

Our commitment to audit quality

Information for audit committees,
investors and other stakeholders

January 2023



Audit committees, investors and other stakeholders

We are pleased to present the audit quality report of EY Canada.

Our commitment to audit quality is unwavering and motivates us to continuously improve. As leaders, we set clear expectations for all our professionals about meeting our high standards for audit quality. We also foster a culture of integrity, based on strong ethics and our shared values of respect, teaming and inclusiveness.

We have an ongoing audit transformation strategy that is foundational to driving audit quality and serving the public interest. We are simplifying and standardizing our approach, building centralized teams to provide audit support on various topics, and embedding a continuous improvement mindset in our culture. Our teams are already using our data-first approach and innovative technology, which are key elements of our transformation strategy.

We also continue to reinforce the importance of executing every audit with objectivity and independence and acting with integrity in everything we do. Learning is fundamental to the profession, and our leaders stress the importance of completing training with integrity.

Retaining and supporting our people is vital to who we are as an employer and to sustaining quality over the long run. We are committed to further strengthening our culture and maintaining an environment where our professionals can do their best work. Our EY Way of Working allows our teams to determine the right mix of in-person and remote work. We are also advancing our commitment to diversity, equity and inclusion (DEI) through initiatives focused on career access, mentorship and dialogue.

We understand the enormous trust that is placed in us as auditors. We recognize that each of our audit professionals plays an important role in earning that trust, every day and

on every audit. To help accomplish this, we continue to invest in our system of quality control, our processes and our digital innovation, including the global EY organization's \$1 billion investment in next-generation audit technology that will be used by all EY member firms.

We recognize the need to constantly evolve to address the dynamic risks faced by the companies we audit and meet the expectations of investors and others in the financial reporting ecosystem. We continue to engage with regulators and other stakeholders to address key topics such as reporting on environmental, social and governance (ESG), cybersecurity and other technology-related matters and to shape the audit of the future.

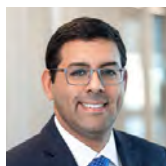
As you may be aware, the partners at EY member firms are currently evaluating a proposal to separate the firms into two distinct multidisciplinary organizations. We want to assure you that, if the transaction moves forward, EY Canada and the global network of assurance firms will continue to have the necessary multidisciplinary capabilities to perform high-quality audits in the years ahead. As we consider our plans for the future, our people remain fully focused on executing high-quality audits today.

In closing, we embrace our responsibility to perform high-quality audits that promote trust in the capital markets and investor confidence. From our most senior leaders to the most junior members of our audit teams, all of our people are accountable for the quality of the Firm's audits. We continue to reinforce this message in our communications about driving greater consistency in audit execution and in our coaching and training.

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
EY Canada



Zahid Fazal
Managing Partner,
Assurance Services
EY Canada



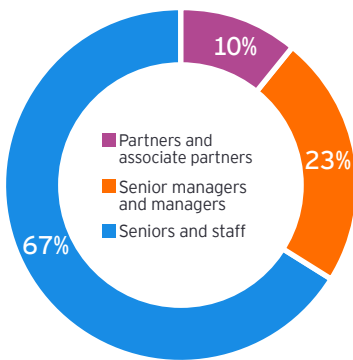
Laney Doyle
Professional Practice Director
EY Canada

A snapshot of key metrics

Our people

1,614

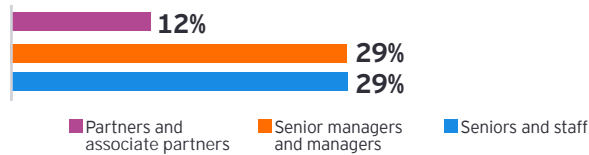
audit professionals, by rank



Audit professionals by rank who are women



Audit partners/associate partners who self-identified as visible minorities (racially & ethnically diverse)



Percentage of newly promoted audit partners and associate partners who are women

47%

or racially and ethnically diverse

15%

9 of the 12 partners who manage our audit practice at the local or national level are women or racially and ethnically diverse

Executing high-quality audits

Ratio of Quality Network and Professional Practice partners and associate partners to audit partners and associate partners

1:9

Approximate average hours of continuing professional education training taken by each of our audit professionals in FY22

80

People hired from university campuses in FY22

860



Key focus areas in 2022

Reinforcing the cornerstones of our audit culture (independence and objectivity, integrity, professional skepticism and accountability)

Continuously innovating to attract, retain, develop, support and inspire our people

Focusing on ESG, cybersecurity and other emerging topics

Continuing to promote diversity and social justice

Continuing to strengthen our system of quality control

Continuing to focus on sustainable audit quality

Expanding our use of data to manage risks in our audit portfolio

Enhancing our audit technology

Reinforcing the importance of project management and instilling a continuous improvement mindset



Our commitment to serving the public interest

We strive to continuously improve the quality of our audits to protect investors.

How we define audit quality

We are committed to performing high-quality audits, which we define as providing reliable and independent audit opinions and informative communications that promote trust and confidence in financial reporting and the capital markets.

As auditors, we understand and take seriously our important role 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 are confident that the actions we are taking will enable us to consistently perform high-quality audits, innovate the audit and strengthen 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.

Leadership, tone at the top and mindset

We set a clear tone from the top that executing high-quality audits is our top priority. In their communications, our leaders reinforce the cornerstones of our culture - maintaining our independence and objectivity, acting with integrity, exercising professional skepticism and being accountable for the quality of our work - in addition to values such as respect, teaming and inclusiveness.

EY professionals in Canada, like those at all EY member firms, are required to affirm their commitment to upholding the [EY Global Code of Conduct](#) each year. The Code stresses the importance of performing quality work, acting with integrity, maintaining our objectivity and independence, and protecting confidential information, among other things. In addition, all EY Canada professionals and certain others affirm their compliance with our independence policies each quarter, as discussed below. All of our professionals are held accountable for living our values and adhering to the Code of Conduct.

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

Our partners and associate 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.

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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. We align our actions and behaviours with our purpose of building a better working world.



Jad Shimaly
Chairman, EY Canada



Our global organization

EY Canada is a member 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.

