

Report on the Audit Committee's activities during the year

For the year ended 30 September 2024

Areas of oversight

During the year, the Audit Committee focused on the following key priorities:

- Monitoring of the extent to which the System of Quality Management (SoQM) processes and controls are embedded.
- Enhancing transparency and accountability, ensuring strict adherence to regulatory requirements, and overseeing compliance efforts.
- Ongoing supervision and assessment of KPMG's internal audit function, including an evaluation of internal processes and controls. This entailed receiving updates from the Head of Internal Audit on the status of ongoing audits and approving the Annual Internal Audit plan to ensure it addresses key business risks.
- Maintaining a solid relationship with the external auditor, with a particular focus on audit quality and integrity and an assessment of the external auditor's performance, independence and objectivity.
- Promoting ESG practices, disclosure and reporting to meet sustainability goals and stakeholder expectations. This included overseeing the independent assurance process and approving ESG disclosures in the Annual Report, including those within the Planet Impact Report, Partner Diversity Report, and Community Impact Report.
- Enhancing governance and transparency reporting to align with evolving standards and expectations, receiving periodic updates on the Operational Separation process.

In numbers

- During the reporting period, the Audit Committee held five formal meetings.
- As of 30 September 2024, the Audit Committee was constituted by three members. In addition to the Chair of the Committee, the membership comprised one Elected and one Nominated member of the Board, at least one of whom had recent and relevant audit or financial experience. Additionally, one Independent Non-Executive is invited to join meetings as an observer.
- With effect from 1 October 2024, the Audit Committee was combined with the Risk Committee.



Looking ahead to FY25

The combined UK Audit and Risk Committee's primary objectives are as follows:

- Providing guidance to the UK Board on the firm's risk appetite and tolerance, monitoring current risk exposures, and ensuring alignment with regulatory trends and the Group's risk management policies.
- Continuing to monitor the extent to which the System of Quality Management (SoQM) processes and controls are embedded.
- Monitoring the firm's Ethics and independence including the Ombudsman's reports on Speak Up.
- Oversight of the adoption and effectiveness of the Enterprise-Wide Risk Management Framework, including systems for identifying, reporting and managing emerging risks.
- Ensuring the accuracy and integrity of financial statements, reviewing significant reporting issues, and challenging accounting policies and judgments.
- Oversight of the performance, and independence, of the external auditor, and ensuring effective coordination between external and internal audits.
- Monitoring the Internal Audit annual plan, ensuring that the function has adequate resources and access to effectively fulfil its mandate.

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