement and gains additional insight on what drives engagement.

We also cover areas of focus that are directly relevant to audit quality; the survey includes specific audit quality-related questions that all individuals who participated in an audit in the previous 12 months are asked to respond to, giving us a particular data set for audit quality-related matters.

The survey also provides KPMG in Singapore leadership with insights related to quality and risk behaviours, upholding the KPMG Values, employee and partner attitudes to quality, leadership and tone at the top.

Audit-specific analysis of GPS results is also undertaken, with a particular focus on audit quality. For KPMG in Singapore, results and key themes are presented to the Head of Audit and Operations Committee on an annual basis with action plans subsequently developed for consideration of appropriate remedial action, if needed.

In our GPS 2023, we have achieved consistently good scores across Engagement, Trust and Growth categories. High Audit Quality scores reflect our continuous commitment to quality.



Governance and leadership

Governance and leadership

KPMG International

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team. Further details on KPMG International's governance structure can be found in the [2023 KPMG International Transparency Report](#).

KPMG in Singapore structure and governance

KPMG in Singapore

KPMG in Singapore is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).

During the year to 30 September 2023, there was an average of 133 partners in KPMG in Singapore (2022: 124 partners).

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

KPMG in Singapore Leadership Team

The Managing Partner is an executive position supported by the Operations Committee.

The Operations Committee comprises senior representatives from KPMG's various functional areas (including the Head of Audit and Risk Management Partner). The Operations Committee representatives are responsible for the leadership of their

respective functional areas. They set the strategic direction of the area within KPMG in Singapore and manage the strategic progress. The Operations Committee members are all KPMG Singapore partners and are appointed by the Managing Partner. As at 30 September 2023, in addition to the Managing Partner, the Operations Committee included 6 other members. The Operations Committee met at least monthly.

In addition, there are four main bodies that deal with key aspects of governance within KPMG in Singapore.

Details about the role and responsibilities and composition of each of these bodies are set out in the following section.

Oversight Committee

The Oversight Committee comprises two Sub-Committees. The Quality and Risk Oversight Sub-Committee is established to provide oversight, supervise and safeguard the quality and risk management matters relating to professional service deliveries and client service. As at 30 September 2023, this Sub-Committee comprises of three experienced partners.

The Investment Oversight Sub-Committee is established as an oversight and deliberation for the Managing Partner in relation to the firm's investment strategy, initiatives and management. This Sub-Committee comprises of 3 experienced partners.

Each Sub-Committee met quarterly in the year to 30 September 2023.



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Audit Quality Committee (AQC)

The overarching responsibility of this Committee is to strive for consistent audit quality across the organisation. It oversees activities that relate to improving and maintaining the consistency and quality of audits provided by KPMG in Singapore.

This also includes oversight of the implementation and maintenance of the firm's system of quality management. This committee comprises a number of experienced partners who also lead various component streams of the firm's SOQM.

During the year ended 30 September 2023, the AQC consisted of eight members and met monthly in the year to 30 September 2023.

Accounting Advisory Committee

The Accounting Advisory Committee, with support from the Department of Professional Practice, provides consultation and oversees the development and dissemination of guidance on accounting and financial reporting, national and international reporting matters. This committee meets weekly and comprises of six members.

Audit Practice Committee

The Audit Practice Committee, with support from the Department of Professional Practice, oversees the development and dissemination of guidance and tools for KPMG in Singapore's professionals in the application of KPMG's audit methodology and their compliance with auditing and attestation standards. This committee meets monthly and comprises of six members.

Leadership responsibilities for quality and risk management

Risk Management Partner

The Risk Management Partner (RMP) is responsible for setting overall professional risk management and quality control policies and monitoring compliance for KPMG in Singapore. The RMP has a direct reporting line to the Managing Partner and is supported by a central risk team as well as a team of partners and professionals in each of the functions. The RMP consults with the appointed Regional Risk Management Partner and the Quality and Risk Oversight Sub-committee.

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 Singapore. The EIP has a direct reporting line to the Risk Management Partner and is supported by a central E&I team as well as a team of partners and professionals in each of the functions. The EIP consults with the appointed Regional Risk Management Partner and the Quality and Risk Oversight Subcommittee.

