



EY UK 2022 Audit Quality Report

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Covering letter

Dear Stakeholders,

During my nearly 40 years as an auditor, I've seen first-hand the crucial role audit plays in building confidence in the capital markets and building trust in businesses. Audit matters, and what we do has arguably never been more important.

UK companies are facing a convergence of challenges, from climate change and the aftermath of the pandemic, to the war in Ukraine, economic uncertainty, capital markets volatility and shifting consumer habits.

A wider range of stakeholders, including customers, employees, suppliers, governments and civil society, are scrutinising corporate behaviour, alert to any gap between what companies claim and what they are actually doing. That increases the expectations of auditors, specifically on their work around going concern and resilience, and more generally on the overall assurance of company reporting. Quite rightly, regulators have set a high bar on quality, whilst the UK's legislative framework for audit and corporate governance is undergoing reform too. We provide more detail on our latest FRC Audit Quality Inspection Report on [page 7](#), but I was disappointed that this year's FRC inspection results are not in line with our recent levels of performance. We know we can do better, and we are determined to do so.

To meet the growing expectations placed on our profession, it's vital that we deliver high-quality audits in the public interest. This report sets out our strategy for doing so, and how we're responding to – and anticipating – a changing business landscape. It covers:

- ▶ Our ambition.
- ▶ What we have achieved this year.
- ▶ Our key focus areas, actions and risks for FY23.
- ▶ How this translates to a quality audit for companies.

Our commitment to high-quality audits is guided by our deeply-held global purpose – Building a better working world. To achieve our objectives, we have maintained our focus on driving improvements in audit quality by continuing to make significant investments in our audit teams and technologies.

The future for audit quality at EY

When I talk about the role and purpose of audit in a changing world with politicians, regulators, and other stakeholders, there are three recurring questions which come up:

- ▶ How to run a business whose primary focus is to deliver audit quality with a culture that supports that focus?
- ▶ How to reduce the perception that it's our goal to sell other services aside from audit?
- ▶ How to improve choice in a market affected by independence restrictions?

Answering these questions – and others, not least those around investment in audit quality, how to make the most of new technology and assurance services, and how best to respond to a changing regulatory environment – means considering proactively whether there is a better business model for EY and our stakeholders. As I write this, our partners are considering plans to create two independent, multi-disciplinary organisations, one of which would be a global partnership with all the capabilities required to deliver high-quality audits and serve the public interest. The proposed separation is a bold and sector leading strategic step, which I believe will improve audit quality, independence, choice – and trust and confidence in the capital markets.

Audit quality sits at the heart of our deliberations. A partnership with audit at its core would have all the skills, capabilities and technological support it needs to deliver leading-class audits to the most complex organisations around the world. It would have financial strength. And it would have a strong culture underpinned by our purpose of serving the public interest.

Regardless of the outcome of these discussions, we will always prioritise audit quality and I hope the contents of this report help you understand what this means for us, the organisations we audit, and society as a whole.

Hywel Ball
UK Chair

EY UK 2022 Audit Quality Report: Summary

Our purpose

Protecting the public interest and taking personal pride in audit



98%

of our people believe delivering quality audits is a priority for them.

Our ambition

EY is committed to consistently delivering high-quality audits that serve the public interest

95%

of our people feel able to provide constructive challenge to management of the organisations that we audit.

Action to date

Examples of key actions taken in the UK are:

Continuous actions/activities:

- ▶ Annual Audit Quality Summit
- ▶ Annual training programme – combination of online national training and centre-led in-person local events
- ▶ Access to external sector forecasts and projections to support our challenge of companies' forecasts where these underpin key accounting judgements
- ▶ Further global investment in leading data analytics tools and continued rollout of our digital audit methodology
- ▶ Use of audit quality indicators including global milestones programme to improve and monitor project management of our audits
- ▶ Use of Audit Purpose Barometer and Active Scepticism Framework applied by our people on audits

Rolled out in the last 12 months:

- ▶ 'Enhancing our culture of quality' roadshows across the UK communicating our desired audit culture and our audit quality strategy.
- ▶ Launch of annual audit trust awards to celebrate outstanding contributions to our quality-led culture from across UK Audit at all levels, as well as specialists who support audits.
- ▶ Developed digital skills of our teams with the rollout of training for engagements implementing Digital GAM through engagement team workshops supported by global web-based learning modules and supplemented with local top-up learning and communications where required.
- ▶ Significant investment made in additional support for audit teams through 'hot file' reviews, enhanced risk review processes and best-practice documentation.
- ▶ We continue to provide additional guidance in key areas of the audit including impairment, group oversight and cash. This is supplemented by 'Top Tips' emails and task-specific training videos issued to the practice in these areas.
- ▶ Delivered extensive training on climate risk in audit, developed enablers to assist teams in performing risk assessments involving senior members of the team and specialists, and designed a framework and guidance for audit teams to assess the adequacy of disclosures within the financial statements.

Audit Quality Reviews

FRC reviews

Percentage of all audits inspected graded 'good' or 'limited improvements'.

Five-year results



Deloitte 80%, PwC 77%, EY 72%, KPMG 68%



Deloitte 82%, EY 80%, PwC 79%, KPMG 71%

QAD reviews

Percentage of all audits inspected graded 'satisfactory' or 'generally acceptable'.



EY 94%, Deloitte 88%, KPMG 85%, PwC 85%

Internal reviews

Percentage of audits reviewed with no or only minor findings.



Current year results



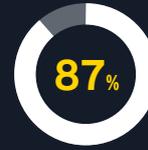
KPMG 84%, PwC 83%, Deloitte 82%, EY 65%



KPMG 91%, Deloitte 91%, PwC 89%, EY 78%



EY 100%, PwC 100%, Deloitte 80%, KPMG 75%



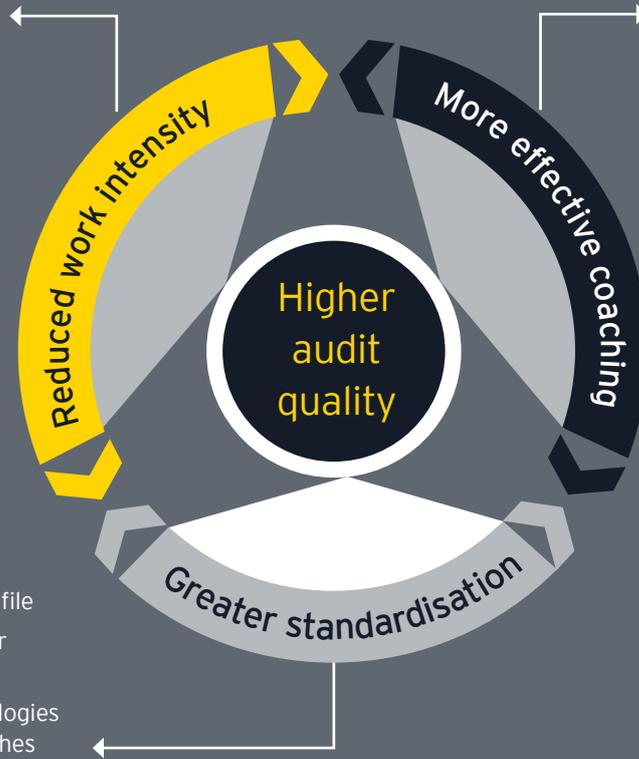
of audits reviewed with no or only minor findings

132 audits reviewed in FY22 covering **46%** of our Responsible Individuals

Reviews are typically weighted towards higher risk and potentially more complex audits with ever increasing expectations on audit quality.

Our response

- ▶ Right-size the portfolio and resource model
- ▶ Focus on where and how we execute the audit – use of offshore locations and Centres of Excellence
- ▶ Review of resource allocation
- ▶ Reduce admin burden and improve project management



- ▶ Significantly extend our quality control capacity
- ▶ Enhance our quality enablement network through senior manager representatives leading in every office
- ▶ Development of technology-enabled support options

- ▶ Simplify and standardise documentation across the audit file
- ▶ Launch Centres of Excellence for areas with common attributes
- ▶ Enhance topic-specific methodologies with standardised audit approaches and example good-practice workpapers

Our people

100% of our auditors respond positively when asked whether they understand their role in protecting the public interest.

95% of our people believe audit quality is a clear priority communicated by the EY leadership team.

