



Our commitment to audit quality

Information for Canadian
audit committees, investors
and other stakeholders

January 2022



Building a better
working world

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.

Our top priority continues to be serving the public interest by executing high-quality audits with integrity, independence and professional skepticism. We're especially proud of the role our auditors played in promoting trust and confidence in the capital markets over the past year, in a period of great uncertainty and increased audit complexity. We're also proud of the sustained improvements in audit quality we continue to make.

Our report highlights the resilience of our people and their important role in driving audit quality. Throughout the pandemic, we have supported the wellbeing of our people, while continuing to prioritize career growth, training and development. We seized the once-in-a-lifetime opportunity to reimagine how and where we would work after the pandemic. The result is our new hybrid model of remote and in-person working that we are now implementing.

The report also highlights our commitment to diversity, equity and inclusion, which is a key pillar of our strategy and commitment to providing high-quality audits through high-performing teams.

Diverse perspectives, combined with an equitable and inclusive culture, drive better decision-making, stimulate innovation and increase our agility.

We're also proud of how we have used data and technology to transform the audit. We have significantly expanded full implementation of our digital audit methodology across our public company audits. Teams are using companies' transactional-level data to enhance their risk assessment procedures for significant accounts and key business processes and making more informed choices about which items to test. Audit teams have also expanded their use of our suite of EY Helix data analyzers, enabling them to develop a deeper understanding of the companies we audit and better identify anomalies.

Despite the disruptions of the past year, we continued to look ahead and consider how the audit will evolve and what we need to do to prepare for the future. We are also actively engaging with regulators, standard setters and other stakeholders about the changing expectations for corporate reporting on topics such as environmental, social and governance (ESG) matters.

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
Chair and Chief Executive Officer
EY Canada



Massimo Marinelli
Managing Partner
Assurance Services
EY Canada



Laney Doyle
Professional Practice Director
EY Canada



Our commitment to the public interest

OUR MISSION WILL ALWAYS BE TO SERVE THE PUBLIC INTEREST BY PERFORMING HIGH-QUALITY AUDITS. WE CONTINUE TO INNOVATE AND ARE USING THE LESSONS OF THE PANDEMIC TO REIMAGINE HOW TO DELIVER HIGH-QUALITY AUDITS AND SERVE THE PUBLIC INTEREST IN THE FUTURE.



Our values: Who we are

- ⊕ 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

HOW WE DEFINE AUDIT QUALITY

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 use innovative technologies to take a data-first approach, apply consistent processes, and act with integrity, objectivity and professional skepticism.

We understand and take seriously the important role we play in the financial reporting ecosystem, and we embrace our responsibility to serve the public interest. 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 the importance of providing 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 audits look like.

LEADERSHIP, TONE AT THE TOP AND MINDSET

We set a clear tone from the top that executing high-quality audits and maintaining independence and professional skepticism are our key priorities. Our communications emphasize our focus on demonstrating integrity, respect, teaming and inclusiveness.

Our leaders consistently deliver these messages and our partners reinforce them at the team level.

Accountability is 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 behaviours that contribute to audit quality, their level of consistent and direct involvement in the audit, the results of inspections and their mentoring activities.

OUR FOCUS ON SUSTAINABLE AUDIT QUALITY

EY Canada is a member firm of a global organization that is committed to conducting high-quality audits and requires each member firm to maintain a system of quality control that meets high standards. This structure provides 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.

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Empowered by the strength of our globally connected, technology enabled and diverse teams, we're committed to performing high-quality audits that earn the trust of stakeholders and build lasting confidence in the capital markets. It's at the heart of what we do. Our teams, equipped with the next generation of curious and agile audit leaders, take a data-driven approach that seeks richer insights to not only mitigate risks but help deliver long-term value for EY clients and communities.



Jad Shimaly

Chair and Chief Executive Officer,
EY Canada

The global EY organization's **Sustainable Audit Quality (SAQ) program** continues to be the top focus for each EY member firm's audit practice. 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 leading-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 required to comply with the independence policies and to confirm compliance each year with the **Global Code of Conduct**, which addresses 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.

The global EY organization has also committed to reducing its carbon footprint as another way to serve the public interest and build a better working world. EY Canada and other EY member firms plan to achieve this goal, in part, by having professionals commute less and, when possible, travel less than they did before the pandemic.

OUR ASSURANCE PRIORITIES



Putting **DATA** at the centre of everything



Engaging our exceptional **TALENT**



Help delivering **VALUE** to our clients



Generating **TRUST**

OUR SYSTEM OF QUALITY CONTROL

Our system of quality control is designed to prevent and detect risks to audit quality. It's also designed to promote a culture that emphasizes audit quality and our responsibility to be accountable for the quality of our work.

We continuously monitor our system of quality control and make changes to our policies and processes when necessary. We continue to expand our use of data analytical techniques and technology to evaluate information about our audit practice and innovate how we help identify, manage and respond to audit quality risks. We also monitor significant issues that arise in audits performed by all EY member firms around the world and analyze whether there are similar risks we should address in our Canadian audit practice.

Over the past year, we continued to invest in our system of quality control, focusing on implementing changes to our documentation and processes to comply with the Canadian Public Accountability Board's (CPAB's) assessment criteria and the International Auditing and Assurance Standards Board's new quality control standard that will be effective December 15, 2022, and enhancing our monitoring of these processes. A dedicated project team with senior partner resources is driving the implementation of the International Standard on Quality Management (ISQM 1) with oversight provided by a Steering Committee. We have made substantial progress to date and are on track for the implementation in 2022.

