

Our commitment to audit quality

Information for Canadian audit
committees, investors and
other stakeholders

Ernst & Young LLP | January 2021



Building a better
working world



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Audit committees, investors and other stakeholders

We're pleased to present our annual audit quality report, which reaffirms EY Canada's commitment to continuously improving the quality of our audits and strengthening our system of quality control.

In these challenging times, our commitment to audit quality remains central to our purpose of building a better working world. We embrace our responsibility as independent auditors to perform high-quality audits that promote trust and confidence in the capital markets, and we understand our role is even more important in times of uncertainty.

As part of our commitment to serving the public interest, we have a responsibility to provide our stakeholders with an understanding of how we conduct our audits, how we maintain our independence, how we monitor our performance and what we are doing to continuously improve the quality of our audits. This annual quality report, which we have published since 2013, is one way we provide that transparency.

This report highlights our data-first audit approach, which combines the strength of our technology and the skills of our people to audit more effectively. Our technology also enabled us to pivot quickly to a remote working environment in early 2020 to support our ability to continue to perform high-quality audits and provide COVID-19-related guidance. Our unwavering focus on sustainable audit quality enables us to navigate these uncertain times and reimagine what our audits will look like in the future.

Our culture and people are our most important assets, and our people have demonstrated remarkable agility. We remain united in the belief that belonging and connectedness are at the core of our organization.

We have long had a diverse and inclusive culture, but we know we have to do more to drive sustainable change internally and fight racism in society. We promote diversity and inclusiveness at every level, because we know that diverse perspectives strengthen our organization across all our services, and allow us to deliver higher-quality audits. We are focused, more than ever, on recruiting and retaining the right people with the right skills and the right values to lead us into the future.

The resilience of our people and their ability to adapt in the face of uncertainty and continuous change inspire us. Working together, we are finding new ways to deliver high-quality audits.

Although we are facing significant uncertainties in our working world and society in general right now, one thing remains constant: our commitment to audit quality. With this as our foundation, we are confident that we will continue to generate new ideas about how to develop our people and conduct audits in ways that promote trust and confidence in the capital markets.

We welcome any comments and questions you may have about the matters discussed in this report. Please contact an EY Canada partner for more information.



Jad

Shimaly

Chairman and Chief
Executive Officer
EY Canada



Massimo

Marinelli

Managing Partner,
Assurance Services
EY Canada



Laney

Doyle

Professional
Practice Director
EY Canada

Key focus areas in 2020





Our commitment to audit quality

Our mission will always be to serve the public interest by performing high-quality audits. We continuously innovate and reimagine how we operate, even in times of crisis.

How we define audit quality

At EY Canada, we define audit quality as providing reliable and independent audit opinions and informative communications that promote trust and confidence in financial reporting and the capital markets. Our auditors deliver audit quality by using consistent processes and innovative technologies and acting with integrity, objectivity and professional skepticism.

We understand the important role we play in the financial reporting ecosystem, and we embrace the responsibility of serving the public interest. That is, we view audit quality through the lens of the audit committees and investors we serve, and we continuously innovate and strive to audit more effectively while strengthening our system of quality control.

We also understand that high-quality audits are more important now than ever, as is transparency about how we conduct our audits. In this report, we describe the factors

that drive audit quality for EY Canada and how we measure our performance at the individual partner level, the engagement level and firmwide. We also describe how our focus on technology and sustainable audit quality is helping us reimagine what our audits will look like in the future.

We are implementing the most significant change in auditor reporting in Canada in decades – describing Key Audit Matters (KAMs) in our reports on financial statements of TSX-listed entities for periods ending on or after December 15, 2020 as required by Canadian auditing standards. To provide investors and other financial statement users with the kind of insights that the standard setters envisioned, we developed extensive guidance and invested significant resources in training and coaching our teams on how to identify and describe KAMs.

Our professionals also continued to provide robust communications to the audit committees of the companies we audit on topics such as our risk assessments, our digital audit transformation and other steps we are taking to continually improve audit quality. At the start of the COVID-19 pandemic, we quickly began communicating with companies we audit and their audit committees to help them consider the accounting and financial reporting implications. We stressed the need for well-reasoned judgments, and we explained the changes they would see in our audit process. We also quickly developed guidance for our engagement teams.

Leadership, tone at the top and mindset

At EY Canada, we set a clear tone from the top that executing high-quality audits and maintaining independence are our highest priorities. Our communications also emphasize our focus on our values, our global mindset and our belief in the importance of diversity and inclusiveness, as well as the specific behaviors we have identified as contributing to audit quality. Our leaders deliver these messages consistently through a number of distribution channels, and our partners reinforce them at the team level.

Accountability is also a key aspect of our culture. All of our professionals are held accountable for the quality of their work, including our leaders and professionals from other service lines who help us execute audits.

Our partners are evaluated based on factors such as the tone they convey to their teams, including their emphasis on the behaviors that contribute to audit quality, their level of consistent and direct involvement in the audit, the results of inspections and their mentoring activities.

We continue to emphasize the behaviors we have identified as contributing to audit quality in our training and our performance management process. We also consider these behaviors, which we group under the themes of acting with confidence and courage, saying what needs to be said and leading the way, as part of our root cause analysis that we use to evaluate positive and negative quality events.

Our values

- ▶ People who demonstrate integrity, respect, teaming and inclusiveness
- ▶ People with energy, enthusiasm and the courage to lead
- ▶ People who build relationships based on doing the right thing

Our focus on sustainable audit quality

EY Canada is a member of a global organization that is committed to conducting high-quality audits. This structure provides a unifying culture and a shared set of values for auditors at EY member firms around the world. It also enables large-scale investments in technology, training and methodology that would be difficult for member firms to achieve on their own.

As a result, auditors at all EY member firms use the same audit technology and the same foundational audit methodology, and they are evaluated against common quality objectives. The global EY organization also regularly tracks audit quality indicators at each member firm.

The global EY organization's [Sustainable Audit Quality \(SAQ\) program](#) continues to be the top focus for the Assurance practice at EY member firms. The six pillars of the SAQ program are tone at the top people capabilities; simplification and innovation; audit technology and digital; enablement and quality support; and accountability.

As part of the SAQ program, the global EY organization continues to deploy world-class technological solutions that enhance the quality and value of audits, including enhancements to the EY Canvas online audit platform, EY Helix data analytics and the EY Atlas research tool. Auditors at all EY member firms are also required to comply with our independence policies and to confirm compliance with our [Global Code of Conduct](#) each year. That Code of Conduct discusses how we work with one another and the companies we audit, act with professional integrity, maintain our objectivity and independence, and protect confidential information.

At EY Canada, we have clearly defined processes to review the work of auditors from other EY member firms who work with us on multinational audits. Our use of technology helps us do this more effectively.

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As a globally connected organization, EY is committed to serving the public interest by continuously improving the quality of our audits. A big part of that is leading with purpose and putting diversity and inclusion at the heart of all we do.



Jad Shimaly
Chairman and Chief Executive Officer,
EY Canada

Our system of quality control

Our system of quality control is designed to help us consistently perform high-quality audits by (1) promoting a culture of audit quality, (2) preventing and detecting risks to audit quality and (3) making sure our people understand their roles and responsibilities, including their responsibility to be accountable for the quality of their work.

We continuously review our system of quality control and make changes to our policies and processes when necessary. We also monitor significant issues that arise in audits performed by all EY firms around the world and analyze whether there are similar risks we should address in our Canadian audit practice.