We have set out a clear vision of our audit culture and the audit quality culture assessment carried out in July 2022 has shown a significant improvement in our overall cultural alignment.

90% of our people are comfortable asking for help when needed.

83% of our auditors set aside adequate time to coach team members prior to them commencing any tasks to ensure they understand the purpose and expected outcome.

We are committed to improving our consistency across all our audits. Whilst this can be addressed through standardisation, we also need to ensure more effective coaching and support are available. As a result these are two of our key focus areas in FY23.

46% of our people believe the teams they work with had sufficient resources to enable them to deliver quality audits during FY22.

Recruiting and retaining auditors with the right skills and experience is an issue faced across the profession. We are not immune but are determined to continue addressing this challenge through recruitment and implementing measures to retain our existing talent.

One of our key focus areas this year is to reduce work intensity in order to break the continuous nature of the work and reduce the feeling of intensity amongst our people.

We plan to have increased overall headcount by over **250** people on average between FY22 and FY23.

My vision for audit



Andrew Walton
Head of UK Audit

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Our purpose is to deliver high-quality audits in the public interest. Our culture enables our people to deliver quality and take pride in the important job they do.

Looking back on my second year as EY UK Head of Audit, I want to start by thanking our people for their dedication and commitment to delivering high-quality audits in a fast-changing environment – one made all the more challenging by the effects of the war in Ukraine, the move to hybrid working and capacity constraints in our industry.

During this period, we have also faced reputation challenges to our global brand from the Wirecard fraud, FRC’s ongoing audit investigations, the EY US fine in relation to past external and internal Certified Public Accountant (CPA) exam answer sharing by some EY US Audit employees and independence quality

control and compliance matters in EY US. The audit profession also received criticism on whether auditors are doing enough in the consideration of climate-related risks and impact on financial statements. Further details of these and our response are included on [page 16](#).

We remain fully committed to delivering on our audit strategy and helping to restore trust and confidence in UK audit. Our commitment to serving the public interest and taking personal pride in audit is a core element of our audit strategy, which is built from ground up to deliver consistent high audit quality, build lifelong skills and experiences for our people, and achieve purposeful growth that allows us

to meet the needs of stakeholders. These are objectives that are fully aligned with our firm-wide purpose of *Building a better working world*.

The strength of teamwork and support for each other has been an underpin to the business for which I am incredibly grateful. It has been great to see our people getting back into the offices. Teams collaborate better in person, which facilitates more effective coaching and learning experiences.

Given the changing backdrop, we are also equipping our people to evaluate the effects on audit of emerging geopolitical issues, global supply chain disruption and inflationary pressures.



Consistent high audit quality

Audit quality is not defined in professional standards, and stakeholders may have different views on how it should be measured. Whilst no single metric can be viewed as a definitive measure of audit quality, a broad set of metrics can be used to give an indication of firmwide audit quality. We are continuing to track Audit Quality Indicators (AQIs) internally, which include, but are not limited to:

- ▶ Internal and external inspection results – see [page 7](#) for more details
- ▶ Staff and Culture survey results – the results of these surveys are included within this report where relevant
- ▶ Training – see [page 12](#) for more details
- ▶ Diversity, equity and inclusiveness – see [page 14](#) for more details.

Our Audit Quality Strategy (AQS) is refreshed each year and is responsive to emerging issues, including recent inspection results. Over the past 18 months, we have successfully reacted to the additional audit challenges mentioned earlier.

For FY23, the audit quality strategy has been refreshed with the identification of three key focus areas:

- ▶ Greater standardisation and simplification
- ▶ More effective coaching and support
- ▶ Reduced work intensity.

These aim to increase consistency in our delivery of high-quality audits. Further details of each area are provided on [pages 11 to 14](#).

Building lifelong skills and experiences

High-quality audits can only be delivered by engaged and talented people, working in a culture supportive of our purpose. Our talent strategy focuses on retaining and attracting sufficient people with the right attributes to deliver high-quality audits.

Across the audit industry, resourcing continues to be an issue – and EY has not been immune to this challenge. This has been exacerbated by extra workload imposed on auditors due to COVID-19

and the war in Ukraine having knock-on impacts to the global economy, supply chains and inflation. This has resulted in our teams operating at an intensity above the level we would like.

In response, we have taken several steps to address this issue directly in our own audit practice, including actively recruiting more auditors across the UK and implementing measures to retain our existing talent. These actions have included recruiting ahead of attrition and improving our onboarding activities. [Page 13](#) provides further details on our plans to address this.

Also, in the past year we have declined the opportunity to participate in over 250 of the audit tenders and other requests potentially open to us – more than one every working day – in many instances because we felt resource constraints might pose a risk to high quality. As well as helping us to manage and reduce the work intensity of our teams, this selective approach also helps us to achieve purposeful growth and be a more attractive employer.

Our drive for purposeful growth also means the opportunity and chance for our people to learn and develop. We want all our talent, from every background, to have an exceptional experience. To achieve this, we need to create a culture of equality where everyone belongs. We are building the culture we need by:

- ▶ Providing and encouraging people to gather differentiated experiences to broaden skills and mindsets.
- ▶ Creating greater transparency and support to create more flexible, personalised career journeys and proactively manage a diverse leadership pipeline.

Balanced workload with motivational reward and recognition

In the earlier section on this page, we highlighted the actions taken to reduce work intensity to ensure a balanced workload for our people. Our talent strategy will also focus on retaining the best talent through reward and recognition by:

- ▶ Delivering a competitive total reward strategy in the top quartile of the market.

- ▶ Ensuring our people are engaged and inspired by how their efforts make a difference to the public interest, contribute to society and increase trust in capital markets.
- ▶ Continuing to give more weight to quality when determining variable pay awards.

In FY22, we also launched our annual audit trust awards to celebrate outstanding contributions to our quality-led culture from across UK Audit at all levels, as well as the specialists who support us.

Performance on audit quality is also a critical factor in our audit partners' overall evaluation. We reward high audit quality as part of annual appraisals to include positive outcomes on inspections. During the year, we also introduced a revised sanctions approach where adverse quality ratings for equity partners will directly reduce their remuneration outcome.

Purposeful growth

Our research reveals that purpose-driven businesses are better at attracting and retaining talent, sparking innovation, navigating disruption, and making profit.

We recognise the need to grow to fund investment and create development and career progression opportunities, but we need to grow in the right ways, which means letting purpose lead our decision-making. Growing with purpose means we are distinctive, we create value for all stakeholders, our people work in an engaging place and enjoy the benefits of a profitable, resilient firm. It is also about making sure our people are proud to work at EY.

Public interest remains in the forefront of our growth strategy. Whilst there may be some industry sectors that are more challenging to audit than others, I would stress that we have not withdrawn from any major sectors. We look at the attitudes to corporate governance and control of the organisations within an industry when considering whether to accept or continue an audit.

We are mindful of our responsibility to hold companies to the highest standards of corporate governance and control. Therefore, when companies fall short of these standards we seek to help them

improve, including encouraging them to improve their governance and control and to invest in producing higher-quality financial reporting. Only after we have exhausted all avenues to work with boards do we take the decision to resign from an audit. If a company's attitude to the audit is poor, or the commercial arrangements are inappropriate for the level of effort or risk, this may also be a factor.

We will also only take on work when we have done sufficient due diligence on the company's governance, control and attitude to audit, and when we are sure we have sufficient capacity to deliver a high-quality audit. This is subject to sign-off by our Qualifying for Success independent panel.

Please also refer to our separate Impact report which explores EY's commitment to creating value for all our stakeholders and building a better working world.

Create investment capacity

Investment in our business is a key foundation to our continued success. In order to achieve the desired three outcomes in our strategy we need to invest in our people to recruit, retain and train the right people. To create this capacity we need to ensure we deliver value for which we are paid fairly.

Lead on audit reform

We have been actively engaged in the UK audit market reviews and fully supportive of the desire to create an audit ecosystem that better meets the expectations of our stakeholders and society.

In May 2022, the UK Government's response to the consultation on the strengthening audit, corporate reporting and corporate governance systems 'Restoring trust in corporate governance and audit' was published by the Department for Business, Energy and Industrial Strategy (BEIS). The forthcoming reforms are expected to have far-reaching impacts on both the current and future generations of directors and auditors.