We monitor external risk factors and develop guidance and training to help our professionals address challenges such as how to evaluate fraud risk factors in the current environment. Over the past year, for example, we enhanced our fraud procedures and provided our teams with additional guidance and training on identifying fraud risks that was developed with the input of our EY Canada forensic accounting professionals.



We are continuously reviewing and enhancing our quality control processes because our system of quality control is the foundation for performing high-quality audits.



Massimo Marinelli
Managing Partner
Assurance Services, EY Canada

INDEPENDENCE AND OBJECTIVITY

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

We consider and evaluate independence with regard to our people and EY member firms, 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 preapproval of our services, where applicable; and partner remuneration.

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

All EY Canada professionals who work on audits and certain others, based on their role, are also required to confirm compliance with our independence policies and procedures each quarter. We perform random testing of our partners and professionals for their compliance with our independence policies as part of our firmwide system of quality control.

Our policies also include a requirement that audit teams communicate with audit committees on matters that may reasonably bear on independence after executing detailed independence procedures.

OUR MULTIDISCIPLINARY STRATEGY

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

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, process and technology in how we protect information and technology assets.

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.

Safeguarding the confidentiality of the information we receive from the companies we audit is critical. Data is transferred using industry standard solutions designed to securely transfer large files between EY Canada and the companies we audit. The EY Canvas Client Portal provides a secure platform for communication and file transfers between the companies we audit and our audit teams.



ONE OF THE MOST IMPORTANT ELEMENTS OF OUR STRATEGY IS MAINTAINING A SECURITY-AWARE CULTURE ENABLED BY TRAINING AND RISK MANAGEMENT COMMUNICATIONS.

For example, the global EY organization developed new training on working securely from home, and all Canadian professionals were required to complete it.

The future of the audit



Innovation

Our Americas Assurance Transformation Office helps us focus on strategy, innovation and change management to accelerate growth and continue to drive improvements in audit quality. It builds on our earlier transformation efforts and helps us be as effective as possible by using a data-first mindset, applying new and existing technology, investing in our people through learning and experiences that develop outstanding leaders, and help delivering insights for the companies we audit and other stakeholders in the financial reporting ecosystem.



ESG

We are sharing our perspective with policymakers and others and considering how we might provide assurance on any disclosures the Canadian Securities Administrators and the Securities and Exchange Commission (SEC) may require public companies to make. We believe such disclosures would be useful to investors because they address long-term value, and we already provide assurance on voluntary ESG disclosures made by some companies. EY Canada also has sustainability advisors who advise companies with their reporting on these topics.



Cybersecurity

Cybersecurity is routinely identified as one of the top risks corporate boards are concerned with, and we are continuing to enable our audit teams to discuss and respond to these risks as part of our audits. We are also monitoring regulatory developments, for example the SEC plans to consider requiring disclosures about a company's cybersecurity risk governance.

In addition, we continue to offer 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 boards and management oversight of this issue.

Our Assurance people agenda

Our people are focused on excellent client service to instill confidence in the capital markets by executing on quality audits. Throughout the pandemic, we have supported our people's wellbeing and provided opportunities for them to grow their careers, including offering them the best platform for career growth. We also supported them by providing many sessions on mental and physical health.

We put in place protocols to support their safety whether they were working at client sites, in the office or from their home office. Leading practices from working from any of these sites were shared, as were protocols for effective supervision when working in a virtual environment.

We also provided an allowance to support people working from home to obtain the equipment they needed to fully function from home. We leveraged the EY Benefits program, including EY Live Well

resources and programs, to equip our people to stay well and give their best during the pandemic. We know when our people thrive, EY clients also do well, and this has been our focus.

We continued to provide a supportive, flexible and collegial workplace and have seen the benefits: EY was named to the Great Place to Work list again in 2021, and **88% of our people in assurance expressed they were proud to work for the EY organization in our annual People Pulse survey.**



Attracting exceptional talent

All this starts with having the right people, at the right time, with the right training and support deployed on the right client engagements. Despite the pandemic, we continued to attract talented individuals and increased our headcount of audit personnel over the previous year. This growth has also been complemented by doubling the number of people working in our Centres of Excellence, as well as an increase in the complement of offshore personnel. The help from these ancillary groups enables our people to have more time to focus on the higher-risk areas of the audit and achieve better work-life harmony.

We have placed special attention on onboarding follow-up to ensure all new hires are assigned not only a counsellor to guide and support their growth, but also a buddy to help them to navigate and integrate into the firm, especially in a virtual environment. Our Learning team also follows up to provide support to ensure all new hires receive the appropriate training and learning, as well as an understanding of how to use our tools, methodology and resources to support audit quality in their day-to-day work. 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.



AUDIT PROFESSIONALS F19 TO F21

■ F21 ■ F20 ■ F19



In 2021, our audit practice hired 619 people from university campuses, despite the pandemic, which represents a **26% increase** from 2020. 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 and accelerate our use of our data analytics tools.

In Canada, we continue to rank as **one of the most attractive employers year after year, ranking #1 with accounting students and #5 overall with business students at priority schools, according to the 2021 Universum Undergraduate Survey.**

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



A focus on development

84% of our people say that what they are learning at the EY organization is helping them achieve their career aspirations.