When the COVID-19 pandemic hit, we quickly started providing new guidance, training and coaching to help our teams address financial reporting challenges, such as heightened estimation uncertainty, and practical challenges, such as how to audit inventory remotely. We leveraged data to proactively identify teams that might need to consider issues such as impairments and provided extra coaching.

We also continued to comprehensively review our Quality Management Systems (QMS) and implement changes to our documentation and processes to comply with the Canadian Public Accountability Board's (CPAB's) assessment criteria and the quality control standard recently approved by the International Auditing and Assurance Standards Board (IAASB). We strongly support the increased focus on QMS and believe the changes we have made and are making will improve consistency of audit quality.

EY Canada and others in the profession continue to engage in active dialogue on where improvements should be made to professional standards and where requirements should be enhanced to reflect the evolving environment and technology. For example, we are working closely with others in the profession, corporate executives and corporate directors to articulate the important roles that auditors and other key stakeholders serve with regard to fraud.

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EY's focus on our people and our clients remains unchanged – we're adopting innovative technologies to make transformative changes as the audit profession quickly shifts to adapt to digitization.



Massimo Marinelli
Managing Partner, Assurance Services,
EY Canada

Independence and objectivity

Independence from the companies we audit, in fact and appearance, is foundational to providing trust and confidence to the capital markets.

We consider and evaluate independence with regard to our people and the firm, including our financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to audit clients; partner rotation requirements; fee arrangements; audit committee pre-approval, where applicable; and partner remuneration.

Our policies require managers through partners to record in the Global Monitoring System securities and other financial relationships they and their immediate family members hold. This system initially assesses and then monitors the permissibility of the securities and financial relationships. Managers through partners are generally required to have automated feeds from their brokers to keep their records updated in a timely fashion.

All EY Canada client serving professionals from manager through partner are required to confirm compliance with our independence policies and procedures each quarter, and we perform testing of their compliance. The consequences for non-compliance are additional training, monetary sanctions, adjustments to performance ratings or separation from the firm, depending on the severity of the non-compliance.

Our policies also include a requirement that audit teams make audit committee communications affirming their independence and matters that may bear on independence after executing detailed procedures.

Our multidisciplinary strategy

Our multidisciplinary strategy allows us to include in our audit teams EY professionals who focus on tax matters, IT and valuation matters. Having specialists in these areas collaborate with our audit professionals helps us deliver high-quality audits at a time when world wide tax regimes, IT environments, business models and transactions are increasing in complexity.

For example, having in-house specialists helps us quickly identify potential impairments related to COVID-19 and address accounting issues related to income tax relief and other government benefits and subsidies provided in response to COVID-19.

Engagement with stakeholders

Our leaders actively engage in discussions with regulators and standard setters as a critical part of our efforts to improve audit quality. These conversations have been especially important during the COVID-19 pandemic. For example, we appreciate the efforts these organizations have made to help companies address the myriad of accounting and financial reporting challenges they face. We have continued to discuss our increasing use of technology and our focus on our system of quality control with our regulators.

We connect with groups that are seeking to standardize the voluntary disclosures companies are increasingly making about environmental, social and governance (ESG) issues. While many of these voluntary disclosures currently appear outside of the audited financial statements, we believe they are important to investors, and independent accountants can provide attestation reports that enhance the reliability of this information.

We issue thought leadership aimed at improving the quality of financial reporting. This includes helping management and audit committees understand the accounting implications of the pandemic and its economic effects and the importance of reaching well-reasoned conclusions, despite unprecedented uncertainty.

Information security and privacy

Member firms in the global EY organization use a globally consistent and regionally based approach to information security that incorporates aspects of people, processes and technology in how we protect information and technology assets. The global organization invests heavily in protective and detective technologies and actively monitors our systems. For example, this year, the global EY organization focused on threat intelligence, tracking attack campaigns and awareness efforts in response to COVID-19 cyberattacks, among other activities.



One of the most important elements of our strategy is maintaining a security-aware culture enabled by training and risk management communications. During 2020, the global EY organization developed new training on protecting mobile data and devices and required everyone to complete it.

EY Canada maintains robust information security and data privacy programs, consistent with industry standards and applicable legal requirements, designed to protect against unauthorized disclosures of data and attacks on our network. Our policies for protection of data generated by the companies we audit are updated on a continuous basis to reflect changes in risks and privacy laws.

Safeguarding the confidentiality of the information we receive from the companies we audit is core to our IT strategy and our digital audit strategy and is increasingly important as we continue to transform our audits and use a data-first approach. Transfer of this data is accomplished using industry standard file transfer solutions designed to securely transfer large files between EY Canada and the companies we audit. The Client Portal component of EY Canvas provides a secure platform for communication and file transfers between the companies we audit and our audit teams.



Our data-first approach

Our data-first approach is transforming the way we audit. We also continue to look for ways to use emerging technologies like artificial intelligence to further enhance the quality of our audits.

Using technology to perform data-driven audits

We continue to expand our use of data analytics in every phase of the audit to help us deepen our understanding of the companies we audit and their financial reporting, enhance our risk assessments and obtain audit evidence based on full populations of data. This data-first approach allows us to deepen our understanding of a company's systems and controls, identify anomalies more effectively than using a traditional sampling approach and spend the right amount of time responding to key risks throughout the year. We credit the EY global organization's investments in technology with allowing us to pivot to a virtual work environment and continue to expand our use of data analytics and other digital solutions. We also note that having access to complete populations of data helps us ask better questions and make sure we capture what we need when we perform procedures such as walkthroughs of companies' processes virtually during the pandemic.

The EY Canvas platform is the foundation of our audit technology. All EY teams around the world use it to apply the EY global audit methodology and manage their day-to-day audit work. This global platform helps our teams track their progress and review the work of auditors from other EY member firms in multinational audits.

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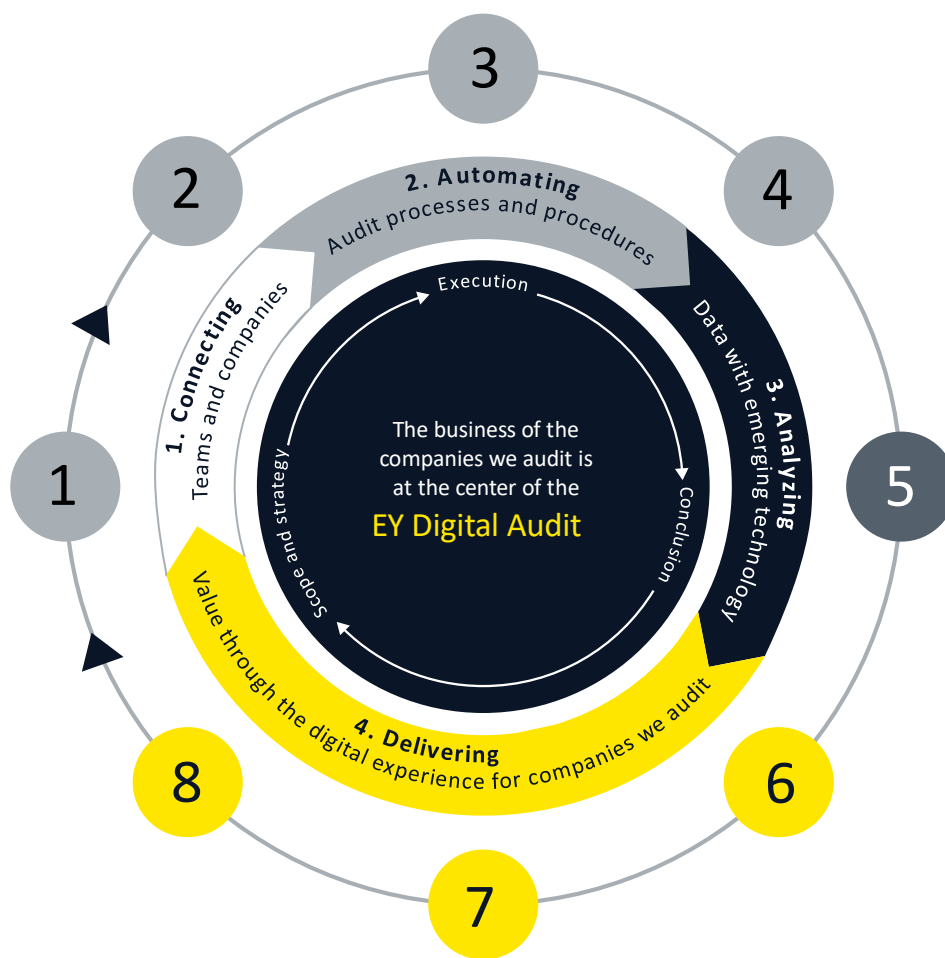
We use data to solve complex problems, ask better questions, take smarter actions and enrich the client experience throughout the audit.