We are focused on playing our part in ensuring changes have a positive impact on corporate reporting and audit quality, increasing trust in the profession and wider business.

Operational separation

We are very well progressed in our voluntary implementation of the FRC's operational separation principles ahead of the September 2024 deadline for full implementation.

From 1 July 2021, we put in place a new governance framework to reflect the requirements of operational separation. This is the first full year under the new structure. Please see [page 18](#) for details.

Other key changes from operational separation include setting a perimeter around our audit business and formalising financial arrangements. Our transfer-pricing arrangements for services between our audit and non-audit businesses have been updated and fully implemented from the start of FY23, ahead of the required implementation date.

In many of our audits, we utilise internal specialists such as tax, forensics, information systems, asset and derivative valuations, and actuarial analysis. Their involvement is critical to conducting a high-quality audit. To ensure the audit practice is not restricted in its access to specialist resources, we have put in place oversight committees to monitor specialist resourcing, training and communication.

We are confident that we are able to implement the principles of operational separation effectively.

Audit culture

Our distinctive audit culture is the cement that binds the building blocks and foundation of our strategy together. We have been thoughtful in articulating a culture that is right for us: one that recognises we are part of a wider, global firm and is clear about whose interests our audits serve. There are three elements underpinning our desired culture:

- ▶ Our people are focused on a common purpose. It is vital we foster and nurture the values, attitudes and behaviours that lead our people to do the right thing.
- ▶ The essential attributes of our audit business are:
 - ▶ Right resources – We team with competent people, invest in technology, methodology and support.

- ▶ Right first time – Our teams execute and review their work, consulting where required to meet the required standard
- ▶ Right reward – We align our reward and recognition to reinforce the right behaviours
- ▶ The six pillars of Sustainable Audit Quality are implemented. These are set out in further detail in this report.

A critical part of this culture is that our people are empowered to challenge and exercise professional scepticism across all our audits. However, we recognise that creating a culture requires more than just words from leaders. It has to be reflected in the lived experience of all our people each and every day. The absolute importance of the right audit culture to delivering high-quality audits has been recognised, not only as a key component in our overall strategy, but also as one of the specific priorities of our audit quality strategy in FY23.

In July 2022, we performed an audit quality culture assessment to obtain feedback from our people on the values and behaviours they experience, and those they consider to be fundamental to our audit quality culture of the future. The purpose was to understand how aligned our current culture is to our vision.

The overall cultural alignment index of 86% showed an eight percentage points improvement when compared to the cultural survey performed last year. This is encouraging, and contributing to this was our Quality Enablement leadership and Talent leadership-led audit quality culture roadshows which were run in our offices across the UK.

Conclusion

Audit quality, and delivering this consistently across all our audits, is our number-one priority.

I, together with the audit leadership team and all our partners and staff, am committed to addressing the challenges we face and fulfilling our purpose in serving the public interest.

Andrew Walton
Head of UK Audit

Our UK Sustainable Audit Quality programme



Michael-John Albert
UK Quality
Enablement Leader

“

We are committed to consistently delivering high-quality audits that are in the public interest. We achieve this through living our quality culture that has independence, scepticism and doing the right thing at its core. Our quality strategy has evolved to focus on more effective coaching and support, reduced work intensity and greater standardisation and simplification.

Our UK SAQ programme

The UK Sustainable Audit Quality (SAQ) programme aligns with EY’s global SAQ programme and has been running since 2014. Since then, significant investments have been made to keep improving audit quality. Despite our efforts, we have seen a decrease in our FRC inspection results this year. This is disappointing and out of line with our improved results in recent years and those seen in the ICAEW Quality Assurance Department (QAD) and internal AQR results.

The FRC have not identified any systemic reasons for the current year inspection results and have commented to say that the current year results are not necessarily indicative of an overall reduction in audit quality. However, we do need to improve our consistency in delivering high-quality audits.

Our five-year trend is as follows:

Over the last five years:

- ▶ The FRC has graded an average of **72%** of all our audits as requiring no or limited improvements (80% for audits of FTSE 350 companies).
- ▶ The ICAEW Quality Assurance Department (QAD) has graded an average of **94%** of our audits as satisfactory or generally acceptable.
- ▶ Our internal quality reviews have graded **82%** of the audits reviewed as having no or only minor findings.

These reviews have covered over **700** audits in this time.

In our most recent inspection results:

- ▶ The FRC graded **65%** of all our audits as requiring no or limited improvements (78% for audits of FTSE 350 companies).
- ▶ The QAD graded **100%** of our audits as satisfactory or generally acceptable.

- ▶ Our internal quality reviews rated **87%** of our audits as having no or only minor findings.

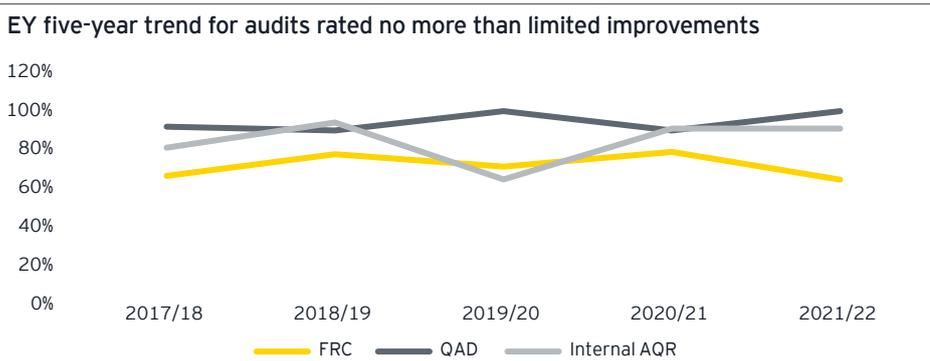
As previously mentioned on [page 5](#), audit quality is not defined in professional standards, and no single metric can be viewed as a definitive measure of audit quality. This is why we take the outcomes from all reviews, along with other indicators, into account when assessing audit quality. Reviews, particularly those of the FRC, focus on the highest-risk and most-complex audits and over time expectations on audit quality have continued to increase. Our inspection results show that we can perform high-quality audits; however, we are not always consistent in doing so.

Delivering sustainable, consistent high-quality audits is our priority and the drive to achieve this is captured in our audit quality ambition.

Our audit quality ambition

Our ambition is to consistently deliver high-quality audits that serve the public interest.

We are committed to continuous improvement and have announced an additional \$1bn investment globally in our audit technology and processes. In addition to this, we have confidence in our refreshed Audit Quality Strategy which emphasises the importance of a strong audit culture and professional scepticism. Further details of this strategy are explained further in the following pages.



Findings from all reviews are assessed through our root cause analysis programme. This considers the nature and severity of the finding driving any rating when determining the right actions to take in response.

Our global SAQ programme creates the framework under which we identify specific initiatives to implement these actions. The global SAQ programme is structured into six core pillars.



Since the start of our SAQ programme, we have implemented a wide variety of initiatives, many of which continue to support the delivery of high-quality audits today. These initiatives include:

- ▶ Audit Quality governance refreshed with the Audit Quality Executive Committee and Audit Board established (refer to [page 18](#))
- ▶ Annual Audit Quality Summit and National Academies introduced
- ▶ Global investment in leading data analytics tools and digitisation
- ▶ Key behaviours which drive high-quality audits identified and embedded in our approach to all audits
- ▶ Use of audit quality indicators introduced, including a global milestones programme to improve and monitor project management of our audits
- ▶ Significant investment made in additional support for audit teams through 'hot file' reviews, enhanced

risk review processes and best-practice documentation

- ▶ Greater linkage between audit quality and reward for audit partners and our people.

These and many other initiatives have improved audit quality since the inception of the SAQ programme. However, as the results on the previous page indicate, we have more to do to respond to regulators' findings and achieve our own audit quality ambition of consistently delivering high-quality audits that serve the public interest.

Our audit quality strategy

To deliver against our audit quality ambition, our strategy has been built on a thorough review of those specific factors that most successfully deliver high-quality audits.

It is clear there is no one action that can ensure audit quality. It requires a carefully considered series of actions across our business that impact our audits on a daily basis.

The development and implementation of our strategy has been subject to ongoing review and challenge by our independent audit non-executives (ANEs) and internal audit reviews.

