



Report on the Public Interest Committee's activities during the year



30 September 2022

Our role

The purpose of the Public Interest Committee (PIC) is to provide independent oversight of the firm's policies and processes for the core objectives defined within the AFGC:

- Promoting audit quality.
- Helping the firm secure its reputation more broadly, including in its non-audit businesses.
- Reducing the risk of firm failure.

Public Interest Committee in numbers

- Four members.
- Four formal meetings held during FY22.
- Regular attendance from the Chair of the UK Board, Chief Risk Officer, Head of Regulatory Affairs and Oversight, Head of Audit, Ethics Partner and the General Counsel.
- The Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief People Officer, KPMG's Ombudsman, Audit Board Chair, and the Head of Audit Quality have attended when required to discuss specific matters. Our Global Chair and CEO also joined one meeting.

Areas of oversight

The PIC has overseen the impact of the firm's activities on its public interest responsibilities through consideration of:

- The firm's strategy.
- The firm's risk management and internal controls framework and compliance with regulations, including the firm's implementation of the International Standard of Quality Management (ISQM1).
- Firm-wide and cross-business operations as they impact compliance with the FRC's Principles for Operational Separation.
- The firm's people policies and the impact of initiatives and procedures for training, remuneration, and ensuring appropriate ethical standards and behaviour.
- The firm's culture, including the Audit practice's culture – overseeing initiatives taken by the firm and progress against key performance indicators to ensure that the appropriate culture exists throughout the organisation.
- Compliance with the firm's code of conduct ([Our Code](#)). This includes regular private updates from the Ethics Partner, including the number of cases reported to the firm's independently run Speak Up whistleblowing hotline.
- The firm's engagement with its stakeholders, including investors, audit committee chairs and regulators.
- Any matters relevant to public interest with respect to the multi-disciplinary services provided by the firm including the lessons learned and any actions taken from legacy regulatory investigations and tribunals.
- The impact of wider network issues beyond the UK firm, including insight into the impact on the global network following the invasion of Ukraine by Russia. KPMG's Global Chairman, Bill Thomas, attended the December 2021 PIC to discuss global regulatory engagement, his views on network risk and the global firm's commitment to support the UK practice in delivering its trust and growth agendas.

Our priorities for 2023

- Continue to engage with the Audit Non-Executives, and their oversight of the Audit practice.
- Monitor the firm's progress in relation to commitments made to regulators.
- Oversee the execution of the firm's Culture Ambition.
- Oversee the firm's implementation of the revised 2022 Audit Firm Governance Code and the Principles of Operational Separation.
- Monitor the degree to which ISQM1 processes and controls have been embedded.
- Engage with the global network and continue to inform the UK firm's consideration of network risk.