The global EY organization, in fact, recently committed to invest another \$1 billion over the next four years in next-generation technologies for EY Assurance services, including artificial intelligence, predictive analysis and further integration of our existing suite of tools.

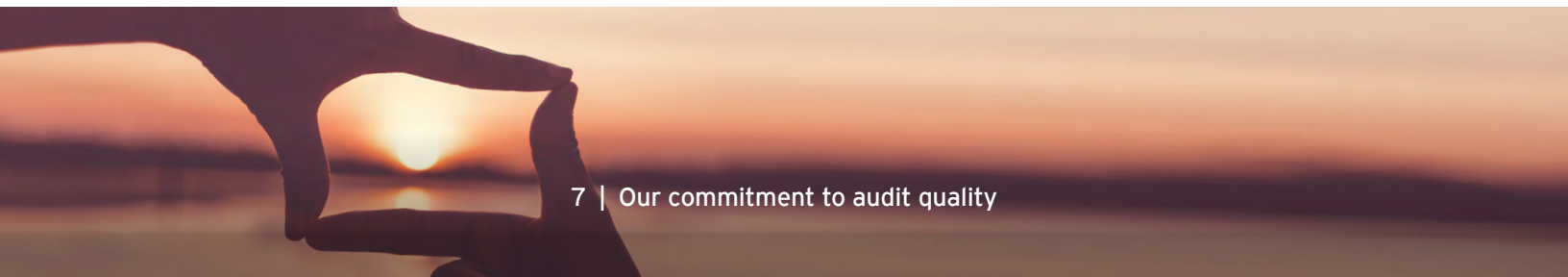
Auditors at all EY member firms use the same audit technology and the same foundational audit methodology, and they are evaluated against common quality objectives. They are all supported by Quality Network and Professional Practice professionals, and the global EY organization regularly tracks audit quality indicators at each member firm.

The global EY organization's [Sustainable Audit Quality \(SAQ\)](#) program remains a key focus for the audit practice at each EY member firm. 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.

Auditors at all EY member firms are required to comply with the independence policies of the global network and local firm and to confirm compliance each year with the [Global Code of Conduct](#), as discussed above.

Looking ahead

While EY Canada and other member firms are evaluating whether to separate their respective firms into two distinct multidisciplinary organizations, we remain focused on performing high quality audits. Under the proposal the firms are considering, EY Canada and the global network of assurance firms will continue to have all the capabilities and technical support required to deliver high-quality audits and serve the public interest.



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 the importance of performing high-quality audits and accountability for the quality of our work.

We continuously monitor our system of quality control and enhance our policies, processes and documentation when necessary. We use data analytical techniques to evaluate information about our audit practice and innovate how we identify, manage and respond to audit quality risks. We also 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, we and all other EY member firms continued to prepare for compliance with the International Auditing and Assurance Standards Board's new quality control standard that went into effect on 15 December 2022.

EY Canada continues to engage with the Canadian Public Accountability Board (CPAB) with respect to processes and documentation to comply with CPAB's Quality Management Systems assessment criteria.

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. This includes evaluating the Firm's financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to companies we audit; partner rotation requirements; fee arrangements; audit committee preapproval of our services, where applicable; and partner remuneration.



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Our culture promotes performing high-quality work with integrity in all of our audits. We are continuously reviewing and enhancing our quality control processes because our system of quality control is the foundation for performing high-quality audits.

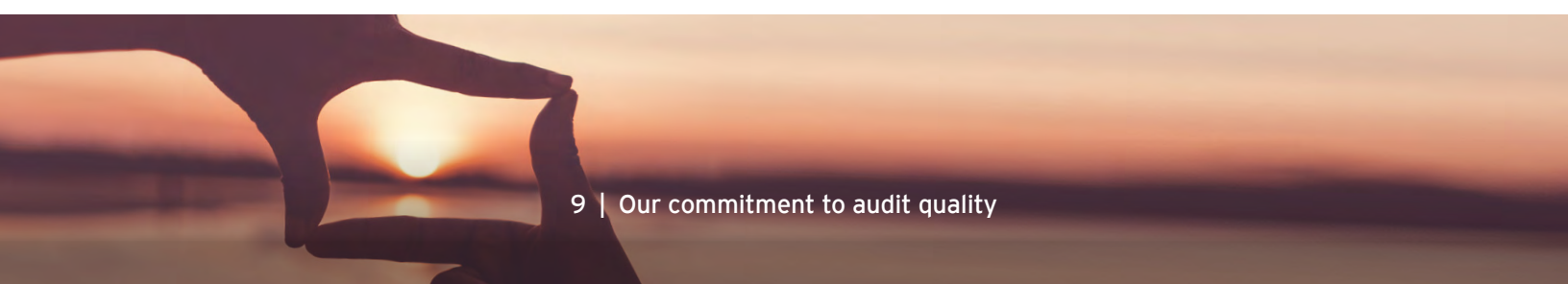
Zahid Fazal
Managing Partner, Assurance Services, EY Canada

Our policies require managers through partners to record securities and certain other financial relationships held by them and their immediate family members in the EY 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 up to date.

In 2022, we enhanced our confirmation system to better enable professionals to comply with their obligation to report their financial relationships in the Global Monitoring System. We are emphasizing the importance of compliance with our policy on reporting financial relationships and securities in our messaging to our professionals and there are financial penalties for incomplete or inaccurate reporting.

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 require that audit teams communicate with audit committees on matters that may reasonably bear on independence after executing detailed independence procedures.



Engagement with stakeholders

Our leaders actively engage in discussions with regulators and standard setters such as the Canadian Securities Administrators (CSA), CPAB, the Canadian Auditing and Assurance Standards Board and the Canadian Accounting Standards Board to share our perspective on emerging issues that impact audits and financial reporting. We weigh in on rulemaking and standard setting, which we believe is a critical part of our efforts to promote meaningful financial reporting and high-quality audits. For example, we continue to engage with the CSA as it considers requiring companies to disclose their greenhouse gas emissions and other matters relating to climate change.

We also share our views with investors and other groups that are interested in financial reporting. For example, through our global organization, we provide input to groups, such as the International Sustainability Standards Board (ISSB), that are seeking to standardize the disclosures companies make about ESG matters.