Leadership Development and Evaluation (LEAD) is our global framework for development. This framework offers an opportunity for each professional to have periodic discussions with their counsellor about their career growth and progress. Professionals set quarterly activities that will support their growth trajectory based on insightful discussions with their counsellor.

LEAD also offers an opportunity for professionals to receive feedback geared towards their growth. The transparency this framework provides helps professionals get meaningful feedback from multiple evaluators for their growth. Feedback from our people indicates that more people are receiving meaningful feedback and career conversations.

Through these discussions they select courses that also support their technical and professional development. They have access to the EY Badges program with courses in many areas including data analytics, data visualization and data integration. These complement other technical training on digital which builds their confidence in the digital space as future leaders in this field.

There are professional development courses on several other topics, including inclusive and transformative leadership, project management and other business subjects. Audit professionals are also eligible to enroll in the EY Tech MBA, which places a high emphasis on technology and digital courses.

In addition to formal learning, many teams share insights on how to enhance their intellectual curiosity, objectivity and professional skepticism on their engagements. We have improved our virtual training and made all our technical courses available to our people virtually, and in many cases on demand, so our people can complete training virtually during the pandemic.

We have a deep commitment to enhancing the growth and development of our professionals and setting them up with 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. High-quality on-demand online learning and virtual instructor-led classroom sessions are designed to give our professionals the right training at the right time.

This year, our audit professionals completed more than 20,000 hours of digital audit training, much of it in the spring when they began planning their audits for the current cycle. We also required audit executives to complete training on fraud and ESG reporting.

Beginning this year, our people can earn EY Master's degrees online from Hult International Business School, free of charge, in Business Analytics and Sustainability in addition to the EY Tech MBA we began offering in 2020.

We also continue to look for ways to enhance our culture of learning and excellent service delivery. For example, we conducted a survey to understand from our people how we can continue to build their teaming and leadership expertise through skills-based learning in distinct areas of interest. We are developing action plans to respond to the findings.

85%

of our people say through our People Pulse Survey that **the EY organization provides them with learning opportunities that build the skills they need to be successful.**

Diversity, equity and inclusion



Our diversity, equity and inclusion initiatives are directly linked to EY commitment to audit quality. Feeling a sense of belonging is an important element in professional development. To build more capable leaders, we understand everyone must have a seat at the table. So we're constantly looking for new ways to empower our professionals to do their best work through mentorship and coaching opportunities.



Muriam De Angelis

Diversity and Inclusion Leader, EY Canada

Creating an environment that is inclusive is central to our people culture. To measure our progress, we look at various metrics, including the percentages of women and minorities we recruit and promote into leadership positions. In F21, females comprised 53% of the practice and minorities 30%. Since 2019, 33% of partner promotion candidates in Assurance have been women, 12% of our Assurance partner population are minorities and 34% are women.

We have reviewed our business processes to avoid creating barriers for our people. We review our compensation processes and outcomes so they are fair and equitable. In Assurance, we also created a safe space to have candid dialogues with our leaders on inclusion and belonging across the country. We have established an Emerging Leaders Program to support and accelerate promotion of women and minorities into the partnership. Senior leaders serve as faculty sharing their insights and experience with participants. Participants are also assigned a partner champion in addition to their counselling partner.

To meet the needs of our people and clients, we've established various national and global initiatives to foster an inclusive environment:

- ▶ Canadian Inclusiveness Advisory Council - an executive committee responsible for driving our overarching diversity, equity and inclusion strategy at the firm

- ▶ Inclusiveness Leadership for All - this learning program guides EY employees around our collective commitment of fostering an environment where differences are valued and practices are equitable
- ▶ Eight Professional Networks that connect professionals across service lines to build community and an inclusive culture through the advancement, recruitment and retention of diverse employees: AccessAbilities Network, Latino Professional Network, Black Professionals Network, Indigenous Professionals Council, PanAsian Professional Network, Today's Family Network, Professional Women's Network, UNITY (2SLGBTQIA+) Network

SUPPLIER DIVERSITY

The EY organization is committed to maintaining a diverse supplier base and building relationships with suppliers who reflect the market, clients and communities we serve. EY Canada is proud to be an active member of the following organizations, among several others:

- ▶ Canadian Council for Aboriginal Business (CCAB)
- ▶ Canadian Gay & Lesbian Chamber of Commerce (CGLCC), founding member
- ▶ Inclusive Workplace and Supply Council of Canada (IWSCC)

As part of our commitment, we seek vendors that are certified to be at least 51% owned, operated and controlled by one or more priority groups: female/female-identifying, 2SLGBTQIA+, veteran, person with disability, Indigenous or a historically underutilized business.

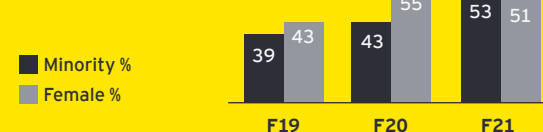
EY teams maintain a supplier diversity database that helps us search for qualified suppliers, and suppliers are encouraged to register so they will be considered when sourcing opportunities become available.

THE WORLD WORKS BETTER WHEN WE INCLUDE EVERYONE: EY NEURODIVERSITY CENTRES OF EXCELLENCE

We're energized by innovation and inclusion through diversity. That's why EY is one of the first professional services organizations to bring together people with autism, ADHD, sensory and other cognitive differences who have been traditionally overlooked in employment opportunities to drive innovation from unexpected places.