In September 2020, we launched 11 strategic initiatives to drive greater consistency in delivering high-quality audits, with each initiative sitting under one of the existing Global SAQ pillars. This was refreshed in September 2021, reducing from 11 to 10 strategic initiatives with two of the initial strategic initiatives moved to "business as usual" ('our PLOT for higher-quality outcomes' and 'better leverage our root cause analysis') and a further strategic initiative being added for 'Audit response to climate change'. We invested in all 10 initiatives, but with a focus in FY22 on three priority areas:

- ▶ Audit culture with a focus on professional scepticism
- ▶ Successfully adopt the digital audit
- ▶ Standardisation.

Our audit quality strategy – key highlights from FY22

Our investment in the prior year has led to a number of successful outputs including:

- ▶ Completion of our 'Enhancing our culture of quality' roadshows across our UK audit business communicating our desired audit culture and our audit quality strategy.
- ▶ Launch of our annual audit trust awards to celebrate outstanding contributions to our quality-led culture from across UK Audit at all levels, as well as the specialists who support audits.
- ▶ Provided additional guidance in key areas of the audit including impairment, group oversight and cash.
- ▶ Launched coaching pack covering a number of key areas (including impairment, group oversight and revenue) and offering teams a coaching call as well as Audit Quality Support Team (AQST) review of specific areas of the audit as needed.
- ▶ Issue of 'Top Tips' emails covering a variety of topics around auditing from technical requirements to more general reminders. This supplements other global and UK audit quality communications and learning aids.
- ▶ Digitally upskilled our teams with the rollout of training for engagements implementing Digital GAM through engagement team workshops supported by global web-based learning modules and supplemented with local top-up learning and communications where required.
- ▶ 1,356 engagements adopted Digital GAM. For engagements not adopting Digital GAM, we ensured there were valid reasons for non-adoption.
- ▶ Issue of task-specific tutorial videos with the purpose of guiding our auditors to complete specific tasks efficiently and effectively and ensuring consistent messaging across our audit teams. The videos released include clear and professional writing, milestone hints and tips and bank confirmations alternative procedures.
- ▶ Release of standardised work programmes on audit of tax and deferred tax and climate change forms and sector-specific guidance.
- ▶ Best-practice documentation examples for key audit areas so teams have a clear idea of 'what good looks like'. These include various examples in relation to EY Digital GAM and impairment.
- ▶ Development of our Portfolio Risk Radar which is an enhanced risk assessment solution for the UK firm's portfolio of audited entities. The tool analyses multiple data sources (e.g. Financial Conduct Authority press releases, news articles, social media) to identify adverse factors in relation to specific companies or sectors. This is separate to the risk assessment performed by individual audit teams so they can benefit from these broader insights and respond to the risks in a timely manner.
- ▶ Delivered extensive training on climate risk in audit, developed enablers to assist teams in performing risk assessments involving senior members of the team and specialists, and designed a framework and guidance for audit teams to assess the adequacy of disclosures within the financial statements.
- ▶ Significant investment made in additional support for audit teams through 'hot file' reviews, enhanced risk review processes and best-practice documentation.
- ▶ Increased access to external sector forecasts and projections to support our challenge of companies' forecasts where these underpin key accounting judgements.

We designed the strategy to be adaptable, so as circumstances changed we could prioritise areas that have the greatest impact on audit quality.

We successfully implemented a wide range of actions during FY22 and our current year inspection results show no recurring findings in areas we have focused on

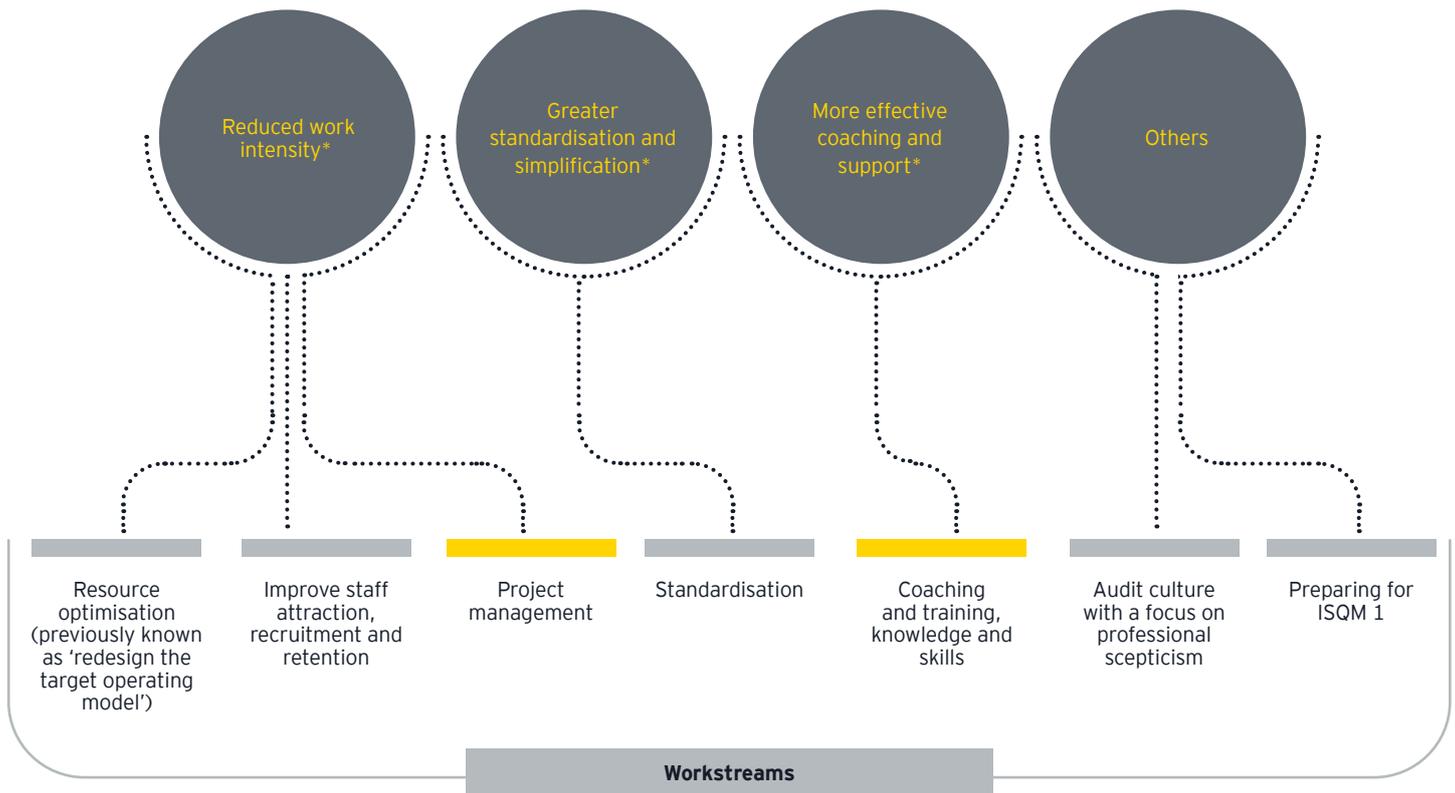
(e.g. going concern). As a result we have refreshed our FY23 audit quality strategy focusing on three key areas:

- ▶ Greater standardisation and simplification
- ▶ More effective coaching and support
- ▶ Reduced work intensity.

A number of the FY22 workstreams are now considered to be business-as-usual workstreams with activities ongoing in FY23, but there are no specific strategic initiatives planned within the next 12 months. These workstreams are listed in the table below:

Business-as-usual workstreams	FY23 ongoing activities
Develop improved AQIs and monitoring	Continued automation of the datasets. Key strategic decisions and plans have been made and the workstream is continuing to implement these.
Successfully adopt the digital audit	The majority of our engagements have adopted Digital GAM and this workstream will continue to roll out Digital GAM to the remaining population. Whilst digital audit is an evolution, there are no strategic or significant changes expected within the next 12 months.
Driving consistent quality control	The initiative within this workstream was the AQUA review process where support and coaching is given to teams on non-listed engagements that do not fall within the scope of our audit quality support team (AQST). This action has now moved to sit under the FY23 focus area on coaching. No further actions are expected from this workstream in the next 12 months.
Enhanced risk assessment	The workstream is focused on Implementing the Portfolio Risk Radar by the end of 2022. Details of this enhanced risk assessment solution can be found in the key highlights section on this page.
Audit response to climate	Continued rollout of training to raise awareness of new guidance and requirements and continue to integrate climate risks within other specialist teams including our financial services Risk Modelling team.