Tracy Brennan
Managing Partner, Central Canada, Assurance Services

This year, we are emphasizing the use of new project management features in EY Canvas that are designed to help teams manage their audits more effectively. For example, new features make it easier for our teams to track their progress against key audit milestones and to view the key risks they identified and their planned responses in one matrix so they can more easily see whether they have appropriately addressed the key risks in an audit. Other EY Canvas features reduce the effort required to perform administrative tasks so our professionals can spend more time on areas of the audit that require professional judgment and insight. Solutions available through the automation hub in EY Canvas can be used to send out and receive requests to confirm trade receivables and payables and to create intelligent checklists that help streamline the preparation and review of financial statement disclosure checklists.

Our technology platform



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| <p>1 EY Canvas: one global platform connecting all teams and companies to manage and deliver every EY audit</p> <hr/> <p>2 Data capture: data capture strategy for group and statutory audits - led centrally by account teams with data held safely and securely</p> <hr/> <p>3 Centralizations and standardization: consistent process fundamental to our delivery model</p> <hr/> <p>4 Automation: intelligent, automated execution of standardized procedures and output</p> | <p>5 EY Helix: data fed into certified library of data analytics aligned with new digital methodology</p> <hr/> <p>6 Dashboard reporting: data-driven reporting to management and audit committee</p> <hr/> <p>7 Differential investment: strategy sessions and roadmaps to develop multiyear digital transformation strategy</p> <hr/> <p>8 Continuous auditing: ongoing development and deployment of emerging technology to accelerate movement to a continuous audit, resulting in less disruption for the companies we audit</p> |
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Over the past year, our teams continued to make significant progress in expanding their use of the EY Helix suite of data analytics. Eighty-six percent of our teams on public company audits now use our EY Helix general ledger analyzer, and the number of teams that use our data-driven audit procedures to obtain substantive evidence doubled from the previous year.

Having access to full populations of data has been especially valuable during the COVID-19 pandemic, and the remote working environment. Being able to view the trends and changes in financial metrics and data has enabled teams to be more focused on the areas of risk, and ask better questions of our clients, leading to higher audit quality.

Our goal is full adoption of our digital audit methodology, which requires the use of data throughout the audit. To measure our progress, we use a digital scorecard that tracks quantitative and qualitative elements of our teams' digital adoption. This allows us to see how our teams are using data in their audits and where teams may benefit from additional coaching and support. This approach also allows us to incorporate digital adoption into performance evaluations and strategically deploy our coaching and training resources. EY Canada is also developing sector-specific analyzers. For example, we introduced analyzers that can be used to analyze FX forward contract prices, revenue analyzers for use by power generation companies and fair value analyzers for use by real estate entities.

In our latest audit cycle (mostly audits of 2019 financial statements), 86% of our teams on public company audits used our EY Helix general ledger analyzer, and the number of teams using data-driven audit procedures to obtain substantive evidence doubled from the previous year.

Supporting our teams in executing a data-first audit

Our tentthree | labs, the centralized service delivery model for EY Canada, continues to provide our teams with access to data analytics professionals who can help them efficiently capture data from the companies we audit and use it effectively in the audit.

We continued to invest in training our people on the effective use of data analytics through web-based learnings, lunch-and-learns, the "Did you know?" series and updates to our core annual audit training.

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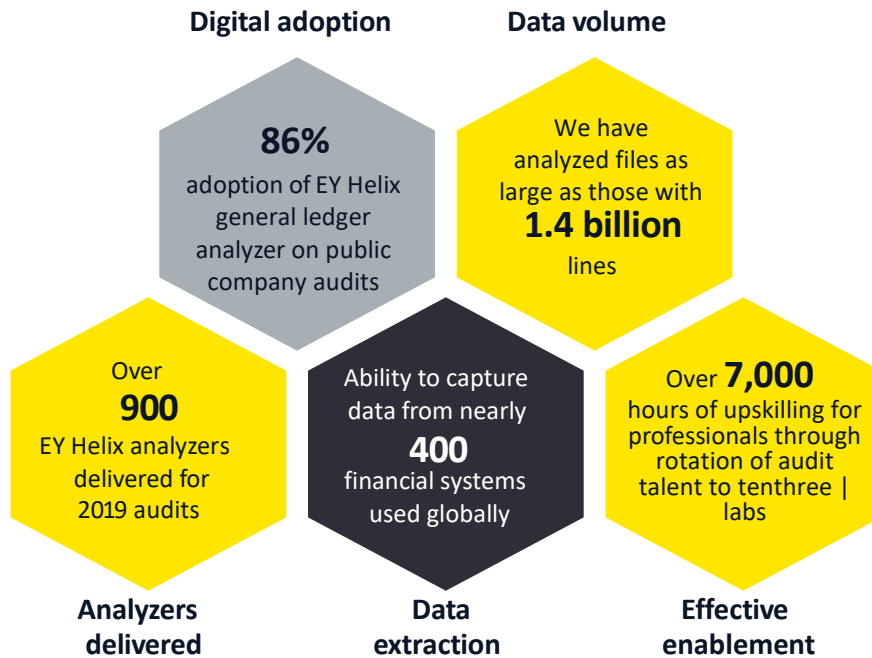
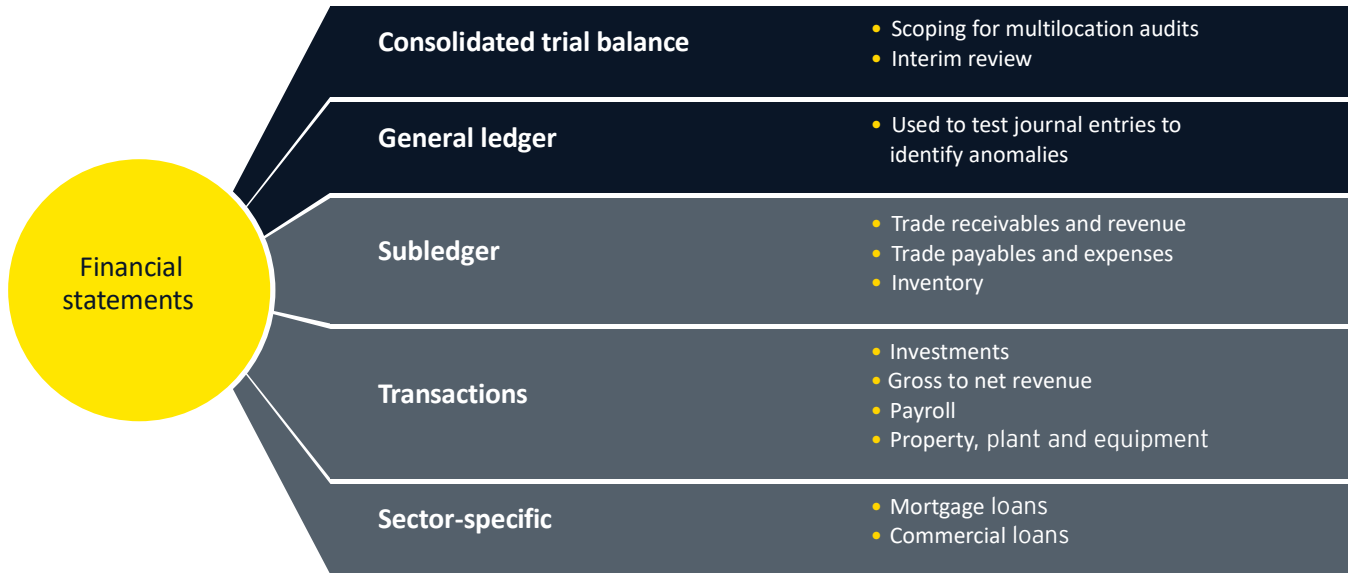
Upskilling our talent plus a data-first mentality is the winning formula to enhancing audit quality and modernizing our audit.