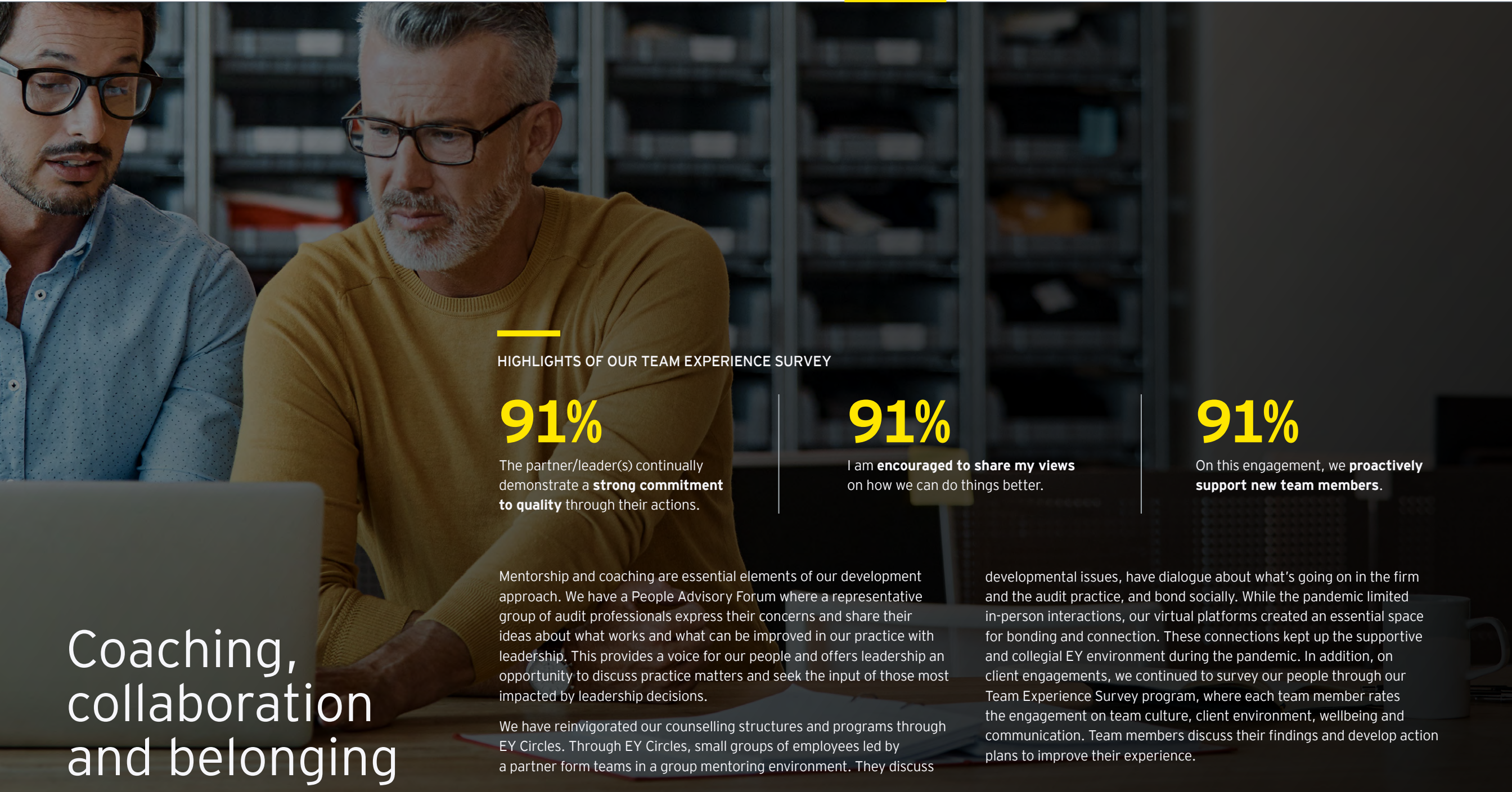
Our Neurodiversity Centers of Excellence (NCoE) in Toronto, Vancouver and Halifax offer advanced technology capabilities with skills in STEM, data analytics, digital, blockchain, robotics, AI and cybersecurity. Our neurodiversity program touches our employees and clients in personal ways and demonstrates our ongoing commitment to building a better working world by creating a sustainable, diversified and inclusive workforce.

CAMPUS HIRES



87%

of our people say that the EY organization provides a work environment where they feel free to be themselves.



HIGHLIGHTS OF OUR TEAM EXPERIENCE SURVEY

91%

The partner/leader(s) continually demonstrate a **strong commitment to quality** through their actions.

91%

I am **encouraged to share my views** on how we can do things better.

91%

On this engagement, we **proactively support new team members**.

Mentorship and coaching are essential elements of our development approach. We have a People Advisory Forum where a representative group of audit professionals express their concerns and share their ideas about what works and what can be improved in our practice with leadership. This provides a voice for our people and offers leadership an opportunity to discuss practice matters and seek the input of those most impacted by leadership decisions.

We have reinvigorated our counselling structures and programs through EY Circles. Through EY Circles, small groups of employees led by a partner form teams in a group mentoring environment. They discuss

developmental issues, have dialogue about what's going on in the firm and the audit practice, and bond socially. While the pandemic limited in-person interactions, our virtual platforms created an essential space for bonding and connection. These connections kept up the supportive and collegial EY environment during the pandemic. In addition, on client engagements, we continued to survey our people through our Team Experience Survey program, where each team member rates the engagement on team culture, client environment, wellbeing and communication. Team members discuss their findings and develop action plans to improve their experience.