Audit quality initiatives FY23



* FY23 focus areas

New workstreams in FY23

Audit quality initiatives

As discussed earlier in this report, our focus this year is on three priority areas to allow us to focus on consistently delivering high-quality audits. These three areas are discussed in more detail later in this report.

There are two other continuing audit quality initiatives which are not within these focus areas: 'Preparing for ISQM 1'

and 'Audit culture with a focus on professional scepticism'.

During FY23 the actions of these initiatives are:

- ▶ Finalisation of operating effectiveness testing and the set up of business-as-usual governance structure and team for ISQM 1. For further details

on ISQM 1, please refer to the Transparency report.

- ▶ Continued drive of cultural shift in mindset to embed further challenge and professional scepticism into our work. This will be done through further training and communications.

How do we know the updated strategy will work this time?

Our past experience has shown that when we focus on areas, we don't get recurring findings. In addition to this, neither our root cause analysis nor the FRC have identified any systemic issues. We are, however, not always consistent in our delivery of audits. Standardising and simplifying our work papers will result in better, clear and concise documentation on our audit files. Improved coaching and support will allow teams to get things right the first time, therefore reducing the time spent on engagements and result in reduced work intensity.

Risks to consider

The main risk across all focus areas is resource capacity. In order to implement the derived actions, we require resources from the business who are already working at high intensity. However, we will mitigate this through the division of actions across the business (offices, audit teams, etc.). We will also leverage any Global initiatives and where required, adapt these for our UK-specific purposes.

Greater standardisation and simplification

Overview

Our root cause analysis on inspection findings shows that there is a need for improved consistency in our audits. Promoting the standardisation of best-practice tools and approaches to our work is an important response to this.

Standardisation enables a simplified but more effective review process, allowing senior members of the team to focus on challenging the judgements involved in the audit and ensuring we have the right quality evidence.

This initiative builds upon the high-quality outcomes across many of our audits and leverages best practice from these to develop standard work programmes and templates, which will drive greater consistency.

What we have achieved so far

During FY22, we issued the following items:

- ▶ **Standardised work programmes** on impairment, audit of tax and deferred tax and climate change forms and sector-specific guidance.
- ▶ **Task-specific tutorial videos** with the purpose of guiding our auditors to complete specific tasks efficiently and effectively and ensuring consistent messaging across our audit teams. The videos released include clear and professional writing, audit milestones and bank confirmations alternative procedures.
- ▶ **Best-practice documentation** examples for key audit areas so teams have a clear idea of 'what good looks like'. As part of EY Digital GAM, various example audit workbooks have also been issued.

Risks to consider

There are a number of risks and barriers to achieving success within this focus, which include:

- ▶ **Lack of resource (see page 10)**
- ▶ **Professional practice department capacity**

We will agree timetables in advance with our professional practice department (PPD) which is required to review the standardised forms, workpapers and enablers prior to release.

What next?

In FY23, we will release more standardised work programmes and best-practice documentation. We will also launch Centres of Excellence (CoEs) for areas with common attributes.

Specifically our short-term focus is to:

- ▶ Release topic-specific methodologies for a number of areas of the audit that have common characteristics. These include a pensions framework, revenue on construction contracts work programme and group oversight work enabler.
- ▶ Further release of best-practice examples and standardised wording for areas such as impairment and our use of specialists where standardised information can be used by a number of audit teams.
- ▶ Simplified and standardised forms to make these easier and clearer for both preparer and reviewer.
- ▶ Exploration and launch of CoEs where work can be performed centrally and consistently. This will include a pension asset CoE and public and private company independence procedures (PCIP) CoE.

How will we measure success?

We consider the measurement of success of this initiative to be:

- ▶ Reduced duplication of audit effort through the simplified processes, documentation and enablers – tracked through feedback and reduced hours incurred by teams
- ▶ Feedback from our internal review process and
- ▶ Feedback from our external inspections through their identification of good practice.

▶ Duplication of effort as unaware of activities across business units

We will have regular interactions with our quality representatives across all locations and the Global and innovation teams to reduce the risk of duplication of effort.

How do we know this will have a positive effect?

Where our people have used the tools available (e.g. standardised work papers, audit quality scepticism framework) 80% of them agreed that these have had a positive impact on the audit quality of their engagements.

More effective coaching and support

Overview

As noted earlier in this report, there is a need for improved consistency in our audits. Whilst a lot of this consistency can be addressed through the standardisation and simplification of workpapers and forms, there is also a need to improve our coaching and the support offered to teams.

This focus area consolidates and oversees the coaching initiatives and support solutions currently being developed. In the short term this relates to:

▶ **Expanding our audit quality support team (AQST)**

Our AQST and Key Findings Review (KFR) coaching programmes have been in existence for a number of years. These involve in-flight reviews of audits and providing feedback to audit teams. Common and recurring findings from the reviews undertaken are communicated to the business so that all teams can benefit from them.

During FY23, we aim to extend this review function by recruiting additional resources to cover a larger population of audits.

▶ **Extending our review capacity**

We plan to utilise senior managers to assist in extending our review capacity where they would be assisting in an Engagement Quality Control Review (EQCR) function.

▶ **Enhancing our quality enablement network**

We have identified a significant number of people who are performing an element of audit quality and/or coaching roles across the UK. In FY23, we plan to refresh the quality enablement network to reduce the number of people performing this role so that each office or London home will have a dedicated local audit quality representative. This will mean that dedicated time will be carved out in these people's portfolios to provide support to their local offices. The role will include: implementation of new methodologies and audit quality strategy initiatives; local monitoring and compliance of key audit quality indicators; and promotion of hot topics and latest review findings. Each local audit quality representative will be provided with training, be part of the quality enablement network to leverage from other people/offices and will be kept updated of central initiatives and information from the central team. This should lead to better consistency across the business and ultimately reduce internal and external inspection findings.

▶ **Further release of task-specific tutorial videos**

As noted on [page 11](#), a number of videos were launched in FY22. The task of creating additional videos has moved from the standardisation initiative to coaching,

In the longer term, we are looking at the following:

▶ **Development of technology-enabled support options**

We are exploring development options for online coaching support in addition to the task-specific tutorial videos. The feedback from our people is that people do not always know where to find things on our intranet and spend a lot of time looking for information, enablers and templates etc. We are looking to build a 'one-stop shop' that will be easily accessible and support teams in finding the right answers, information and best-practice examples.

▶ **Delivery of training**

We have asked ourselves the question of how we can expect people to coach if they have not been coached or trained how to coach themselves. Therefore we aim to deliver on-the-job coaching training to all levels within the business. This will be mandatory training which will include reminders of the importance of purpose-led outcome thinking (PLOT) being a way to think and not a process.

76% of our people felt they receive sufficient training and development to enable them to deliver quality audits.

▶ **How will we measure success?**

We consider the measurement of success of this initiative to be:

- ▶ Reduced pressure on our PPD and QEL teams as a result of audit teams having better access to online resources and getting it right first time. To be tracked through a reduction in non-complex questions (e.g. questions on where to find information) rather than complex accounting from audit teams
- ▶ Improved coaching scores in our People survey and
- ▶ Reduction of time spent reworking our workpapers – to be tracked by teams reporting on reduction in hours.

Risks to consider

There are a number of risks and barriers to achieving success within this focus, which include:

- ▶ **Lack of resource (see [page 10](#))**
- ▶ **Our people not allocating adequate time for coaching:** We plan to counter this through providing our people with coaching goals and equipping them with coaching kits.
- ▶ **Lack of suitable AQST candidates and/or inability to negotiate suitable salaries to attract candidates for AQST:** AQST offers job variety, making sure people have other things to do outside of AQST full time

Reduced work intensity

Overview

Given the increasing demands on our people as a result of the regulatory scrutiny that the profession is under and increasing audit quality expectations, work intensity is high.

The outcome of our root cause analysis and feedback from our teams is that we need to break the continuous nature of the work to reduce the feeling of intensity amongst our people. By doing so, we will be able to retain and attract top talent, give our people the ability to develop new skills and explore opportunities and continue building the culture to make EY Audit a great place to work.