Daniela Carcasole

Assurance Innovation and Digital Leader
EY Canada

The graphic below lists certain analyzers in our current EY Helix portfolio.



Emerging audit technology

We continue to take advantage of emerging technologies and to proactively address technological changes at the companies we audit.

Our EY Global teams are able to use the EY Blockchain Analyzer to gather a company's entire history of cryptocurrency transactions from multiple blockchain ledgers and reconcile the data with the company's records. We've also developed special guidance for our auditors to consider when they analyze digital assets. The global EY organization is also using artificial intelligence to develop a variety of new solutions, including ones that automatically extract key terms from lease contracts, support information in the financial statements, select samples and compare the data we have about a company in EY Canvas to industry averages.



| Our people

The well-being of our people is of paramount importance to us. Their health and safety are key factors in our ability to deliver quality audits. That's why we placed our people first in our response to the pandemic.

Putting our people first

When the COVID-19 pandemic hit Canada during the audit busy season, our leadership responded by providing staff with transparent, regular communication about our options and action plans. Leadership emphasized EY's approach of doing everything possible to support the safety and well-being of all staff. The support offered included providing financial allowances to enable staff to work from home when needed; promoting our child and elder care and back-up services; introducing a new subsidized Enhanced Flexible Work Arrangement program; promoting our mental health benefit; providing resources to support our people during the pandemic through our EY Live Well site including new mental and physical health resources such as digital Cognitive Behavioural Therapy and other services. Rigorous protocols were put in place to support work from EY offices and client

sites to ensure staff safety, meet public health guidelines and meet client needs.

Taking a stand against racism

Our leaders also took a stand against racism. It's not enough to be not racist – we need to speak out and take action against racism and discrimination. Jad Shimaly, our Chairman and CEO, who also services as our Chief Inclusiveness Officer, made it clear in communications and through virtual interactions that EY stands against racism and with those who are adversely impacted by racism. He pledged our commitment to promote equality internally, in our communities and through public policy. Jad held a virtual town hall meeting with EY's Black population, including partners, and invited a candid dialogue about how to achieve greater equity and step up our efforts to create a sense of belonging for all EY employees. He also held a call with all EY partners to elicit their support in this endeavor. Assurance leaders also discussed efforts to ensure a sense of belonging for all minorities and prioritize their career development and advancement. The priorities included early career development by making sure our more junior minority professionals have appropriate work assignments and have mentors and counselors who can help them grow. We are also taking other steps to make sure our engagement executives and leaders consistently exhibit inclusive leadership and make

use of our processes to achieve fair and equitable outcomes for all.

We have diversified our priority schools for campus recruiting to include schools where more Black students enroll in business. The number of Black employees at EY Canada has doubled in the last two years and our audit practice has significantly increased the number of Black employees. We're enhancing Diversity and Inclusion training and making it mandatory for all ranks. Overall, we've completed a review of internal processes to identify systemic barriers to diverse populations and have discussed recommended solutions with the various affinity groups. The Assurance practice has also established a new mentoring and accountability framework to support career growth and advancement of women and minorities to leadership roles.

In Canada, we continue to rank as one of the most attractive employers year after year, ranking #2 with accounting students and #4 overall with business students at priority schools, according to the 2020 Universum Undergraduate Survey.

That same report reveals that students have ranked us #1 overall in having leaders who support their development and in sponsorship of future education among accounting students.

Attracting exceptional talent

We recruit talented people who share our values and our commitment to executing high-quality audits. We stress the importance of the work we do as auditors and the value of the EY brand in our campus recruiting and internships. During 2020, our audit practice hired 497 people from university campuses, despite the pandemic, which represents an 11% increase from 2019.

We continued to increase our emphasis on hiring people who have both an accounting degree and a major or minor in data analytics, management information systems or computer information systems. Because of their academic studies, they are uniquely positioned to help us realize the benefits of a digital audit. We've assigned them to audits where they can use their advanced technology skills to help us accelerate our use of our data analytics tools.

In our 2020 Global People Survey, 86% of EY Canada assurance professionals said they are proud to work for EY, a 2% increase compared to 2019.

Capitalizing on our diversity and promoting inclusiveness

Diversity, equity and inclusion are central to our ability to deliver high-quality audits. We create high-performing teams when we maximize the power of diversity and bring together professionals with different opinions, experiences, perspectives and skill sets.

When our people feel they belong, their ideas matter and they are able to be themselves at work, they perform at a higher level and bring out the best in others, which helps us deliver higher-quality audits.

To measure our progress, we look at various metrics, including the percentages of women and minorities we recruit and promote into leadership positions. The average percentage for women and minorities promoted into leadership roles for the past four years is 55%.

In our campus hiring, 55% of our recruits in fiscal 2020 were women and 43% were minorities, both significantly above the previous year of 45% and 39% respectively.

We are taking steps to promote pay equity, including conducting annual pay gap analyses. We're proud of our achievements on diversity and inclusion; in 2020 our Assurance practice had 52% women and 33% minorities, similar to the previous year for women and an increase for minorities.

We sponsor a wide variety of professional networks to provide opportunities for our people to connect with one another and our leadership; foster a sense of belonging by meeting with peers, role models and allies; share their experiences; and get advice. These include our Black Professional Network, EY AccessAbilities, Unity (LGBTQ+), Latino Professional Network, ASCEND for Asian professionals, Professional Women's Network, and Today's Families Network.

We are proud of the recognition we have received for our efforts.

We are proud of the workplace recognition we have received for our efforts:

- ▶ Great Place to Work® 2020 Best Workplaces™ in Canada
- ▶ Universum Most Attractive Employers in Canada 2020 – Business
- ▶ Universum Diversity and Inclusiveness Awards 2020

The right people at the right time

We are focusing on strategic workforce planning to make sure we have the right people with the right skills at the right time. Our efforts include analyses to predict future retention rates and what our business needs will be.

Identifying and developing partners who can lead our most complex and most challenging multinational audits when senior partners retire is critical to our ability to deliver high-quality audits. We are strengthening and expanding this group of partners by making sure they have the appropriate experiences to develop their skills.