We also issue thought leadership aimed at improving the quality of financial reporting. Over the past year, we addressed topics such as accounting for transactions and arrangements related to climate change initiatives, accounting and reporting considerations for macroeconomic factors such as inflation, rising interest rates, supply chain disruptions and for the direct and indirect effects of the war in Ukraine.

The EY Center for Board Matters publishes articles and hosts webcasts to help board members address complex topics and address audit committee needs and expectations. We also support several networks of Canadian board and audit committee members across Canada to share experiences and exchange ideas for leading practices. Members of our senior leadership team meet regularly with these networks which aim to inform and educate board and audit committee members on topics such as climate-related disclosure and other ESG matters, cybersecurity and data privacy.

They meet regularly to discuss their work and sometimes engage with experts, regulators and policymakers.

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.

One of the most important elements of our strategy is maintaining a security-aware culture enabled by training and risk management communications. We provide annual training focused on the latest security risks, including tests of whether our people can identify phishing emails.

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 teams and the companies we audit. The EY Canvas Client Portal also provides a secure platform for communication and file transfers between the companies we audit and our audit teams. Client data is encrypted, both during transfer and while at rest.

Looking ahead

Cybersecurity

With cyberattacks on the rise, our partners proactively engage management and audit committees at the companies we audit in discussions about the heightened risks. We also provide our audit teams with guidance so they can assess the effects of cyber incidents when they arise and adjust their audit plans as necessary. We are also monitoring regulatory developments, for example the SEC's proposal to require public companies to make more robust disclosures about material cyber incidents and to provide disclosures about their cybersecurity risk management and governance. In addition, we continue to offer the companies we audit separate cyber-related services that provide an independent and objective assessment of the company's cyber-risk management activities to support board and management oversight of this issue.

ESG

We are sharing our perspective with the CSA and other regulators and standard setters, such as the ISSB, on what climate and sustainability disclosures would provide reliable information to investors. We believe disclosures about greenhouse gas emissions and other material sustainability-related matters would be useful to investors because they address long-term value. Our Climate Change and Sustainability Services (CCaSS) team already offers a separate service of providing assurance on a company's voluntary ESG disclosures and our sustainability specialists advise companies on reporting on these topics. Senior members of our CCaSS and audit teams are also proactively helping management and audit committee members understand the evolving ESG reporting and regulatory landscape.

Future of the profession

We continue to engage with university students to generate excitement about careers in auditing. We explain that EY auditors have opportunities to use cutting-edge technology, specialize in auditing certain complex areas, and be at the forefront of reporting on emerging topics such as ESG matters and cybersecurity. Our goal is to make a career in auditing attractive and more attainable for a larger group of professionals and we are working with other large audit firms and CPA Canada to improve the attractiveness of the profession.



Our people

Our people are essential to our ability to execute high-quality audits. We focus on creating diverse teams of audit professionals, supporting their well-being and providing them with career development opportunities.

Putting our people first

Our hybrid model of remote and in-person working that we call the EY Way of Working, or EY WoW, requires our teams to consider the needs of the companies we audit and their personal needs to determine when and where to work.

It allows us to continue performing high-quality audits while providing predictable flexibility for our people. It also enables us to provide more opportunities for our professionals to work on engagements outside their geography.

We are focusing on making sure our teams use their time together for activities that are most impactful in person, such as engaging with management of a company we audit at critical points in the process and getting together as a team to reinforce our culture. Our people are also gathering in person with EY leaders to celebrate their achievements.

For example, we hosted our celebration for newly promoted audit executives in person this past fall for the first time since 2019. We are also returning to in-person learning for our more junior professionals.

We also continue to enhance the experience of working at EY and empower our people to innovate.

To promote a sense of belonging, we assign our audit professionals to small groups, which we call EY Circles. Circle members can meet several times a year to discuss matters that impact them. In our EY Circles, partners discuss new career opportunities in our audit practice and offer opportunities to learn more about the investments we continue to make in our people and their benefits.



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We are committed to providing a platform for developing the best audit professionals through rich experiences, coaching and future focused skills in digital, sustainability and leadership skills for the post covid work world.

Charles K. Marful
Assurance Talent Leader, EY Canada

Highlights of our benefits

Time off

- ▶ A minimum of 9 firm paid holidays, in addition to statutory holidays
- ▶ A minimum of three weeks' vacation for the most junior staff to six or more weeks based on rank and tenure
- ▶ A flexible Extended Vacation Program (EVP) which allows staff to take one or two more weeks of self-funded vacation granting them more time off to re-charge

Emotional wellbeing

- ▶ \$5,000 mental health benefit
- ▶ \$1,000 wellbeing benefit
- ▶ Monthly wellbeing webcasts facilitated by the Cleveland Clinic Canada
- ▶ MindBeacon digital Cognitive Behaviour Therapy (CBT)
- ▶ Free counseling for our people and their families (Employee & Family Assistance Program)

Corporate responsibility and social equity initiatives

EY continues to promote equity inside our organization and our communities. By leveraging the power of our people and collaborating with like-minded organizations, we aim to solve societal and environmental challenges facing our world today.

Through our EY Ripples program, we collaborate with other organizations to help provide underserved populations with training and other support.

We also provide pro bono services to support entrepreneurs who use business as a force to address poverty, inequality and environmental issues, among other things. And, each year, thousands of EY people team with Earthwatch to combat climate change and environmental injustice.

Leveraging diversity and promoting equity and inclusion

[Diversity, equity and inclusion](#) is a key pillar of the member Firm's strategy and commitment to providing high-quality audits. We believe diverse perspectives, combined with an equitable and inclusive culture, drive better decision-making, stimulate innovation, and increase our agility.

We also foster a sense of belonging for all of our people by making sure everyone's voice is heard. We staff our audits with diverse teams and sponsor eight professional networks that provide opportunities to bring our diverse workforce together for connections, support, and engagement.

We are committed to attracting and developing women and racially and ethnically diverse professionals and recognize individuals who serve as role models and sponsors, live our values, and demonstrate inclusive leadership. We have an Emerging Leaders Program to support retention and development of high performing women and visible minorities into leadership positions.