This will also free up time for our people to coach, think and challenge, which is critical to the quality of our audits. The three workstreams linked to this focus area are:

- ▶ Resource optimisation
- ▶ Improve staff attraction, recruitment and retention (linked with our talent strategy)
- ▶ Project management.

These three workstreams are interlinked and all work towards the same objective – a desired culture where people feel reduced work intensity.

Target operating model (TOM) and desired culture

We are in the process of analysing our current book of business in comparison to our current resource capacity. The purpose of doing this is to determine our target operating model and the specific related actions to be taken. In addition to this, we are in the process of kicking off a longer-term project which will look at reducing work intensity. This will be focused around the psychological feeling of work intensity including the cultural behaviours that contribute to this feeling. We are also analysing the audit quality survey and people survey to understand what people want to see. This analysis will then be used for a series of focus group sessions to help us understand further what our people want work to look and feel like.

Workload

We will undertake a detailed review of our people's portfolios which will include the phasing of work to ensure that individuals have a portfolio fit for purpose. This will mean that our people will have built in rest periods between busy time allowing them to 'recharge'. Our aim is to allow our people to be energised, ready and able to challenge and therefore consistently performing high-quality audits. We also plan to review our book of business, taking into consideration our objectives in respect of people and their workload. If necessary, we will either increase recruitment or take steps to right-size our portfolio.

Resource allocation

We are looking at resource allocation through the lens of ensuring that teams have the right people with appropriate experience. Where required, resources will be redistributed and shared to ensure an equitable split across engagements. We will also consider where and how we are executing our audits, including the use of offshore locations and CoEs.

Training and skills

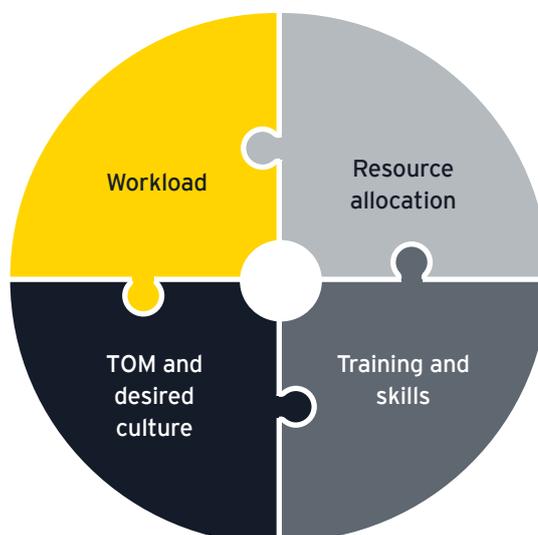
There are many tools and enablers currently available for our people to use and as mentioned on [page 12](#), we are working on making these easier for our people to locate. We will also provide our people with top tips for easy access to tools and enablers and insights on how to quickly and efficiently save time. This would in turn help in reducing the feeling of work intensity.

In addition to this, we have seen through our root cause analysis that good project management has a positive impact on audit quality. When an audit is appropriately planned and project managed well it has a positive impact on the whole team as there tend to be less 'last minute' issues. We already have tools to assist with project management of our audits. These include milestones processes and our client portal. We aim to encourage people to use the current tools and methodology in place to enable good project management. We will also deliver specific training on this area.

Communication

Communication encapsulates the overall strategy to ensure:

- ▶ Our people know our short, medium and long term plan
- ▶ Our people are aware of possible 'quick wins' that would take immediate effect
- ▶ Our people understand our desired culture and
- ▶ We understand what our people want work to look and feel like.



Reduced work intensity

Improve staff attraction, recruitment and retention

A vital part of our audit quality strategy is ensuring that we attract and retain a diverse range of people who share our values and commitments to serving the public interest and who take a personal pride in audit.

Our reputation as a great place to work enhances our ability to attract talented people

EY was ranked **top 10** in the 2022 LinkedIn Top Companies list, published by LinkedIn in April 2022.

In recruiting candidates, we consider not only technical skills, but also attributes such as integrity, curiosity, ethics and the ability to collaborate in high-performing teams. We continued to recruit high-calibre individuals and have recruited more than 1,232 experienced auditors, graduates and apprentices over the last year, building a pipeline of talent for the future.

Retention of the best talent requires recognition and reward of the right behaviours to keep our people engaged and make sure we have continuity of skills and experience.

How will we measure success?

We consider the measurement of success of this initiative to be:

- ▶ Positive feedback from our people via the People survey and
- ▶ Analysis of engagement portfolio – number of exits from lower-margin engagements.

Diversity, equity and inclusiveness (DE&I)

EY has a longstanding commitment to DE&I. This commitment to building high-performing, diverse, equitable and inclusive teams is especially important in audit, where diverse perspectives drive professional scepticism and critical thinking. In the March 2022 employee listening survey, 78% of auditors said the EY organisation provides a work environment where they feel free to be themselves, an increase of 2% compared to the March 2021 survey.

In 2022, we became one of the founding partners of the socio-economic diversity taskforce, Progress Together. The new, independent body will focus on boosting socio-economic diversity in UK financial and professional services.

We also launched our first Neuro-Diverse Centre of Excellence in the UK in Manchester. The centre is designed to fuel innovation in technology, bring a new dimension of creativity, and drive greater diversity and inclusion in the UK workplace.

Under our differential focus on race and gender, we have a target of 40% female and 20% ethnic minority partners by 2025.

Please refer to our separate Impact report for further information on DE&I.

Risks to consider

There are a number of risks and barriers to achieving success within this focus, which include:

- ▶ **Priority given to support actions by Cluster/ Business unit leaders and engagement teams**
Communication of the importance of the strategy and actions

How will we ensure we are sufficiently resourced?

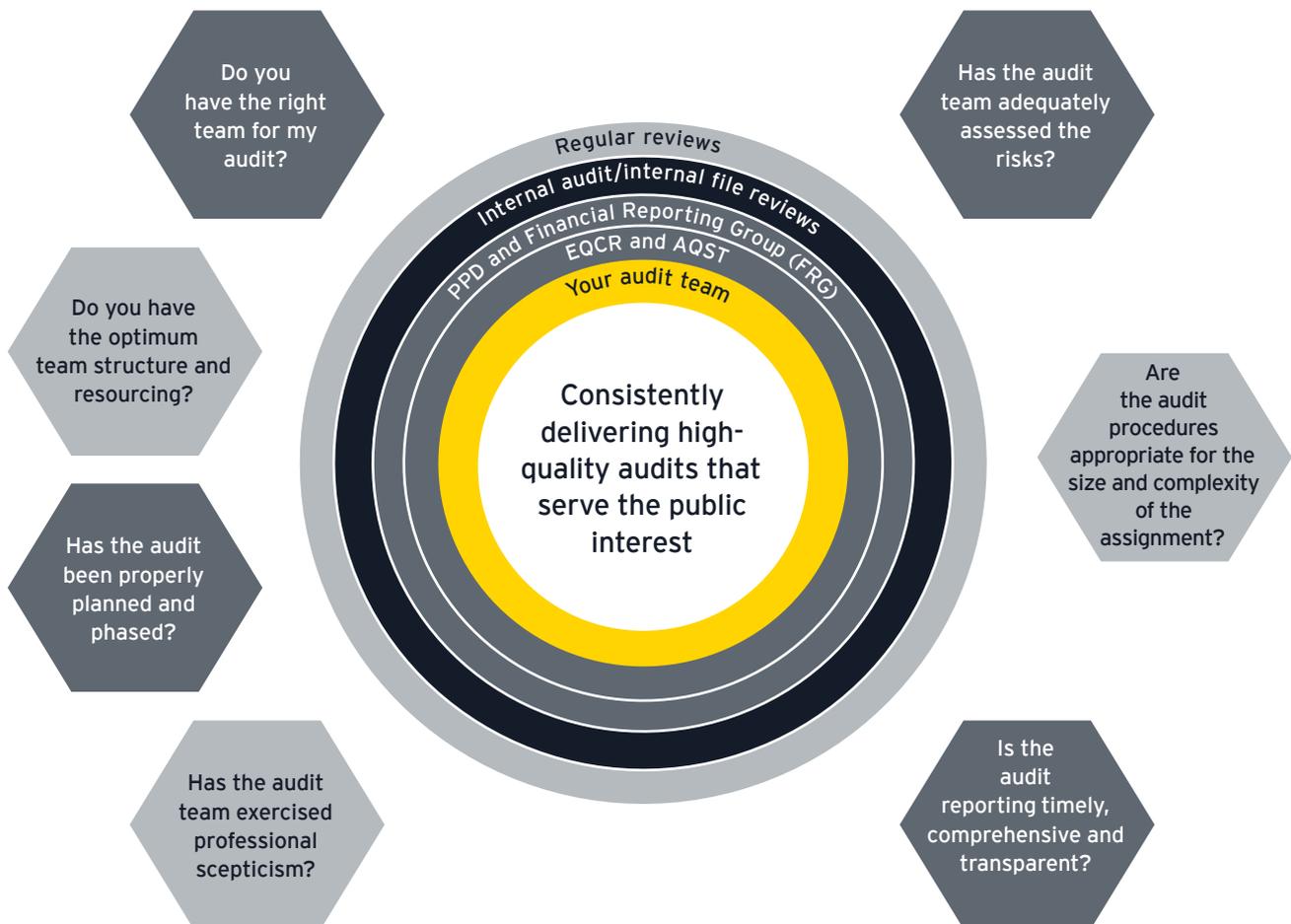
In addition to actively recruiting, we are looking at both the portfolios of our people and our book of business. By exploring portfolios we can ensure that we have the right people with appropriate experience across our audits. We will also review our book of business, taking into consideration our objectives in respect of people and their workload. If necessary, we will either increase recruitment or take steps to right-size our portfolio.

