

Audit Board

Activity report

For the year ended
30 September 2025



KPMG. Make the Difference.

Areas of oversight

During the year under review, the Audit Board maintained its oversight of the following key priorities within the Audit practice:

Monitoring Audit Quality

- Monitoring the adequacy of the firm's policies and procedures which underpin audit quality, including the commitment of individuals within the Audit practice to perform audits of the highest standard in the public interest, and making recommendations to the UK Board as appropriate.
- Reviewing the firm's performance in relation to both internal and external regulatory assessments and overseeing root cause analysis and lessons learned from inspections, assessments, investigations or legacy matters as outlined in the Public Report and Single Quality Plan.
- Overseeing the firm's System of Quality Management in relation to the Audit practice.

In numbers

- A total of six meetings were held during the reporting period.

Monitoring culture and behaviours

- Overseeing the culture programme and its embeddedness within the Audit practice and receiving updates on the results of the Audit practice's people survey results and associated action plan.

Conflict of Interest and Independence

- Receiving reports from the Head of Ethics and Independence regarding ethics and independence matters arising within the Audit business.
- Overseeing the firm's protocols for dealing with actual, potential or apparent conflicts of interest or independence.

Strategy and Investments

- Reviewing and challenging the Audit practice's strategy (and its implementation) to ensure its alignment with the pursuit of regulatory objectives.
- Overseeing the implementation of the Principles for Operational Separation of Audit Practices.
- Reviewing and challenging the Audit practice in respect of the development of the budget for investments in the Audit practice to deliver the Strategy and, if not satisfied, raise concerns to the UK Board.
- Reviewing the performance of the Audit practice, including the adequacy and quality of resources, overseas delivery centres and its ability to attract and retain talent.
- Receiving updates on the Audit practice's technology investments and developments.
- Understanding of global audit strategy and the impact on the UK audit strategy.

Risk Management and Regulation

- Reviewing data to ensure that the Audit business is being supervised in accordance with the established risk tolerance, including the annual risk review and the audit regulatory compliance plan.
- Discussing the firm's assessment of key risks, including those that could jeopardise the Audit practice's operational framework, future performance and resilience.
- Receiving updates on regulatory changes and key consultations the firm has responded to which relate to the Audit business.