This year, 47% of the audit professionals we promoted to partner or associate partner were women and 15% were self-identified visible minorities (racially and ethnically diverse, (R&ED)).

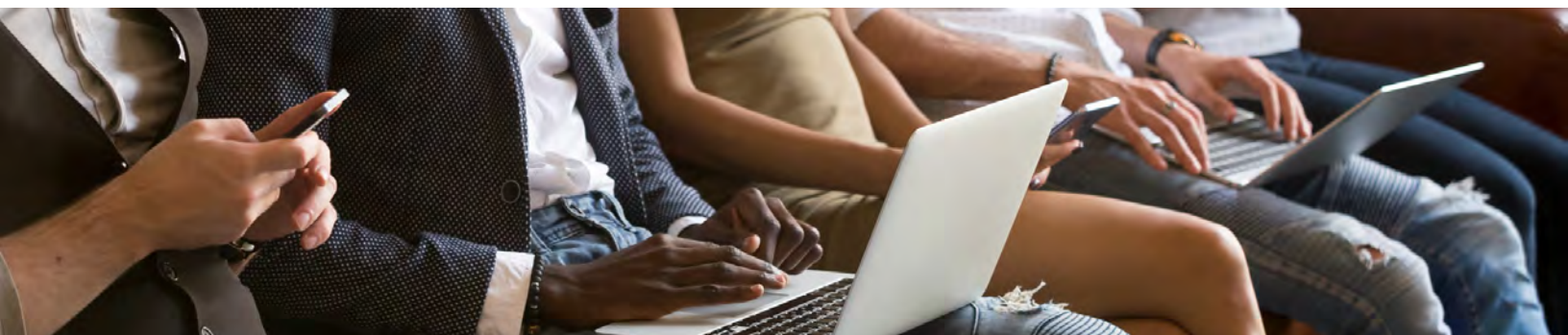
Our retention rate for women professionals was 72% compared to the overall Audit practice retention rate of 70%. The representation of women professionals at the partner and associate partner levels increased from 35% in F20 to 42% in F22. Overall female representation remained at 52% for the Audit practice.

42%

women representation
at the partner and
associate partner levels

52%

of the Audit practice
is represented
by women



Female Representation by Rank in Audit

	F22	F21	F20
Partner/Associate Partner	42%	38%	35%
Senior Manager	53%	56%	57%
Manager	56%	55%	50%
Senior	58%	60%	60%
Staff	52%	49%	53%
Overall	52%	52%	50%

The percentage of women partners who lead audits of public companies, excluding funds, is approximately 30%. The percentage of R&ED partners who lead audits of public companies, excluding funds, is approximately 20%.

We also monitor the percentage of partners and associate partners in leadership positions who are women and R&ED professionals. This year, 58% of local and national audit leaders are women and 17% R&ED. 12% of all audit partners and associate partners self-identified as a visible minority in the R&ED category. 32% of self-identified visible minorities in the audit practice are at the executive level (executive level includes ranks from manager to partner).

Inclusive environment in our People Pulse survey

89%

of our professionals said "EY provides a work environment where I feel free to be myself"

85%

feel included and supported and,

79%

said they feel safe to voice their views, even when they are different



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We are committed to building more capable leaders who will continue to strengthen our diverse, equitable and inclusive culture. By seeking new ways to empower our professionals to do their best work through mentorship and coaching opportunities, we are also strengthening EY’s commitment to audit quality.

Muriam De Angelis
Diversity, Equity and Inclusiveness Leader, EY Canada



The right people at the right time

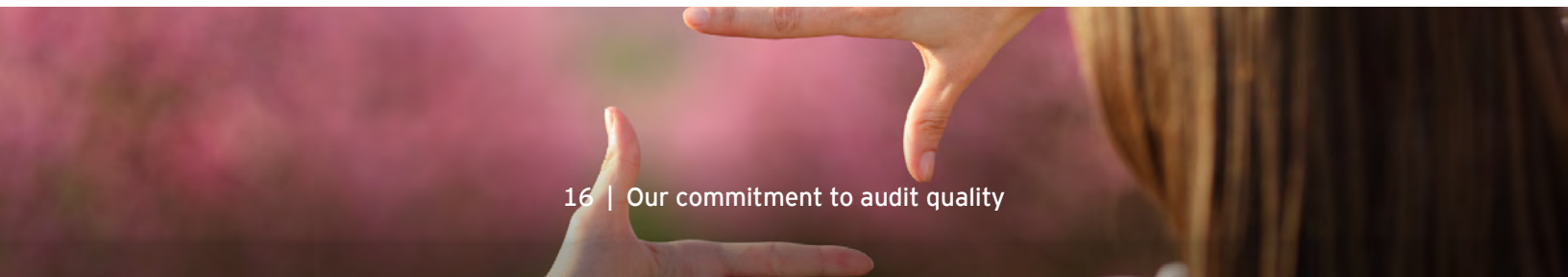
We continuously analyze macroeconomic data and information about our audit practice to forecast the number of people at each rank we will need to deliver high-quality audits. Geography is no longer the key consideration. Our professionals can now work remotely on audits in other locations, and we're incorporating this flexibility into our planning.

We have a process to identify partners with high potential so we can make sure they have the experiences they need to move into leadership roles, such as leading our most complex and challenging multinational audits.

We recognize and reward our top performers to help us retain professionals with the skills and experience to perform high-quality audits. We also promote top performers when they're ready and when the Firm needs them, rather than using the traditional approach of requiring them to complete a specified number of years of service.

Audit Professionals by (Full Time Equivalent basis)			
	F22	F21	F20
Partner/Associate Partner	166	159	147
Senior Manager/Manager	366	374	385
Senior	409	410	481
Staff	673	643	619
Total	1,614	1,586	1,632

The table above does not include specialists and offshore professionals who support the global EY organization.



We increased our headcount in F22 despite the challenges of the “Great Resignation”. However, we were not able to retain our typical retention rate of approximately 80% pre-pandemic. To continue to boost retention, we are investing in our culture and our people. Over the past two years, the Canadian firm has increased compensation, bonuses, recognition awards and well-being benefits.