Coaching,
collaboration
and belonging

Future forward

We are committed to audit quality, and through our people agenda we are ensuring we have the capacity and the capabilities to serve EY clients and meet rising stakeholder expectations. We have significantly increased our hires from campus by over 26%, and doubled our experienced hire recruiting targets.

Through our strategic workforce planning process, we are anticipating and building the capabilities we need for the future. These initiatives include digitizing our audits, providing support to our people as they transform their audits, and providing both technical and professional learning to support their growth.

We are focused on future capabilities and giving all our managers and above the training and support to be effective leaders guiding and leading our audit teams. All partners and leaders are taking Transformative Leadership Badges through our EY Badges program. Whether ESG or inclusive leadership, we are keeping our people abreast with new topics and guiding them to use their learning and experiences to support sustainable quality audits. We are bringing forward the future of audit to the present while providing the supportive workplace protocols and tools to help all our people succeed in the new hybrid work environment.

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Through our EY Way of Working, we have provided tools and resources to support our people to work effectively in a hybrid work era. We have done so while preserving the supportive, flexible and collegial work environment that offers the best platform for training digital audit professionals for the future. This means no matter when people join or how long they stay, they will cherish the exceptional EY experience.



Charles Marful

Assurance Talent Leader,
EY Canada



Innovating and executing the audit

OUR ABILITY TO ANALYZE TRENDS IN FULL POPULATIONS OF DATA HAS TRANSFORMED HOW WE APPROACH OUR AUDITS. BUT OUR OBJECTIVITY, PROFESSIONAL SKEPTICISM AND COMMITMENT TO EXCELLENCE REMAIN AT THE CORE OF EVERYTHING WE DO.

[View our digital audit video ▶](#)

Our teams on Canadian audits of public companies expanded their use of our EY Helix suite of data analytics tools, enabling them to develop a deeper understanding of the companies we audit and better identify areas of risk. Our professionals at all ranks received more training, coaching and hands-on experience to help them develop a data-first mindset and prepare for a truly digital audit. Some of them also piloted the use of our full digital audit methodology.

We have significantly expanded full implementation of our digital audit methodology across our public company audits. That means that public company audits started their audit planning with a company's transactions and are using it to enhance their risk assessments for significant accounts and key business processes. Many of our audit teams are also using tools from our suite of EY Helix data analyzers to obtain audit evidence.

This is a fundamentally different approach from the way we used to audit. While it continues to be critical to exercise professional skepticism and apply judgment, starting with data gives us a better understanding of how transactions are processed so we can better identify unusual journal entries and changes in processes that require follow-up than traditional sampling techniques allow.

OUR DATA-FIRST MINDSET

In fiscal 2021, we made significant progress in our journey to transform our audits and realize the potential of a digital audit.

Our data-first approach enhances audit quality because it helps us focus on the key risks in an audit and spot new risks, including potential fraud risks, that arise during the year. It allows us to see anomalies and understand how prevalent they are. As a result, we can ask better, more timely questions of management, improving the experience for both our professionals and the companies we audit.

EY HELIX DATA ANALYZERS

We have a robust library of EY Helix data analyzers that our teams use to perform risk assessments, identify anomalies and obtain audit evidence. They include EY Helix general ledger analyzer and our subledger analyzers.

Teams also use a variety of sector-specific EY Helix data analyzers to help them evaluate transactions and metrics that are unique to the company's industry. These analyzers were developed as custom solutions by EY auditors who wanted to address the needs of their own teams. EY teams then tested the analyzers centrally and certified them for use by other teams auditing companies in the same industry.

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Hard data is driving today's world. Through further development of a data-first mindset at EY this year, we've been able to help deliver better audit experiences not only for our clients but also for our professionals.



Helen Mitchell

Assurance Leader,
Financial Services, EY Canada

The data-driven audit

We've built a strong foundation to:

- ▶ Improve audit quality
- ▶ Enhance the audit experience
- ▶ Work more effectively
- ▶ Invest in our people

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EY Helix continues to be a game-changer on our audits. Our suite of data analytics allows us to spot unusual journal entries and detect potential fraud risks with greater ease, providing our auditors with a more dynamic, data-informed process to help deliver high-quality audits.



Stuart Hutchinson
Assurance Digital Leader,
EY Canada



EY Helix analyzers for use on all financial statement audits

CONSOLIDATED TRIAL BALANCE

- Scoping for multi-location audits
- Interim review

GENERAL LEDGER

- Used to identify anomalies in journal entries
- Used in risk assessment across accounts

SUBLEDGER

- Trade receivables
- Trade payables
- Inventory

TRANSACTIONS

- Payroll
- Property, plant and equipment

We have a robust pipeline of ideas in development to create new tools, and we encourage our professionals to continue to innovate. We also have a process in place to govern and quickly certify simple tools our teams develop for broader use.

Our teams can also use the EY Blockchain Analyzer, which gathers a company’s cryptocurrency transaction details from public blockchain ledgers using public addresses supplied by the company and reconciles the data with the company’s records.

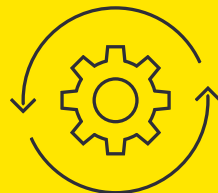
The general ledger, subledger, transaction and sector-specific analyzers can be used to perform risk assessments and a variety of substantive audit procedures.

tenthree | labs, our centralized data analytics delivery team 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.