We also recognize and reward our top performers to make sure we have the continuity of skills and experience we need to perform high-quality audits, especially on our most complex engagements.

| Number of Canadian audit professionals* | | | |
|---|--------------|--------------|--------------|
| | Fiscal 2020 | Fiscal 2019 | Fiscal 2018 |
| Partners and associate partners | 148 | 138 | 133 |
| Senior managers and managers | 361 | 392 | 373 |
| Seniors and staff | 1,027 | 1,068 | 1,022 |
| Total | 1,536 | 1,598 | 1,528 |

*On a full-time equivalent basis

We refined our global approach to career, development and performance called LEAD (Leadership Evaluation and Development). It provides our people with future-focused career conversations, regular and useful feedback and ongoing insight into their performance. LEAD provides greater transparency and allows our people to spend more time having meaningful conversations that shape their futures. It enables our people to gain the skills, insights and confidence they need to be agile, dynamic leaders who ask better questions and build a better working world. Our people are telling us that they are getting more feedback and having more meaningful conversations about their careers, enhancing their career experience.

We intend to build on our successes by focusing on more relevant feedback and strategic career discussions in the coming year.

We also want to make sure our people are engaged, which we define as a combination of factors – pride, advocacy, commitment and satisfaction which we assess through an internal people survey.

We also use an online survey of our teams to evaluate how our people feel about their engagement team’s culture, flexibility and communication. Team members then discuss the findings and develop action plans to improve their experience.

Team culture had the highest score in our survey of engagement teams this year at 89% followed by communication at 87% despite the pandemic.

Our counseling families also help our people feel more engaged by creating a greater sense of community. Counseling families comprise small groups of professionals who meet periodically with an executive and mentor and support one another on performance, career management and other important issues. During the pandemic counselling families increased their virtual interactions to ensure we were

staying together and supporting team members based on their individual needs.

We believe providing a flexible work environment helps us retain top talent and develop high-performing teams. In fact, based on our annual survey results, flexibility has the strongest correlation with retention. Most of our people are able to work flexibly when they need to, and we offer an array of more formal flexible work arrangements for those who need to flex more consistently. We reinforce the importance of flexibility in our leadership communications. We also provided more support for flexibility because of the pandemic.

Developing our people

We have a deep commitment to enhancing the growth and development of our professionals and making sure they have the right skills to succeed as the audit evolves.

In our training, we continue to focus on teaching our professionals how to think critically and apply the knowledge they have gained.

Because of the pandemic, we made all our training virtual this year. We were well prepared to do this because we were already creating high-quality on-demand online learning and offering virtual instructor-led classroom sessions for certain topics. This year’s training blends virtual classroom learning with self-directed online courses.

We also continue to look for ways to enhance our culture of learning and excellent delivery. For example, we conducted focus groups to understand from our people how we can do even better on attributes that improve the audit, such as enhanced ways of demonstrating objectivity, professional skepticism and intellectual curiosity. We are developing action plans to respond to the findings.

We continue to recognize our executives who facilitate training sessions through timely performance reviews and by celebrating them in firm-wide communications.

“The platform we have created is developing better professionals by bringing critical future skills to all audit personnel. This includes enhancing digital and sector acumen, transformative leadership skills, as well as the relevant coaching to support their growth.”



Charles Marful
Assurance Talent Leader,
EY Canada



Executing high-quality audits

Our objectivity, professional skepticism and commitment to excellence are at the core of everything we do. We focus on creating teams with the right skills, supporting them and using data to proactively identify teams that may benefit from additional coaching or help.

Working with the right companies

We focus on making sure the companies we audit share our commitment to quality and transparency in financial reporting, and we do not pursue audits of companies that do not share our values. In fact, every year, there are many companies we decline to audit.

We perform rigorous risk assessments before we accept audit assignments and then again annually to continue our audit work. These assessments help us identify the companies we want to audit, considering factors such as management's integrity and approach to meeting its financial reporting responsibilities, the company's financial condition and the strength of its audit committee. Our Professional Practice group, which operates independently of our local audit

practices, also reviews and approves the decisions about which companies we will audit.

As part of the process, which is an important element in our system of quality control, we develop an overall risk designation for each audit. It is based on the risk factors specific to the company, which might include risks associated with adopting new accounting standards, entering into a business combination and going public. This year, we also evaluated risks related to the COVID-19 pandemic and its economic fallout.

Establishing the right team

Each team has a partner in charge who sets the tone and has overall responsibility for the direction, supervision and performance of the audit. On all public company audits, another partner serves as engagement quality reviewer and evaluates significant judgments made by the team, including those made by the partner in charge. The engagement quality review is an important element in our system of quality control.

The factors we consider when we assign partners to these roles include data about their workloads and experience with both the industry and, where applicable, auditing internal control over financial reporting (ICFR), their skills and the applicable partner rotation requirements. All assignments of partners in charge of public company audits and engagement quality reviewers on these audits are approved by both Assurance and Professional Practice leadership.

To make sure our partners working on public company audits have enough time to lead quality audits, we review their workloads semi-annually and when the scope of an audit changes significantly due to a major transaction or significant turnover on the team. We also perform an annual review of the composition of each team to make sure we are staffing our audits with audit professionals and specialists who have the right skills and capacity to execute quality audits, given the risk factors identified in each engagement.

Shared services

The professionals in shared service centers that support the global EY organization perform certain audit procedures and other tasks under the supervision of our Canadian audit teams and the specialists who support them. Our shared service center personnel execute less-complex audit procedures to help our audit teams devote more time to more complex aspects of the audit.



Managing the audit

We believe that timely pacing of the audit and strong project management, including timely supervision and review by audit executives, are important drivers of audit quality. Our experience indicates that teams that complete their work at the appropriate time, including reviews by audit executives, execute higher-quality audits.

We use our milestones program to drive strong project management, discipline and timely executive involvement by focusing our teams on monitoring their progress and completing procedures, documentation and reviews by a specified date for key phases of the audit. To facilitate timely reviews, we also require our teams to set specific executive discussion and approval points throughout the audit cycle to make sure the partner in charge holds discussions with the right people at the right time. These discussion points align with milestones.

While a significant amount of audit work needs to be completed at or after a company's year-end, our milestones program helps our teams perform as many tasks as possible before that busy period. We continue to accelerate the amount of work performed before year end.

Performing work earlier in the audit cycle gives teams more time to address any issues that arise before the year-end crunch.

Our teams, including our partners and other audit executives, use EY Canvas to track the progress of their audits and completion of tasks in real time. This visibility enables executives to provide more targeted supervision and to better identify team members in need of coaching. Our Quality Network also uses EY Canvas to track teams' progress on milestones and identify teams that may need coaching or more resources to keep the audit on track in a timely manner.

We've also reduced the amount of time it takes our teams to archive final audit workpapers. Archiving workpapers in a timely fashion gives teams a jump on planning the next audit.

Key milestones for completion of procedures and all related documentation (example timing by phase of audit for a large calendar year-end company)

| | | |
|--------------------|--|--------|
| Scope and strategy | Scope of the audit | Jun 30 |
| | Audit strategy | Aug 31 |
| Interim | Understanding key business processes | Sep 30 |
| | Interim control testing | Nov 30 |
| | Make sure scope and strategy and interim documentation is ready to archive | Dec 31 |



Milestones are at the center of effective project management. Having the right executives involved at the right time enables us to execute audits with high quality.



Sonya Fraser
National Audit Leader,
EY Canada

Performing the audit

Our teams use an approach that capitalizes on the power of both teaming and data analytics.