Audit retention & tenure by rank F22

	F22 Retention	Average Tenure in years
Partner/Associate Partner	95%	20
Senior Manager	83%	11
Manager	61%	5
Senior	48%	3
Staff	79%	1.5

Developing our people

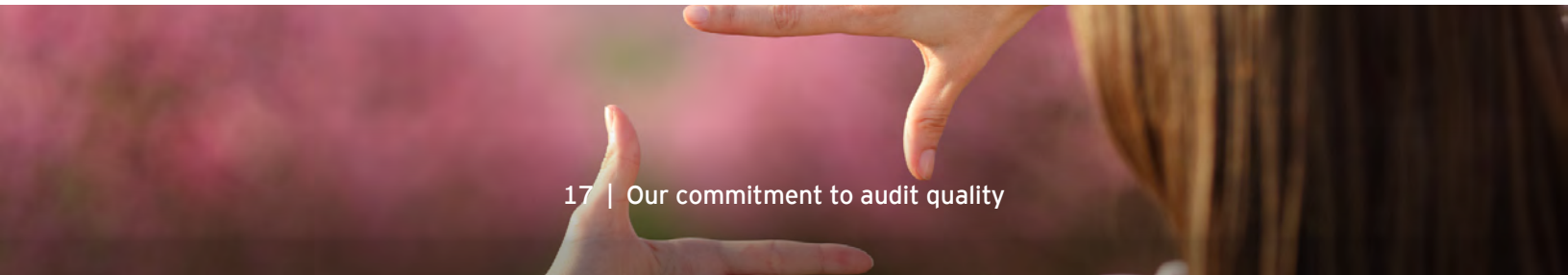
We are committed to enhancing the growth and development of our professionals. We focus on making sure they have the right skills to succeed and become transformative leaders who can continue to innovate and drive audit quality.

Our approach to performance management supports the growth of our professionals by providing them with meaningful career conversations, along with regular feedback about their performance.

On-the-job coaching and supervision for less-experienced professionals is critical to delivering high-quality audits. That’s why we focus on maintaining appropriate ratios of executives to less-experienced members of our audit teams. We note that our ratios have remained consistent over the last two years despite higher-than-normal attrition rates. Our partners and associate partners who coach, mentor and supervise more junior professionals have on average 20 years of service.

Ratios of audit executives to other audit professionals

	F22	F21	F20
Partners and associate partners to staff through senior managers	1 to 9	1 to 9	1 to 10
Senior managers and managers to seniors and staff	1 to 2	1 to 2	1 to 2





Our learning program is designed to make sure our audit professionals receive the right training at the right time and can absorb the material. Learning is fundamental to the profession, and our leaders stress the importance of completing training with integrity and in a timely manner. Our leaders continue to reinforce our commitment that all of our people act with integrity and ethics, including through ongoing training and communications.

To help our people complete their learning requirements, we introduced learning days by setting aside time for them to focus on training. We also have a calendar of requirements and deadlines by rank to help our professionals complete their training throughout the year. This year, we added a navigation feature to make it easier for them to find courses in which they are interested.

Our professionals can also earn EY master's degrees online from Hult International Business School, free of charge, in Business Analytics, Sustainability or Tech.

As they have in the past, our audit professionals substantially exceeded our requirement to complete 40 hours of continuing professional education in any given year. On average approximately 80 hours of continuing professional education training were taken by each of our audit professionals in F22.

Attracting exceptional talent

We focus on attracting a talented and diverse group of people who share our values and our commitment to executing high-quality audits. In our campus recruiting, we stress the importance of the work we do as auditors in serving the public interest, the value that DEI brings, the opportunities to develop digital skills and grow as a leader, as well as the value of EY's reputation as a great place to build a career.

In fiscal year 2022, we hired more than 860 people from university campuses which is a significant increase from approximately 460 in 2020. We continue to actively hire people who have both an accounting degree and a major or minor in data analytics, management information systems or computer information systems.

We also have internship programs that prepare university students for a career in accounting. In Canada, we continue to rank as one of the most attractive employers year after year, ranking #1 with accounting students and #4 overall with business students at priority schools, according to the 2022 Universum Undergraduate Survey.

That same report reveals that students have ranked us #1 overall in having leaders who support their development, act as a reference for future positions, provide leadership opportunities and team-oriented work.

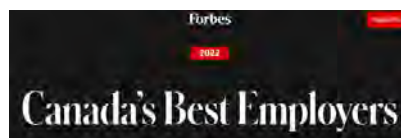
Our reputation as a great place to work and our culture of belonging enhance our ability to attract exceptional people.

EY Canada is widely recognized as a great place to work, as demonstrated by the following:

- ▶ Most Attractive Employers by Universum (2016, 2017, 2018, 2019, 2020, 2021, 2022)
- ▶ EY Audit and Assurance Services was #11 on Report on Business's Best B2B Brands (2022)



REPORT ON BUSINESS
BEST B2B BRANDS





Innovating and executing the audit

Our data-first approach and innovative technology help us drive audit quality and execute our audits with objectivity and professional skepticism.

Our focus on consistency

We are laser-focused on driving consistency in how we apply our audit methodology, how we manage our audits, and how we use innovative technology to perform high-quality audits. To do that, we have clarified our methodology in certain areas and created centralized teams that provide audit support on specific topics, including digital and innovation. We are also placing a greater emphasis on project management and accountability.

Our data-first mindset

Our data-first approach enhances audit quality because our teams see the big picture and focus on the key risks in the audit, including potential fraud risks, that arise during the year. It allows us to see trends and anomalies and understand how anomalies occur and how prevalent they are. Our intuitive tools also allow teams to tailor the audit approach.

Most of our public company audit teams expanded use of our digital audit methodology in fiscal 2022 to enhance their risk assessments for significant accounts and key business processes. That means they started their audit planning with a full population of data about the company's transactions recorded in the general ledger. They also used data-driven audit procedures to better understand key business processes and to obtain substantive audit evidence for many of the company's account balances.

Starting with data gives us a better understanding of how transactions are processed. By evaluating data and applying professional skepticism and judgment, we can better identify changes in processes and unusual journal entries that require follow up than if we used traditional sampling techniques.



