

INTERNATIONAL STANDARD ON QUALITY MANAGEMENT (UK) 1 (“ISQM 1”)

ISQM 1 is the international standard for firms that perform audits. The following is a summary of the foundational elements underpinning our compliance with this standard.

Area	Quality objectives	Foundational elements
Governance and leadership <i>(ISQM 1, para 28)</i>	A commitment to quality through the leadership, structure and culture of the firm.	Composition and structure of firmwide leadership Firmwide culture Seniority and experience of audit leadership team Accountability of the audit function as a specialist service line Firmwide resource planning Firmwide intranet communicating all standards and policies Partner and manager appraisals
Relevant ethical requirements <i>(ISQM 1, para 29)</i>	Ensure we, and third parties understand and fulfil our responsibilities in relation to all relevant ethical requirements.	Continuous professional development (provision and monitoring thereof) Appointment of a senior partner as Ethics Partner Established policies on entertaining and hospitality Clearly established templates for communication with those charged with governance
Acceptance and continuance of client relationships and specific engagements <i>(ISQM 1, para 30)</i>	Make appropriate judgments with regards to the acceptance and/or continuance of work we engage to undertake.	Formal client and engagement acceptance reviews Clear documentation and review of audit engagement continuance decisions Engagement level and team level risk assessment (to ensure appropriate allocation of resources)
Engagement performance <i>(ISQM 1, para 31)</i>	Teams to appropriately perform, document and review work. In doing so to demonstrate appropriate involvement, judgment and scepticism.	Established and standardised audit methodology Engagement level reviews Appropriate consultation policies Oversight of policy and procedural development by a Technical Committee Third-party engagement reviews Use of established documentation platform (Caseware) Cross-department and location working to develop consistent approach to best practice
Resources <i>(ISQM 1, para 32)</i>	Ensure that we recruit, retain, develop and allocate appropriate staff resource. To support them with appropriate technological and intellectual resource.	Use of established collaborative and analytical tools (including Inflo, Circit, Confirmation.com and Platformed) Access for all staff to online reference material (auditing and financial reporting) Established continuing professional development programmes in the context of our registration as an accredited training firm Operating a strategic and long-term recruitment strategy Implementing a holistic staff welfare and retention policy
Information and communication <i>(ISQM 1, para 33)</i>	Making sure information flows freely between our people and clients so that we can better do our jobs.	Established engagement level briefing requirements Regular departmental and location centric meetings Use of MS Teams communication for regular routine information sharing (departmental and engagement specific) Regular dialogue with HLB network firms Senior partner and Head of Audit led dialogue with regulator

Achievement of these objectives will be supported by a supportive monitoring and remediation process underpinned by root cause analysis.