Sector-specific analyzers

- Premiums and claims non-life insurance analyzer
- Automotive warranty liability and expense analyzer
- Blockchain analyzer



Our audit platform

Teams are applying our digital audit methodology and using our EY Helix data analyzers to enhance their risk assessments of significant accounts and key business processes.

They're also performing data-driven audit procedures to obtain substantive evidence.

All EY Canada teams use the EY Canvas audit platform to apply the global EY 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 who work on multinational audits. Our teams also use the EY Canvas Client Portal to communicate securely with the companies we audit.

EY Canvas is designed to help our teams manage their audits more effectively and reduce the effort required to perform administrative tasks. Our teams can easily track their progress against key audit milestones and view the key risks they identified and the audit procedures they planned so they can more easily see whether they have appropriately addressed the key risks in an audit.

The global EY organization continues to make enhancements to EY Canvas to add functionality. One new feature under development would use artificial intelligence to help our auditors perform risk assessments.

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Innovation is a key aspect in our audit approach. The expanded use of technology and automation in the audit process has enabled our auditors to have an unparalleled understanding of our client's processes and better focus on higher-risk areas of their engagements. It's very forward thinking and it results in a better audit experience all around.



Lily Adam

Assurance Leader,
Québec, EY Canada

Automation

WE CONTINUE TO AUTOMATE ASPECTS OF THE AUDIT TO IMPROVE AUDIT QUALITY BY ENHANCING PROJECT MANAGEMENT AND ALLOWING OUR PEOPLE TO FOCUS ON HIGHER-RISK AREAS OF THE AUDIT. FOR EXAMPLE, OUR NEW CUSTOM CONFIRMATION SOLUTION ALLOWS TEAMS TO AUTOMATE PARTS OF THE CONFIRMATION PROCESS, INCLUDING SENDING DIGITAL REQUESTS, TRACKING RESPONSES AND RECONCILING CONFIRMED BALANCES TO THE COMPANY'S RECORDS.

WE ALSO HAVE A NEW SOLUTION THAT POPULATES CERTAIN INFORMATION INTO WORKPAPER TEMPLATES TO HELP OUR TEAMS DOCUMENT SPECIFIC PROCEDURES CONSISTENTLY.

Nearly 1,400 EY Helix data analyzers were delivered for audits of 2020 financial statements.



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. Every year, there are many companies we decline to audit.

We perform rigorous risk assessments and obtain approval from Assurance leadership before we accept audit engagements 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.

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.

Over the past year, we also continued to evaluate risks related to the pandemic and the economic recovery.

Throughout the audit cycle, our teams reassess risks using evidence they gather from their audit procedures. We also alert our teams about fraud risk indicators such as short selling and adverse news reports.

Establishing the right team

Each public company 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 controls over financial reporting, their skills and the partner rotation requirements. We also consider the company's risk designation and the risk factors identified in our

firmwide assessment process. 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 semiannually 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 who have the right skills and capacity to execute quality audits, given the risk factors identified in each engagement.

Centres of Excellence and Global Delivery Services

Over the past year, we have made significant progress in transforming the way our audits are performed through the use of our offshore Global Delivery Services (GDS) network and our onshore Centres of Excellence (COEs). In doing this, our vision is to significantly increase the use of GDS and COEs to enhance quality and consistency of audit execution through the centralization and standardization of a wide range of activities required to complete our audits. We also believe this transformation will improve the experience for our people by allowing them to focus on client service and complex issues.

Our use of GDS is a key element of our strategy to transform how audits are done. GDS is an integrated network of EY service delivery centres that provides innovative, scalable and customized business services. Globally, GDS has over 40,000 people, 7,100 of whom help support our audit

teams through all stages of the audit's lifecycle. During the current year, we expect our use of GDS to increase to 12% of the total hours incurred on our audits.

Complementing GDS is our onshore COE located in Halifax. Established in early 2020, the Halifax COE's mandate is to execute low and moderate risk audit procedures that can be optimized by centralizing the work in Canada. Currently, key areas of focus for the Halifax COE include internal controls testing, routine substantive procedures such as confirmations, pension plan audits, not-for-profit audits, and special reports such as those required by the real estate, media and entertainment, and banking industries. While still less than two years old, the Halifax COE is now responsible for approximately 2% of the hours incurred nationally.

At the same time, we are currently developing two additional onshore COEs to support our vision of enhanced audit quality and consistency of performance through centralization. The first is a Technical Audit COE that will be focused on executing audit procedures in more complex areas, such as business combinations and asset impairments. The second is a COE focused on audit operations and engagement management support. We expect to launch these COEs during the latter part of 2022. Together with the existing onshore COE, they will allow us to provide a complete set of focused onshore solutions for our audit teams across the country.

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.



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

Scoping the audit Aug 31
 Audit strategy Aug 31

INTERIM

Understanding key business processes Sep 30
 Interim control testing Nov 30
 Scope and Strategy and Interim documentation is archive ready Dec 31

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. 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.



A high-quality audit is a well-managed audit from a project management perspective. Our programs and technology play a huge role in this. Our milestones program, paired with EY Canvas, is our method to align our teams and put them on track with reports well before a company’s year end.