EY Helix analyzers for use on all financial statement audits

Consolidated trial balance

- ▶ Scoping for multilocation audits
- ▶ Interim review

General ledger

- ▶ Used to identify anomalies in journal entries

Subledger

- ▶ Trade receivables
- ▶ Trade payables
- ▶ Inventory
- ▶ Payroll
- ▶ Property, plant and equipment

As a result, we are asking better, more timely questions of management and improving the experience for our professionals. Management of the companies we audit also benefits by spending less time pulling documentation of transactions and answering basic questions. In some cases, management gains new insights into the company's processes or operations based on information we share with them.

In the current audit cycle, we are building on our experience analyzing data about significant accounts to develop an even deeper understanding of how transactions are processed. We are also refining our methodology and standardizing our workpapers to help our teams focus on higher risk matters

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 our EY Helix general ledger analyzers and our subledger analyzers.

Our newest general ledger analyzer provides enhanced visualizations, including highlighting changes in the data from the previous year, and allows team members to quickly drill into the data so they can discuss it in real time with audit team executives. It also allows our teams to analyze very large populations of data from the companies we audit. In addition, the analyzer helps our teams identify significant or unusual patterns in journal entries, grouping them by combinations of characteristics, such as the same posting details.



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We continue to maximize our use of data and technology to drive audit quality. This data-first approach helps our teams develop a deeper understanding of the companies we audit and better identify areas of risk.

Sonya Fraser
National Audit Leader, EY Canada

Sector-specific analyzers

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





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We believe utilizing data analytic techniques results in a higher quality audit. Patterns and information from our clients' data allow our teams to ask better questions.

Stuart Hutchinson
Assurance Digital Leader, EY Canada

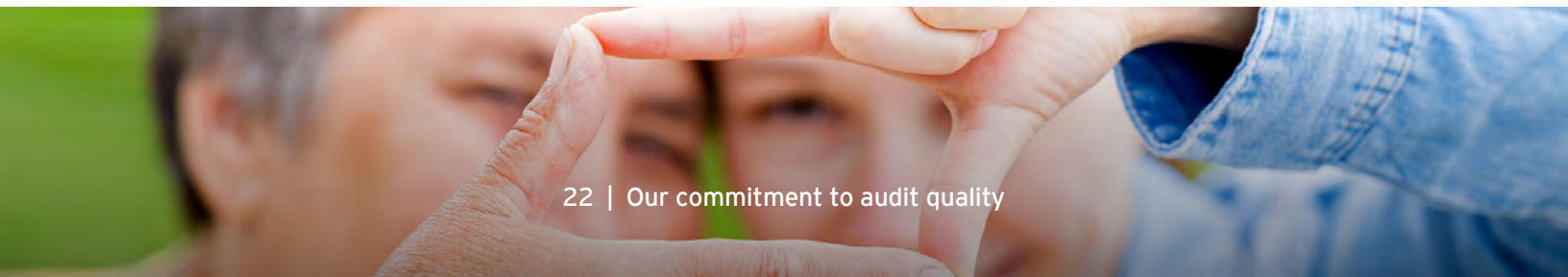
We also have sector-specific EY Helix data analyzers that help our teams evaluate transactions and metrics that are unique to the company's industry. These analyzers are often developed by EY auditors who want to address the needs of their own teams that aren't addressed by existing analyzers. We then test the analyzers and certify them for use by other Canadian teams auditing companies in the same industry.

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

We also have a robust pipeline of ideas in development to create new tools, and we encourage our professionals to continue to innovate.

We evaluate the latest technology businesses are using and develop tools to address new issues that may arise. For example, our blockchain analyzer gathers a company's cryptocurrency transaction details from public blockchain ledgers using public addresses supplied by the company and reconcile the data with the company's records. The latest version of the analyzer has a digital signature verification feature that allows companies to demonstrate ownership of digital wallet addresses without needing to move cryptocurrencies.

The analyzer supports data for five blockchains: Bitcoin, Bitcoin Cash, Litecoin, Ethereum and Ethereum Classic.



Over **1,300** EY Helix data analyzers delivered for audits of 2021 financial statements

EY Canvas audit platform

EY Canada audit teams use our cloud-based audit platform, EY Canvas, to consistently apply the EY audit methodology and manage 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 participate in 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, view the key risks they identified and track the audit procedures they planned so they can more easily see whether key risks have been appropriately addressed.

The global EY organization continues to make enhancements to add functionality to EY Canvas. For example, the Canvas engagement dashboard was recently enhanced to make it easier for team members to see the tasks that require attention.

Automation

We continue to automate aspects of the audit to improve audit quality by collecting evidence and enhancing project management to allow our people to focus on higher risk areas of the audit. For example, our 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 solutions that populate certain information from our EY Helix Analyzers into workpaper templates to help our teams document their work consistently.

Teams can also use our EY Canvas Smart Automation tool to create Intelligent Checklists that help streamline the preparation and review of financial statement disclosure checklists and to extract key terms from contracts, among other things.

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Our technology allows us to use the latest data analytic tools in our audits. The expanded use of this technology has enabled our auditors to have an unparalleled understanding of our client's processes and better focus on higher-risk areas of their engagements.



Lily Adam
Assurance Leader, Quebec, EY Canada

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, going public and accounting for complex income tax matters, among other factors. Throughout the audit cycle, our teams reassess risks using evidence they gather from their audit procedures.

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. 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 their experience with both the industry and public companies, and where applicable, auditing internal controls over financial reporting, their skills and partner rotation requirements. We also consider the company's risk designation identified in our firmwide risk 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 semi-annually. We also perform an annual review of the composition of each public company audit 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.

We believe that timely executive involvement is a key driver of audit quality, and we track and evaluate hours incurred by executives at various points during the audit.

The right skills

We include in our audit teams EY professionals who focus on tax matters, IT and valuation matters and, in certain audits, forensic accounting. Having specialists 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.

EY Canada and other members of the global EY network will continue to have the outstanding multidisciplinary capabilities to support our audits now and, in the years, ahead, even if the member firms separate into two distinct organizations.

Offshore professionals who support the global EY organization perform certain audit procedures and other tasks under the supervision of our Canadian audit teams and the specialists who work on our teams. In fiscal 2022, these professionals accounted for 11% of the audit hours, compared with 7% the previous year.