Teams that perform integrated audits of SEC registrants meet early in the audit cycle, under the approach called Insight, collaborating with IT, tax and valuation professionals to drive a deeper understanding of business processes and risks. Our people also use the Purpose-Led Outcome Thinking program developed by the global EY organization to make sure their testing procedures are appropriate. Our senior executives provide timely on-the-job coaching and supervision when the work is being performed. As a result, our teams are able to resolve issues earlier in the audit and enrich the experience of our professionals.

Our approach to audit documentation is also designed to help teams more readily pinpoint risks and more clearly document how transactions are processed and recorded. This approach enables our people to ask better questions about the company's processes and risks.

Supporting our teams

Our Quality Network focuses on proactively improving audit quality by coaching our audit teams on the more significant areas of the audit. Throughout the audit, Quality Network coaches provide advice on how our teams understand and document a company's key business processes and identify potential risks of material misstatement, risk assessment and development of the audit strategy, and execution of procedures in significant areas, such as business combinations, revenue and inventory.

Our Quality Network coaches are increasingly focused on the use of data in our audits and project management, while continuing to support our professionals in applying audit standards and executing our audit methodology. In the current environment, they are also coaching teams on the appropriate application of the impairment standards and other matters related to the COVID-19 pandemic.

Our Quality Network also supports audit quality through a number of activities, including learning and risk management. In this regard, the Canadian Quality Enablement Leader leads our Quality Network and works closely with each local Assurance leader as well as the Professional Practice Director to identify and resolve project management and operational matters that have an impact on audit quality.

Our monitoring of the effectiveness of the coaching indicates that it helps our teams execute and it promotes high-quality audits.

“

Coaching audit teams provides for an effective, practical and high-quality audit in a time of rapid digital transformation experienced by our clients and the advancement of our digital audit capabilities.



Allan Russell
Quality Enablement Leader,
EY Canada

Enhancing fraud risk assessment

During 2020 we renewed our focus on fraud risk and involved our forensic specialists on a sample of audit engagements selected based on risk, including consideration of industry factors and operations in emerging markets. The forensics team worked collaboratively with our audit engagement teams providing input on audit strategy related to identification of fraud risks and audit responses.

Professional Practice

We have Professional Practice partners or associate partners in each of our major offices to afford greater accessibility and interaction with our audit partners, teams and clients. This proximity allows them to know the partners and their capabilities better, be more attuned to the effects of the regional economy and better understand the businesses we audit and the related risks.

Professional Practice also performs technical accounting reviews designed to assess how well our teams are responding to important accounting issues prior to issuance to provide timely feedback to our teams so they can make adjustments, if necessary, before we issue an auditor's report.

Members of our Professional Practice group:

- 1 Consult with audit teams on financial reporting, auditing and regulatory matters, including issues relating to the pandemic
- 2 Provide audit teams and the companies we audit with guidance and thought leadership
- 3 Perform risk management activities
- 4 Develop and operate our internal inspections program

Technical accounting and auditing support networks

We provide additional technical accounting and auditing resources for all of our audit teams through support networks. Audit teams are required to consult in specific situations, including complex business acquisitions, impairment assessments and debt/equity transactions.



Cybersecurity

Cyber risks are a major threat to businesses, and the risk of a cyber attack increased when more people began working remotely. A breach of an organization's systems can affect the organization's reputation, disrupt operations and result in significant costs, including fines.

We address business risks, including cyber risks, with audit procedures when those risks could result in a material misstatement of the financial statements. Drawing on knowledge and experience within our firm, we obtain an understanding of a company's processes and controls that relate to IT and are relevant to the audit. We also perform procedures to understand management's approach to identifying, evaluating, investigating and communicating cybersecurity breaches. If information about a material breach is identified, we would consider the effect on the financial statements, including disclosures and, where applicable, the effect on ICFR.

EY Canada also offers the companies we audit separate cyber-related services that provide an independent and objective assessment of a company's cyber risk management activities to support board and management oversight of this issue.

Quality Control Committee

An element of our quality control system is the Quality Control Committee (QCC). The QCC was formed as part of our commitment to continuous improvement. The QCC, which comprises senior members of our Assurance, Quality and Risk Management functions, meets regularly to evaluate internal and external inspection findings, the progress of SAQ initiatives and results of root cause analysis to determine whether steps need to be taken to improve audit quality.



Serving the public interest requires a commitment to continuously improving audit quality. Our objectivity, independence and professional skepticism are core to performing high-quality audits.



Laney Doyle
Professional Practice Director,
EY Canada



| Monitoring

Monitoring the effectiveness of our actions and performing robust root cause analyses of positive and negative audit performance are key to our system of quality control.

Internal inspections of completed audits

We conduct internal inspections of selected engagements after we issue our auditor's report. While we usually perform many of these inspections in the first half of the calendar year to obtain information that we can use to continue to enhance the quality of upcoming audits, we delayed the start of our program this year until early May to give our teams more time to adjust to working remotely during the pandemic.

In these inspections, which we call audit quality reviews, we focus on specific audit areas of an engagement for compliance with professional standards, regulatory requirements and our policies, and to evaluate audit quality. Audits are selected for review based on risk, including factors such as how long it has been since a partner's last inspection and the results of that inspection, along with the complexity of the audit.

Turning root cause analyses into actions

We use the results of our root cause analyses of both positive and negative outcomes to design the actions we take to improve audit quality. We also use this information to obtain meaningful insights into the effectiveness of our actions to improve our system of quality control.

We define positive quality events as (1) exceptional performance in an audit that was inspected, (2) leading-class interactions with our Professional Practice group or the Quality Network, or (3) a clear demonstration of the behaviours we believe contribute to quality, especially in a difficult situation.

Independence monitoring

Maintaining independence with the companies we audit is foundational to providing trust and confidence to the capital markets.

Our policies require all EY Canada client-serving professionals at the rank of manager through partner to record in the Global Monitoring System (GMS) securities and certain other financial relationships they and their immediate family members hold. The GMS monitors the permissibility of the securities and financial relationships. Managers through partners are generally required to have automated feeds

from their brokers to make sure the securities records are updated in a timely fashion.

All EY Canada client-serving professionals from manager through partner are also required to confirm compliance with our independence policies and procedures each quarter, whereas client serving staff below the rank of manager confirm compliance on an annual basis.

Our policies also require audit teams to communicate in writing to the audit committee or those charged with governance matters that are reasonably thought to bear on independence after executing detailed independence procedures.

We test compliance on an ongoing basis with our personal independence requirements and with our requirement to report information into the GMS. We audit each partner's compliance with our independence policies approximately every five years, and EY Canada leadership is audited every three years.

We also monitor compliance with independence requirements related to the permissibility and preapproval of non-audit services such as tax and consulting services as part of our internal inspection programs.

We reinforce our policies, processes and systems through independence training and messaging that compliance with our independence policies is essential. Noncompliance has consequences that could include a decrease in compensation or separation from EY.



External inspections

Inspections performed by the Canadian Public Accountability Board (CPAB) and Public Company Accounting Oversight Board (PCAOB) have led to improvements in audit quality. We also support the increasing focus on our system of quality control.

CPAB and PCAOB inspections

CPAB and the PCAOB conduct inspections of our system of quality control and selected public company audit engagements. We value this process and review the inspection findings to determine if changes or enhancements are required in our policies, processes or procedures.

Areas identified by the inspection process are critical inputs to our development of action plans for improvement. These action plans are communicated throughout the year and in executive learning events and other training. Our overriding objective is to make certain that all aspects of our auditing and quality control processes are of high quality. While we

believe that our present system of quality control provides reasonable assurance that our work meets applicable standards and regulatory requirements, we value the external inspection process because it helps us, along with our extensive internal monitoring activities, identify areas where we can continue to improve our performance.