Ann Brockett
 Assurance Leader,
 Calgary, EY Canada

Cybersecurity

CYBER RISKS ARE A MAJOR THREAT TO BUSINESSES. A BREACH OF AN ORGANIZATION'S SYSTEMS CAN DISRUPT OPERATIONS, SIGNIFICANTLY INCREASE COSTS AND HARM AN ORGANIZATION'S REPUTATION.

We respond to business risks, including cyber risks, with audit procedures when those risks could result in a material misstatement of the financial statements. 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 consider the effect on the financial statements, including disclosures, and the effect on internal control over financial reporting.

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.



Supporting our teams

WE PROVIDE COACHING, GUIDANCE AND CONSULTATIONS TO HELP OUR PROFESSIONALS PERFORM HIGH-QUALITY AUDITS.

OUR QUALITY NETWORK

Our Quality Network focuses on proactively improving audit quality by coaching our audit teams, performing workpaper reviews, advising our teams on audit methodology matters, providing training and executing various risk management and quality control procedures.

Throughout the audit cycle, the Quality Network uses data analytical techniques to evaluate a wide range of information about individual engagements and identify teams that need coaching or other help. The information is updated frequently.

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. We also continued our focus on

audit considerations related to the pandemic, audits of internal control over financial reporting and more challenging audit areas as requested by our teams or identified through our risk assessment procedures. Our monitoring of the effectiveness of the coaching indicates that it helps our teams execute effectively and it promotes high-quality audits.

ENHANCING FRAUD RISK ASSESSMENT

In 2021 we continued our focus on fraud risk by involving our forensics professionals on audits 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.

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In a period of transformation, we help our teams effectively manage change. Our coaching and other enablement activities help our teams execute high-quality audits in a sustainable manner.



Richard Mockett

Quality Implementation Leader,
EY Canada

OUR PROFESSIONAL PRACTICE GROUP

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.

Our Professional Practice group provides audit teams and the companies we audit with guidance and thought leadership on a wide range of financial reporting, auditing and regulatory topics, including current issues such as those relating to the pandemic, reporting on ESG matters and IPOs. The group also develops materials to help our teams deliver high-quality audits, performs risk management activities, evaluates our quality control system, and operates our monitoring and internal inspections programs.

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We enable our teams to perform at their best by providing them with guidance and support at every step of the audit process. The world of assurance is constantly evolving, so keeping our people up to date and comfortable with new and complex accounting, auditing and regulatory developments is crucial to the execution of high-quality audits at the EY organization.



Laney Doyle

Professional Practice Director,
EY Canada

TECHNICAL ACCOUNTING AND AUDITING SUPPORT NETWORKS

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

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.



Monitoring and external inspections

MONITORING THE EFFECTIVENESS OF OUR ACTIONS AND PERFORMING ROBUST ROOT CAUSE ANALYSES OF POSITIVE AND NEGATIVE AUDIT PERFORMANCE ARE KEY COMPONENTS OF OUR SYSTEM OF QUALITY CONTROL.

EARLY ASSESSMENT OF IN-PROGRESS AUDITS

Our reviews of certain public company audits before we issue our auditor's reports are an important component of our system of quality control. We conduct these pre-issuance reviews to provide timely feedback to teams and to help us determine whether the actions we are taking to improve audit quality are achieving our objectives or whether enhancements to our training, guidance or tools are required during the current audit cycle.

In the current audit cycle, we are focusing on how our teams are continuing to implement our digital audit methodology; how they are responding to the ongoing effects of the COVID19 pandemic, including the impact of working from home; and how they plan to audit higher-risk estimates, among other things.

INTERNAL INSPECTIONS OF COMPLETED AUDITS

We conduct internal inspections of selected engagements after we issue our auditor's report. We learn from both public and private company internal inspection results, and our results continue to show that we are delivering high-quality audits.

In these inspections, which we call audit quality reviews, we focus on specific audit areas of an engagement and evaluate our compliance with professional standards, regulatory requirements and our policies. 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 analyze the root cause of both positive and negative outcomes and use the results to design the actions we take to improve audit quality. We also use this information to obtain meaningful insights into the effectiveness of actions we've taken to improve our system of quality control.

We define positive quality events as (1) exceptional performance in an audit area that was inspected, (2) best-in-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.

OTHER MONITORING

We continue to monitor our professionals' compliance with our independence policies and enhance our monitoring of the effectiveness of our system of quality control, as discussed earlier in this report.

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.

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

Our overriding objective is to make certain that all aspects of our auditing and quality control processes are of high quality. While we believe 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.

INTERNATIONAL REGULATORS

The International Forum of Independent Audit Regulators (IFIAR) has issued a challenge to the global audit networks to further reduce the number of audits with at least one significant finding as reported by 25 countries (including Canada) that are members of IFIAR by at least 25% over the four years ending with IFIAR's 2023 survey of inspection results. The global EY organization is currently on track to meet that reduction.

IFIAR had previously challenged the global audit networks to achieve a 25% reduction in inspection findings by 2019 for listed public interest entities. The EY network achieved this goal in 2019.



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 professional 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,” “EY Canada,” “we,” “us” and “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 34 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 EYG 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, Risk Management; Office of Strategic Execution and Talent; the Area Leaders for our four service lines Assurance, Consulting, Strategy and Transactions, and Tax; and the Regional Managing Partners of each of the Regions in the Americas.

The partners in each Region elect a Regional Partner Forum whose representatives advise and act as a sounding board for Regional leadership. The majority of partners who are elected as Presiding Partners of their respective Regional Partner Forum also serve as their Region’s representative on the Global Governance Council.