In addition, we are driving consistency in our approach and documentation by building centralized teams that provide audit support on various topics. Our onshore Audit Centre of Excellence (“COE”), which is located in Halifax, currently supports individual audit teams by executing low and moderate risk audit procedures that can be optimized by centralizing the work in Canada. Currently, key areas of focus for the COE include internal controls testing, routine substantive procedures such as confirmations, pension plan audits, not-for profit audits, and routine independence procedures such as reviewing the services we provide to a company we audit and making sure they are all pre-approved. Using the COE frees up our audit professionals to spend more time on other areas of the audit that require more judgment.

Managing the audit

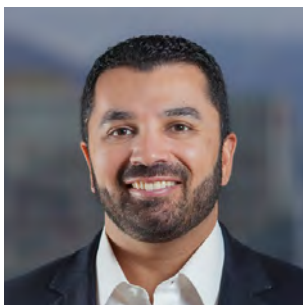
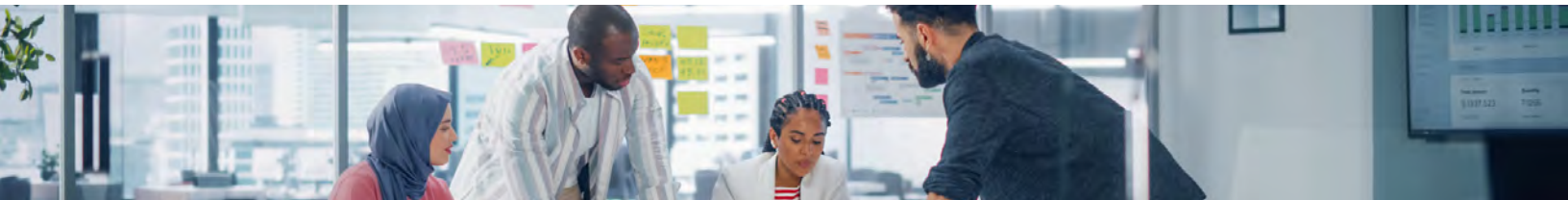
We believe that timely pacing of the audit and strong project management, including timely supervision and review by audit executives, are important drivers of audit quality. Our experience indicates that teams that complete their work at the appropriate time, including reviews by audit executives, execute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

We emphasize the importance of project management through our milestones program, which promotes discipline and timely executive involvement by focusing our teams on completing procedures, documentation and reviews by a specified date for key phases of the audit. We have enhanced how we analyze real-time data for our milestones program, which helps us proactively reach out to teams ahead of deadlines and provide additional support when necessary. 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.

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.

Over the past year, we stressed the importance of a continuous improvement mindset to further enhance audit quality. Many of our teams use Lean Six Sigma principles to manage their audits more effectively so they can focus on the risks that matter most in each audit, eliminate rework and drive greater consistency in our audit execution.



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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 have them on track for the audit well before a company’s year-end.

Mal Grewal
Assurance Leader, Vancouver, 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 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.



EY digital audit technology

Our digital technology enables audit teams to perform the digital audit using a secure platform. Our suite of analyzers helps teams analyze data with advanced and emerging technologies.



Click on
the tools to
learn more.



Supporting our teams

We help our teams perform high-quality audits by providing coaching, interpretive guidance and enablement, and our technical support groups consult with them on difficult accounting, auditing, and regulatory matters.



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 and other 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.

Professionals in our Quality Network have frequent contact with teams and identify and proactively address emerging risks. They're also able to share that knowledge across the practice.

Over the past year, our Quality Network focused on our teams' use of data in our audits, audits of internal control over financial reporting, targeted audit areas, and higher risk engagement attributes such as increased turnover on our audit teams, significant business combinations or an initial public offering. Over 60 public company audit teams received coaching or workpaper reviews in fiscal 2022 and many others were supported by the Quality Network through other means.



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In fiscal 2022, we were able to increase coaching, workpaper reviews, engagement team outreach and oversight of teams working on audits with certain higher risk attributes to support these teams' planning and execution of more challenging audit matters.

Richard Mockett
Canadian Quality Implementation Leader, EY Canada





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The world of assurance is constantly evolving, our independent and objective consultation process drives audit quality by helping our teams work through new and complex accounting, auditing and reporting issues and making sure we comply with all relevant standards, rules and regulations. We provide our teams with guidance and support at every step of the audit process so they can perform at their best.

Laney Doyle
Professional Practice Director, EY Canada

In the current audit cycle, our Quality Network coaches plan to continue our focus on supporting teams through obtaining an enhanced understanding of IT in the audit and the adoption of the revised risk assessment auditing standard, and to continue to support teams across the other focus areas summarized above.

Our Professional Practice group

Our Professional Practice group supports our audit practice by consulting with our teams on difficult accounting, auditing, and regulatory matters. Partners and associate partners who consult with audit teams are independent of those teams.

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 topics, including current issues such as reporting on ESG matters. The group also develops guidance and enablement to help our teams deliver high-quality audits, performs risk management activities, evaluates and tests our quality control system, and operates our monitoring and internal inspections programs.

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. The results provide valuable information about how we can continuously improve audit quality.

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.

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, we focus on specific areas of an audit and evaluate our compliance with professional standards, regulatory requirements and our policies. Audits are selected for review based on several factors, including 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 internal and external inspection findings and positive and negative quality events, by interviewing teams and analyzing data about our audit practice. We 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 the Firm has taken to improve our system of quality control.



This comprehensive process helps us confirm that we are taking the right actions to drive greater consistency in our audit execution.

We also analyze the root cause of positive quality events, which we define 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 behaviors 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

EY Canada's audit practice is subject to annual inspection by CPAB for audits for Canadian public companies. As part of its inspections, CPAB evaluates the firm's quality control systems and reviews selected engagements. The most recent inspection report on EY Canada was issued by CPAB on January 17, 2023. While we are prohibited by CPAB from publicly sharing the results of our CPAB inspections we continue to be proud of our CPAB inspection results. Information on CPAB can be found at cpab-ccrc.ca.