Audit Quality Leader

The Audit Quality Leader is an essential and integral component to successfully achieve our firm's priorities in the right way, through oversight, monitoring, and/or participation in KPMG in Singapore's processes to achieve high audit quality. The Audit Quality Leader is also responsible for establishing and maintaining a System of Quality Management for the Audit practice on behalf of the Head of Audit.

Statement on the effectiveness of the System of Quality Management of KPMG in Singapore

as at 30 September 2023

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1), Singapore Standard on Quality Management (SSQM1) and KPMG International Limited Policy, KPMG LLP Singapore (the "Firm" and "KPMG in Singapore") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

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

KPMG in Singapore outlines how its System of Quality Management supports the consistent performance of quality engagements in this report.

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

If deficiencies are identified when we perform our annual evaluation of the System of Quality Management, we evaluate the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

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



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Appendix 1

KPMG LLP and a list of affiliated entities as at 30 September 2023

| No. | Name of entities | Business of the Entity | Area of Operation |
|-----|--------------------------------------|---|-------------------|
| 1 | ► KPMG LLP | Provision of accounting and auditing services | Singapore |
| 2 | ► KPMG Services Pte. Ltd. | Provision of business and management consultancy services | Singapore |
| 3 | ► KPMG Advisory Services Pte. Ltd. | Provision of business and management consultancy services | Singapore |
| 4 | ► KPMG Corporate Finance Pte Ltd | Provision of corporate finance advisory services | Singapore |
| 5 | ► KPMG Advisory LLP | Provision of business and management consultancy services | Singapore |
| 6 | ► KPMG Consulting Holdings Pte. Ltd. | Investment Holding Company | Singapore |
| 7 | ► PT KPMG Siddharta Advisory | Provision of management consulting and other services except legal services | Indonesia |
| 8 | ► KPMG | Provision of statutory audit and tax compliance services | Brunei |
| 9 | ► Roosdiono & Partners | Provision of legal services | Indonesia |

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Appendix 2

Network arrangements

Legal structure

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

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

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

KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients, directly or indirectly, to clients. Professional services to clients are exclusively provided by member firms.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known.

The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

KPMG International and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International or any of its related entities have any such authority to obligate or bind any member firm.

Further details on the revised legal and governance arrangements for the KPMG global organisation can be found in section 'Governance and leadership' of the [2023 KPMG International Transparency Report](#).

The name of each audit firm that is a member of the organization and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business can be found in the List of audit firms located in [EU and EEA countries](#).



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

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

Our Strategy

Our strategy demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution.

Responsibilities and obligations of member firms

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 Introduction to this document).

Professional Indemnity Insurance

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

Governance structure

The key governance and management bodies of KPMG International are the Global Council, the Global Board and the Global Management Team. Further details on KPMG International's governance structure can be found in the [2023 KPMG International Transparency Report](#).

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

Appendix 3

Companies listed in the EU/EEA

Companies listed in the EU/EEA for which KPMG in Singapore has signed an audit opinion in the year 2023 are given below.

- 1 BW LPG Limited
- 2 Hafnia Limited

Financial Information

The financial information presented below represents combined, not consolidated, revenues and includes expenses billed to clients and revenues related to billings to other KPMG member firms. Revenue information disclosed also includes revenues from both audit and non-audit clients.

Revenue presented includes:

- Revenues from the statutory audit of annual and consolidated financial statements of PIEs, and entities belonging to a group of undertakings whose parent undertaking is a PIE
- Revenues from the statutory audit of annual and consolidated financial statements of other entities
- Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm
- Revenues from non-audit services to other entities

Financial information for the period ended 30 September 2023 and 2022

| Service | 30 September 2023 | 30 September 2022 |
|--|-------------------|-------------------|
| Audit and directly related services for audit clients listed in EU | 1.2% | 1% |
| Permitted non-audit services for audit clients listed in EU | 0.2% | 0.1% |
| Other audit and non-audit services | 98.6% | 98.9% |
| Total revenue | 100% | 100% |



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