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) assists in striving to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation. The AEOB, in conjunction with the Regions in the Americas, evaluates the findings of investigations and disciplinary actions taken by EY Americas member firms involving alleged or actual violations of the EY Global Code of Conduct or other ethical standards applicable to the member firms of EY Americas and their partners and employees for fair and consistent enforcement and imposition of consequences 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 appointment, reappointment or removal of the Chair/Chief Executive Officer.

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

NETWORK ARRANGEMENTS

EY is a global leader in assurance, tax, strategy and transactions and consulting services. Worldwide, over 312,000 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 service delivery of high-quality multinational audits, which can span nearly every country in the world.

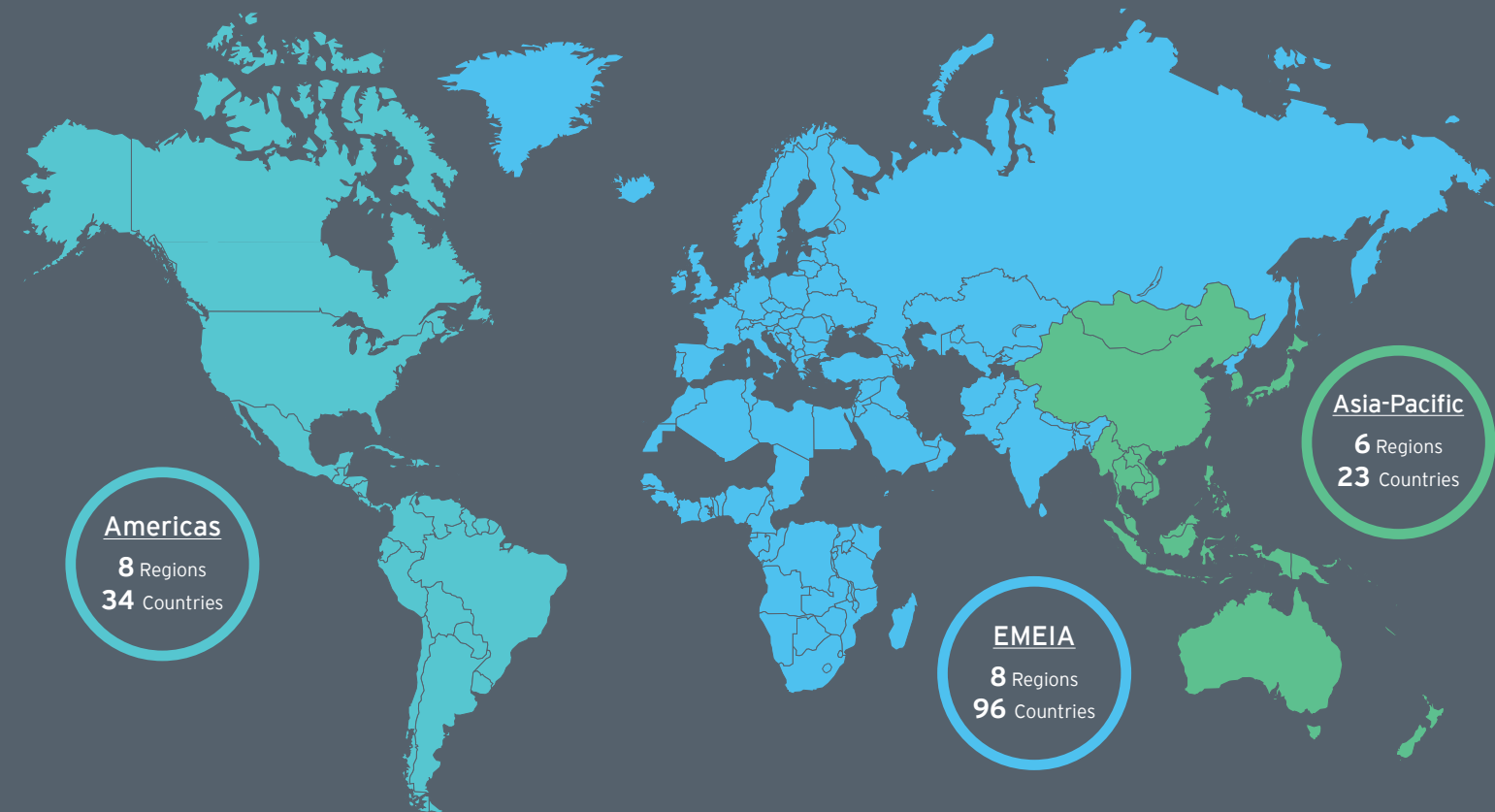
This integrated approach enables EYG member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

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 separate legal entity. Each member firm's obligations and responsibilities as a member 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.

EY Areas, Regions and Countries*



* Figures are as of July 1, 2021.

GLOBAL GOVERNANCE COUNCIL

The Global Governance Council (GGC) is a key governance body of EYG. It comprises one or more representatives from each Region, other member firm partners as at-large representatives and 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, in some instances 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 and stakeholder dialogue, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions. The INEs are nominated by a dedicated committee, approved by the Global Executive (GE) and ratified by the GGC.

GLOBAL EXECUTIVE

The Global Executive brings together EY's leadership functions, services and geographies. As of July 1, 2021, 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, Strategy and Transactions 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

The Global Practice Group brings together the members of the GE, GE committees, Regional leaders and sector leaders. It 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, talent 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 talent. 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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