CPAB inspections

CPAB's protocol for audit firm communication of CPAB inspection findings with audit committees (the Protocol) directs auditors to discuss the contents of CPAB's annual public report with audit committees. The CPAB public report highlights recurring audit quality issues across firms without identifying the audit firm or the entity being audited.

CPAB inspects the audit files of reporting issuers on a systematic rotational basis. File selection is risk-based usually considering between two and four focus areas as the basis for assessing the quality of audit work in a selected file. The focus areas are generally material high-risk financial statement items requiring more complex estimates and judgment. CPAB communicates, in confidence, the inspection findings on individual audit files to the audit firm. The Protocol directs the auditor to share significant inspection findings with the entity's audit committee.

We provide the audit committees of the entities we audit with a copy of CPAB's most recent annual public report on its inspections of the Big Four accounting firms and speak to the matters raised in the report that reflect issues of importance to us and our audit clients. We describe our initiatives in addressing the audit quality issues raised in a manner that is customized to focus on matters of relevance to the entity.

When an entity's file is selected for inspection, we provide the audit committee with:

- 1 A description of the focus areas identified by CPAB
- 2 An indication of whether or not there were any significant inspection findings in each of the focus areas
- 3 Any significant inspection findings as reported in writing by CPAB, accompanied by a written description of EY's response and CPAB's disposition

The audit partner will work with the audit committee to establish a mutually agreeable protocol and expectations and maintain confidentiality when the inspection findings are available for discussion.

At the conclusion of the firm inspection, CPAB issues a private report to the firm that includes a summary of findings as well as recommendations to improve audit quality.

CPAB Quality Management Systems Assessment

CPAB has evolved its audit oversight methodology (supplementary to engagement file inspections) to assess the effectiveness of our quality management systems. This quality assessment approach underscores the need for firms to systemically embed audit quality into ongoing operations across the entire assurance portfolio. CPAB's audit quality assessment criteria are: accountability; risk management; talent and resource management; and oversight. CPAB's work focuses on assessing firm risks, control design and operating effectiveness, along with reviewing firm documentation, specific to its assessment criteria.

We are comprehensively reviewing our Quality Management Systems (QMS) and proactively making enhancements based on CPAB's assessment criteria and the International Standard on Quality Management (ISQM 1) that was recently issued and is required to be implemented by December 15, 2022. A dedicated QMS project team with senior partner resources is driving the implementation of ISQM 1 with oversight provided by a Steering Committee. We have made significant progress to date and are on track for the implementation in 2022.

PCAOB inspections

The Sarbanes-Oxley Act of 2002 requires the PCAOB to conduct inspections of each registered public accounting firm that provides audit reports for issuers. The inspection process is designed and performed in a manner to give the PCAOB a

basis for assessing the degree of the audit firm's compliance with applicable requirements and standards related to auditing SEC issuers.

The PCAOB focuses its inspections primarily on higher-risk audits, and the inspections are designed to identify deficiencies in audit work. As a result, the PCAOB cautions against using the number of audits with deficiencies identified in its report to draw conclusions about a firm's entire practice and says the results aren't necessarily comparable over time or from firm to firm.

The process includes reviews of components of selected issuer audits performed by the firm. These reviews are intended both to identify deficiencies, if any, in the conduct of those audits and to determine whether the results of those reviews indicate deficiencies in the design or operation of the firm's system of quality control over audits of SEC issuers. In addition, the inspection includes review of the design of, and in some cases the application of policies and procedures related to, certain of the firm's quality control processes that could be expected to influence audit quality.

Summary of principal observations from the inspection report

Part I is the publicly available portion of our PCAOB inspection report and is posted on the PCAOB's website. In Part I, the PCAOB describes engagements where it appeared to the inspection team that EY, at the time it issued its audit report, had not obtained sufficient audit evidence to support its opinion on the issuer's financial statements. Our response to the inspection report is included in Part IV of the inspection report.

Part II is the non-public section of the PCAOB's inspection report and provides observations about certain aspects of EY's system of quality control. This assessment of our quality control system is derived from both the PCAOB's review of our quality control policies and on inferences that can be drawn from deficiencies in the performance of individual audits.

Part II is not made publicly available upon initial release. We have one year from the report date to address the matters described in Part II to the PCAOB's satisfaction. If we fail to demonstrate to the PCAOB's satisfaction that we've addressed the potential defects, the PCAOB will make Part II of the report, or relevant sections thereof, publicly available.

The actions we take in response to the PCAOB's observations are influenced by many factors, including, for example, the timing of the communications from the PCAOB; the nature of the specific observations; the time required to evaluate and implement changes in policies, processes and training; and our ability to subsequently monitor the effectiveness of the changes implemented. Therefore, we view the PCAOB's inspection process and our responses to its observations and recommendations as a continuous, iterative process and one that transcends any individual annual inspection reporting period.

International regulators

In 2015, the International Forum of Independent Audit Regulators (IFIAR) issued a challenge to the global audit networks. It called on them to achieve a 25% reduction in inspection findings by 2019 for listed public interest entities. The EY network achieved this goal in 2019.

IFIAR has issued a new challenge to further reduce the number of audits with at least one significant finding as reported by 25 countries that are members of IFIAR by at least 25% over the next four years ending with IFIAR's 2023 survey of inspection results.

Appendix

About us

Legal structure, ownership and governance

In Canada, Ernst & Young LLP (Ernst & Young Canada) is an Ontario, Canada, limited liability partnership. Ernst & Young Canada¹ is wholly owned by its Canadian partners who are chartered accountants. It is a Canadian member firm of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). In this report, we refer to ourselves as “Ernst & Young Canada”, “we”, “us” or “our”. EY refers collectively to the global organization of the member firms of EYG.

EYG member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA). The Areas comprise multiple Regions, which themselves consist of member firms.

Ernst & Young Canada is part of the Americas Area, which comprises member firms in 31 countries. Within the Americas Area, there are eight Regions; Ernst & Young Canada represents one of those Regions.

Ernst & Young Canada is a member of Ernst & Young Americas LLC (EY Americas), the coordinating entity for the Americas Area.

Partners and principals (referred to collectively as “partners”) of the EY member firms in the Americas are also members of EY Americas. EY Americas has no financial operations and does not provide services to clients.

The coordinating body for EY Americas is the Americas Operating Executive (AOE). It oversees the execution of global EY strategy in the Americas and comprises: the Americas Area Managing Partner; the Americas Deputy Managing Partner; the Area Leaders for Accounts, Talent and Risk Management; the Area Leaders for our four service lines Assurance, Consulting (previously Advisory), Strategy and Transactions (previously Transaction Advisory Services) and Tax; and the Managing Partners of each of the Regions in the Americas.

The partners in each Region elect a Regional Partner Forum. The partner elected as Presiding Partner of the Regional Partner Forum also serves as the Region’s representative on the Global Governance Council (see page 26).

Americas Ethics Oversight Board

With membership drawn from the EY Americas leadership, the service lines and the member firms that make up the Americas Area, the Americas Ethics Oversight Board (AEOB) strives to promote consistency and best practices with regard to compliance with the EY Global Code of Conduct and other ethical standards within EY Americas. The AEOB also reviews investigations, and disciplinary actions taken by EY Americas member firms, involving alleged violations of the Code of Conduct or other ethical standards applicable to the member firms of EY Americas and their partners, principals and employees for fair and consistent enforcement and imposition of consequence for violations.