We will also only take on work when we have done sufficient due diligence on the company's governance, control and attitude to audit, and when we are sure we have sufficient capacity to deliver a high-quality audit. This is subject to sign off by our Qualifying for Success independent panel.

By standardising work papers and providing better coaching, our people will get things right first time, thus reducing the amount of hours required on each audit and mitigating any resourcing shortage.

How this translates to a quality audit for companies

On the previous pages, we have set out our key focus areas, actions and risks for FY23. We now look at how these translate into a quality audit for companies. With our audit quality focus areas, overall strategy and the three lines of defence (see [page 19](#) for details) in mind we have considered this from the point of view of our stakeholders. To illustrate, we have assumed this from the perspectives of an Audit Committee Chair and specifically outlined the questions we believe they would consider.



The questions above are all addressed by our audit quality strategy focus areas, specifically:

- ▶ Resourcing interventions as described on [page 13](#) which include:
 - ▶ Built in rest periods for our people allowing them time to recharge and approach audits in a more energised way ready to clearly assess and tackle the risks.
 - ▶ Ensuring that we have appropriate teams with the relevant experience for each audit.
- ▶ Additional support in the form of our AQST and engagement quality control review (see [page 12](#) for further details).
- ▶ Providing teams with the tools to clearly and concisely document the work done and challenges made through the release of specific methodologies, good-practice examples and standardised wording and workpapers. See [page 11](#) for details.
- ▶ Providing teams with project management training and encouraging the use of existing project management tools to ensure audits are properly planned and executed with any challenges and issues raised as early as possible in the audit process. See [page 13](#) for details.

Audit in the spotlight

In recent years there have been various reputational challenges faced by EY globally, along with the wider profession. In the section below, we have set out five notable issues and the steps we're taking to address them.

Wirecard

The integrity of the audit, its compliance with the law, and the quality of the service are top priorities for EY. The collusive acts of fraud at Wirecard were implemented through a highly complex criminal network designed to deceive everyone – investors, banks, supervisory authorities, investigating lawyers and forensic auditors, as well as the auditors.

The clarification of the events at Wirecard has been the top priority of EY Germany. Investigations by the responsible authorities have had the full cooperation of EY Germany from the beginning.

In parallel, EY Germany has taken action to further improve its quality assurance system so that fraud attempts can be detected more quickly in the future. This includes the revision of existing structures and processes in auditing, as well as internal quality controls, and the introduction of the "Trust in Quality" programme in spring 2021 to strengthen audit quality. A high-level Independent Commission was established to evaluate the measures and proposals developed by the "Trust in Quality" program. EY Germany also changed its audit management structures and made changes in key leadership positions.

Across EY globally, we are committed to continuous improvement in audit quality and are implementing innovations in our risk and audit procedures regarding fraud, leveraging data and power of advanced technology. This has included:

- ▶ Additional training drawing on the knowledge and experience of our forensics professionals
- ▶ Introducing new mandated requirements on key accounts
- ▶ Making more effective use of insights obtained through data analytics

In the UK, we launched a project in FY21 to leverage our Forensic & Integrity Services (FIS) practice expertise to support our teams in assessing fraud risk and other indications of management bias. In FY22, this collaboration with FIS has been expanded to all FTSE 350 engagements.

Ongoing FRC audit investigations

We are committed to working with the FRC to understand and respond to any findings that may arise from their investigations which are directed to ourselves and those of other firms. More generally, we embrace the FRC's approach to audit firm supervision, and will keep working with the FRC and other stakeholders to ensure our audits serve the public interest and build trust and confidence in business and the capital markets.

Delivering the high-quality audits expected of us is our priority, and we are investing an additional \$1bn globally in our audit and technology processes. Our refreshed Audit Quality Strategy emphasises the importance we place on of a strong audit culture and professional scepticism.

Exam answer sharing

In June 2022, the Securities and Exchange Commission issued a fine for EY US in relation to an internal investigation into past external and internal Certified Public Accountant exam answer sharing by some EY US Audit employees.

Nothing is more important than our integrity and our ethics. These core values are at the forefront of everything we do. EY US acknowledged the findings determined by the SEC and is complying with the requirements of its Order.

EY has repeatedly and consistently taken steps to reinforce our culture of compliance, ethics, and integrity in the past. We will continue to take extensive actions, including disciplinary steps, training, monitoring, and communications that will further strengthen our commitment in the future. EY US is confident that the outcomes of the undertakings will reinforce steps it has

already taken in the years since these situations occurred in between 2017 and 2021.

Sharing answers on any assessment or exam is a violation of our Code of Conduct and is not tolerated at EY. The firm's response to this unacceptable past behaviour has been thorough, extensive, and effective.

Globally, we've been building awareness and prevention in countries around the world to set the standard for ethical behaviour in our industry. We have also invested in a globally integrated learning technology platform, processes, and tools to prevent cheating. Please refer to our Transparency Report for additional information on our ethics and whistleblowing policies.

Climate-related risks and impacts on financial statements

Climate change continues to present risks to the companies we audit. It is one of a range of business risks that we consider as part of our audits.

A wider range of stakeholders - including customers, employees, suppliers, governments and civil society - are scrutinising corporate behaviour, alert to any gap between what companies claim and what they are actually doing. This increases the expectations placed on auditors and the demand for assurance on metrics is continuing to widen beyond financial performance.

As part of our contribution to the debate about the future of audit, we have included the audit of the impact of climate change as a workstream in our audit quality strategy.

We welcome all opportunities for engagement with the investor community on this important topic.

Please refer to [page 9](#) for key highlights from FY22 and details of successful outputs from this workstream.

Personal independence

The Public Company Accounting Oversight Board (PCAOB) has determined EY US has unsatisfactorily addressed criticisms expressed in the 2018 PCAOB inspection report of our quality controls over compliance with the Firm's independence policies for the reporting of personal financial relationships.

We take our independence obligations very seriously. Following the 2018 inspections report, EY US implemented and communicated to its employees changes and enhancements

in policies, processes, consequences, communications, and training to increase compliance with the reporting requirements. Although these remedial measures have contributed to progress in improving compliance in this area, EY agrees with the PCAOB that we have more work to do. We remain squarely focused on the continued strengthening and enhancement of our quality controls.