In addition, EY Canada's audit practice is subject to inspection by the PCAOB for audits of US SEC issuers. As part of its inspections, the PCAOB evaluates the firm's quality control systems and reviews selected engagements. The most recent inspection report on EY Canada was issued by the PCAOB on April 8, 2022.

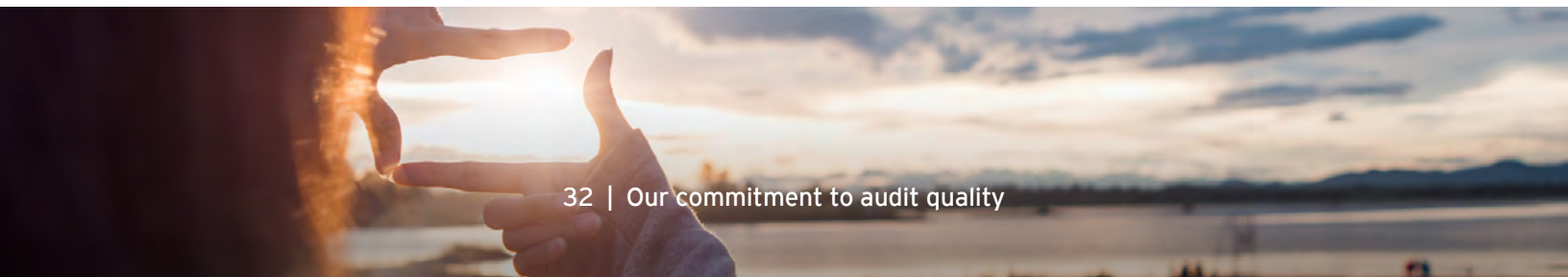
We value the inspection process and review the inspection findings to determine if changes or enhancements are required in our policies, processes or procedures. Areas identified by the inspection process are critical inputs to our development of action plans for improvement. These action plans are communicated 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 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. When IFIAR published its survey of 2021 inspection results, which is the most recent survey, the EY network was 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 Canada* 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” 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. Regions are grouped within geographical lines with the exception of the Financial Services Operations (FSO) Region, which is responsible for audits of financial institutions.

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, Office of Strategic Execution, Talent and Risk Management, the Area Leaders for Assurance, Consulting, Strategy and Transactions, and Tax, and the Managing Partners of each of the Regions in the Americas.

Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board for Regional leadership. Most partners who are elected as Presiding Partners of their respective RPF 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) strives to create an environment that encourages all personnel to act responsibly, including reporting potential misconduct without fear of retaliation. The AEOB, in conjunction with the Regions in the Americas, also evaluates the findings of investigations and disciplinary actions taken by the 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 Americas, and their partners and employees for fair and consistent enforcement and imposition of consequences for violations thereof.

**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.*

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, 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.

Network arrangements

EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, over 350,000 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 highly integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

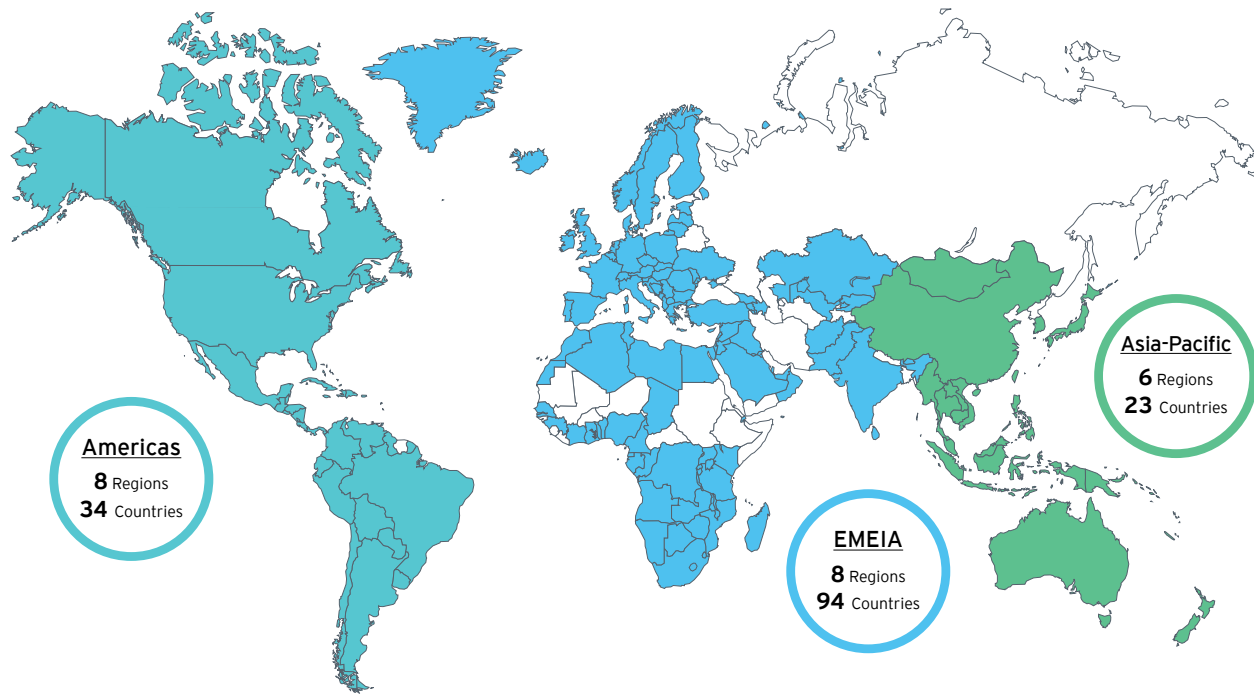
This highly integrated approach enables EYG member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits. EYG coordinates the various activities of the member firms and promotes cooperation among them. EYG does not provide services, but its 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 focus on stakeholders in the Regions, permitting member firms to build stronger relationships with clients and others in each country and be more responsive to local needs.

Looking ahead, the partners at EYG member firms are evaluating a proposal to separate their respective firms into two distinct multidisciplinary organizations. Under this proposal, the global network of assurance firms would continue to have all of the capabilities and technical support required to deliver high-quality audits and serve the public interest.

EY Areas, Regions and Countries*



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. 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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