Governance of Ernst & Young Canada

The business and affairs of Ernst & Young Canada are managed by its Chair/Chief Executive Officer supported by its Executive Committee and overseen by the Canadian Partner Forum. The Executive Committee consists of the senior management of Ernst & Young Canada, including the Chair/Chief Executive Officer, the Service Line Managing Partners of our four service lines, regional leadership and certain other members as the Chair/Chief Executive Officer may determine from time to time.

Among other matters, the Executive Committee is responsible for certain partner matters (for example, partner admissions, separations, disciplinary matters and earnings allocations).

The Canadian Partner Forum acts in an advisory role to the Chair/Chief Executive Officer on matters of policy, strategy, operational matters, partner-related matters, marketing and other matters as requested. Among other matters, key responsibilities of the Canadian Partner Forum include ratifying significant and material changes to the organization and structure of Ernst & Young Canada and ratifying the

¹ A separate entity, Ernst & Young L.P., a Manitoba (Canada) limited partnership provides the services of its non-chartered accountant limited partners to Ernst & Young LLP pursuant to a services agreement. All professional services, including the services of all non-CAs, are provided through Ernst & Young LLP.

appointment, reappointment or removal of the Chair/Chief Executive Officer.

Network arrangements

EY is a global leader in assurance, tax, strategy, transaction and consulting services. Worldwide, over 298,000 people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional skepticism. In today's global market, the integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

This integrated approach enables EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

EYG coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by member firms worldwide. Each member firm is a legally distinct entity. Their obligations and responsibilities as members of EYG are governed by the regulations of EYG and various other agreements.

The structure and principal bodies of the global organization, described below, reflect the principle that EY, as a global organization, has a common shared strategy.

At the same time, the network operates on a Regional level within the Areas. This operating model allows for greater stakeholder focus in the Regions, permitting member firms to build stronger relationships with clients and others in each country and be more responsive to local needs.

Global Governance Council

The Global Governance Council (GGC) is the main oversight body of EYG. It comprises one or more representatives from each Region, other member firm partners as at-large representatives and up to six independent non-executives (INEs). The Regional representatives, who do not hold senior management roles, are elected by their RPFs for a three-year term, with provision for one successive reappointment. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves or ratifies, upon the recommendation of the Global Executive, certain matters that could affect EY.

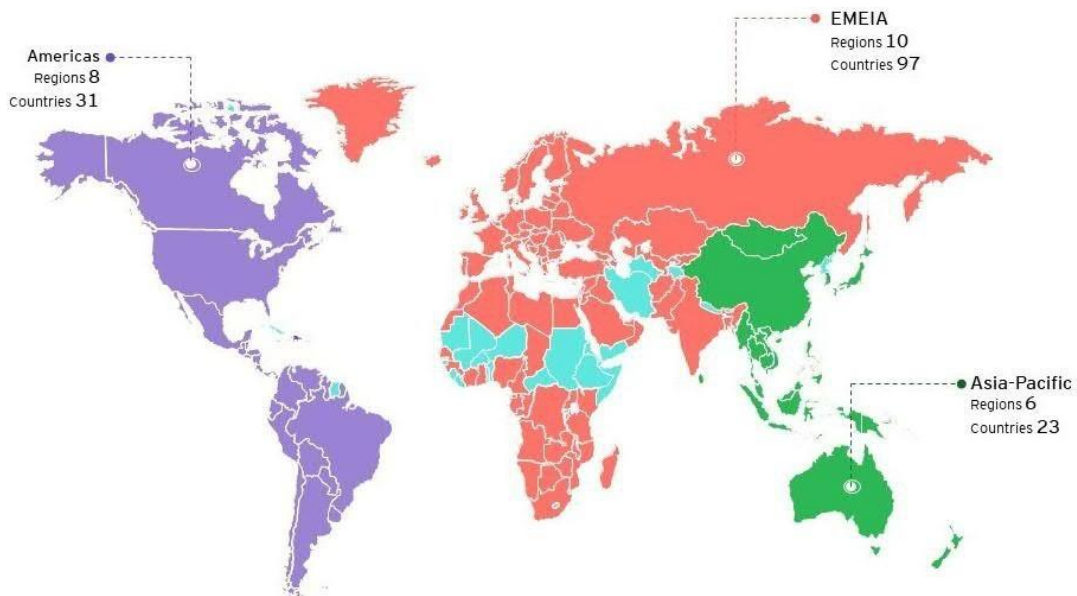
Independent Non-Executives

Up to six Independent Non-Executives (INEs) are appointed from outside EY. The INEs are senior leaders from both the public and private sectors and reflect diverse geographic and professional backgrounds.

They bring to the global organization, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The INEs also form a majority of the Public Interest Sub-Committee (PIC) of the GGC.

The role of the PIC includes public interest aspects of decision-making, issues raised under whistle-blowing policies and procedures, and stakeholder dialogue and engagement in quality and risk management discussions. The INEs are nominated by a committee of the Chair, the CEO, the Presiding Partner of the GGC and such other persons appointed by the committee.

Figures are as of 1 July 2020



Global Executive

The Global Executive (GE) brings together EY's leadership functions, services and geographies. As of July 1, 2020, it is chaired by the Chairman and CEO of EYG, and includes its Global Managing Partners of Client Service and Business Enablement; the Area Managing Partners; the global functional leadership for Talent; the leaders of the global service lines – Assurance, Consulting (previously Advisory), Strategy and Transactions (previously Transaction Advisory Services) and Tax; and one EYG member firm partner on rotation.

The GE also includes the Global Vice Chair of Markets, the Global Vice Chair of Transformation, the Chief Client Technology Officer, the Chair of the Global Accounts Committee, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets practices.

The GE and the GGC approve nominations for the Chairman and CEO of EYG and ratify appointments of the Global Managing Partners. The GE also approves appointments of Global Vice Chairs. The GGC ratifies the appointments of any Global Vice Chair who serves as a member of the GE.

The GE's responsibilities include the promotion of global objectives and the development, approval and, where relevant, implementation of:

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within member firms People initiatives, including criteria and processes for admission, evaluation, development, reward and retirement of partners
- ▶ Quality improvement and protection programs
- ▶ Proposals regarding regulatory matters and public policy
- ▶ Policies and guidance relating to member firms' service of international clients, business development, markets and branding
- ▶ EY's development funds and investment priorities
- ▶ EYG's annual financial reports and budgets
- ▶ GGC recommendations

The GE also has the power to mediate and adjudicate disputes between member firms.

GE committees

Established by the GE and bringing together representatives from across the organization, the GE committees are responsible for making recommendations to the GE. In addition to the Global Audit Committee, examples of other committees include Assurance, Consulting, Tax, Strategy and Transactions, Global Markets and Investments, Global Accounts, Emerging Markets, Talent and Risk Management.

Global Practice Group

This group brings together the members of the GE, GE committees, Regional leaders and sector leaders. The Global Practice Group seeks to promote a common understanding of EY's strategic objectives and helps drive consistency of execution across the organization.

EYG member firms

Under the regulations of EYG, member firms commit themselves to pursue EY's objectives, such as the provision of high-quality service worldwide. To that end, the member firms undertake the implementation of global strategies and plans, and work to maintain the prescribed scope of service capability. They are required to comply with common standards, methodologies and policies, including those regarding audit methodology, quality and risk management, independence, knowledge sharing, human resources (HR) and technology.

Above all, EYG member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values.

Besides adopting the regulations of EYG, member firms enter into several other agreements covering aspects of their membership in the EY organization, such as the right and obligation to use the EY name, and knowledge sharing.

Member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, quality and risk management, audit methodology and HR. Member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organization.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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