UK audit quality governance

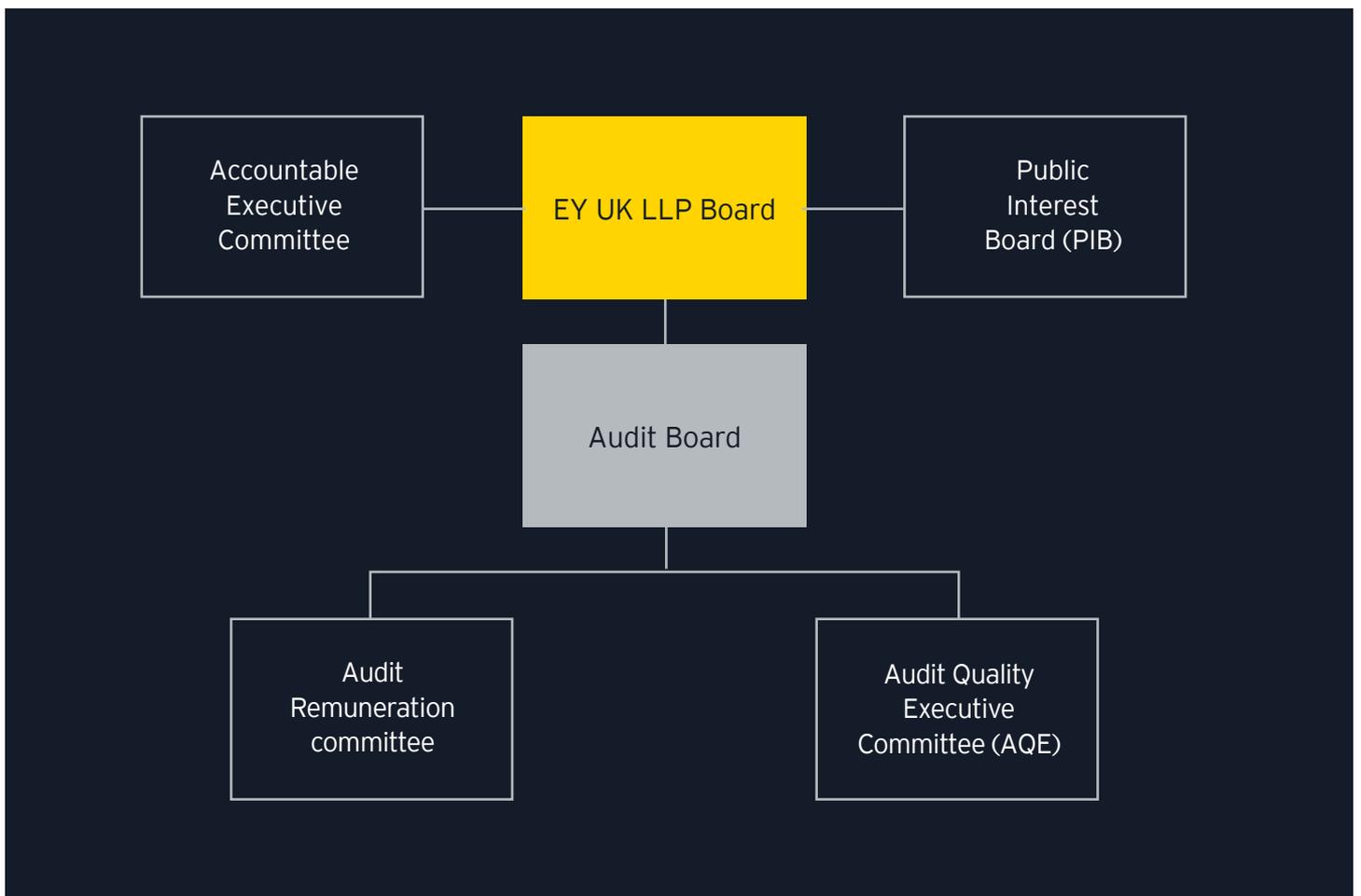
There are several global roles and functions that have direct accountability for creating, implementing, improving and monitoring activities related to audit quality control. We have embedded and built upon these global roles to develop a clear structure for the oversight and monitoring of audit quality in the UK.

In readiness for operational separation reform, changes to our firm's governance structure were implemented which have

been in place now since 1 July 2021. The revised structure has strengthened our oversight of audit quality.

It builds on our culture of challenge through various levels of review, including from our independent Audit Non-Executives (ANEs), who bring a range of diverse experiences to the Audit Board they sit on. Further details on each of these bodies can be found on the next page.

In the UK, we operate two audit businesses: UK and Ireland (UK&I) and UK Financial Services (FS). These businesses have separate leadership teams who report to the UK Country Committee (UKCC). The purpose of the UKCC is to manage the operations of the Firm with respect to matters that have, or may have, a UK country-specific impact, including legal, regulatory, and reputational matters and financial resilience. The UKCC report directly into the LLP Board.



How do we hold ourselves to account?

We report monthly to the Audit Quality Executive Committee (AQE) and quarterly to the Audit Board on the progress of the execution of our audit quality strategy and the progress of our actions so that any slippage can be escalated quickly and appropriate action taken to rectify this.

EY UK LLP Board

The EY UK Board is the ultimate governance body of EY UK and is responsible for promoting and protecting the interests of the Firm and the general and operational management of the Firm as a whole, including overseeing compliance with all applicable professional regulatory and legal requirements.

The composition of the Board is made up of seven roles-based appointments, two UK&I representatives who are members of the Firm, one FS representative who is a member of the Firm and up to two co-opted members.

Public Interest Board (PIB)

The remit of the PIB is to enhance the firm's performance in meeting the purpose of the Audit Firm Governance Code, which has the following principal objectives: to promote audit quality, to help the firm secure its reputation more broadly, including that of its non-audit business, and to reduce the risk of firm failure.

The Public Interest Board is formed by four Independent Non-Executives (INEs) including the chair, Tonia Lovell and three role-based members made up of the UK Country managing partner, FS managing partner and the head of UK risk.

Audit Board and Audit Remuneration committee

The Audit Board and Audit Remuneration Committee were established in order to fulfil the Financial Reporting Council's

requirements on the operational separation. The role of the Audit Board is to provide independent oversight of the firm's pursuit of audit quality improvement by ensuring that people in the EY UK Audit Practice are focused above all on the delivery of high-quality audits in the public interest, having regard to the need to ensure that audit remains an attractive and reputable profession and to increase deserved confidence in audit.

The Audit Board is comprised of four Audit Non Executives and three EY executives. Three of the four Audit Non-Executives, including the Chair David Thorburn, are also firm-wide INEs. The EY executives are the UK Head of Audit, UK FS Head of Audit and the Audit Compliance Principal.

In addition, EY has also established an Audit Remuneration Committee as a sub-committee of the Audit Board. The Audit Remuneration Committee is comprised solely of ANEs and its role is to oversee the remuneration of audit partners.

Accountable Executive Committee

The Accountable Executive Committee is responsible for ensuring the FRC's principles and outcomes for operational separation are delivered, embedded and monitored.

The Accountable Executive Committee is chaired by Hywel Ball, UK&I Regional Managing Partner and LLP Board Chair. Other members include the UK FS

Managing Partner and the UK Chief Operating Officer.

Audit Quality Executive Committee

The AQE oversees all matters relating to audit quality. It is chaired by the UK Quality Enablement Leader (QEL) and meets monthly. Other members include the UK Head of Audit, FS Head of Audit, Audit Compliance Principal, Audit Monitoring Officer and the QELs for the UK&I and FS audit businesses. In addition, as noted on [page 6](#), specialist oversight committees have also been put in place to monitor specialist resourcing, training and communication as part of operational separation.

UK Quality Enablement Leaders

The UK QELs lead the audit quality programme in the UK. To reflect specific skills and experience, we have separate QELs for financial services and non-financial services audit functions. UK QELs are representatives in the regional and global QEL networks.

Professional Practice Directorate

PPD is a global network of technical subject-matter specialists in accounting and auditing standards, who consult on accounting, auditing and financial reporting matters. They also perform various practice monitoring and risk management activities.

Our three lines of defence

Our three lines of defence are driven by the overarching principle that:

Audit teams and auditors

- ▶ The first line of defence is comprised of our front-line staff supported by service-line quality teams.
- ▶ Key activities include Client and Engagement acceptance and risk management during project and audit delivery.

Independent review and consultation

- ▶ Experienced risk management professionals in independence, financial crime, enterprise risk management, data protection and business resilience.
- ▶ Policy development, framework, tools, advice, guidance, monitoring and assurance are provided by the second line.

Internal audit

- ▶ Professionals deliver the Annual Internal Audit Programme within the firm's consulting service line.
- ▶ Committed to continuous improvement and reports regularly to the PIB and EY UK LLP Board on progress against its Quality Improvement Programme.

The views from our independent regulators are, of course, an important source of feedback too.

EY | Building a better working world

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EYSCORE 009259-22-UK

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