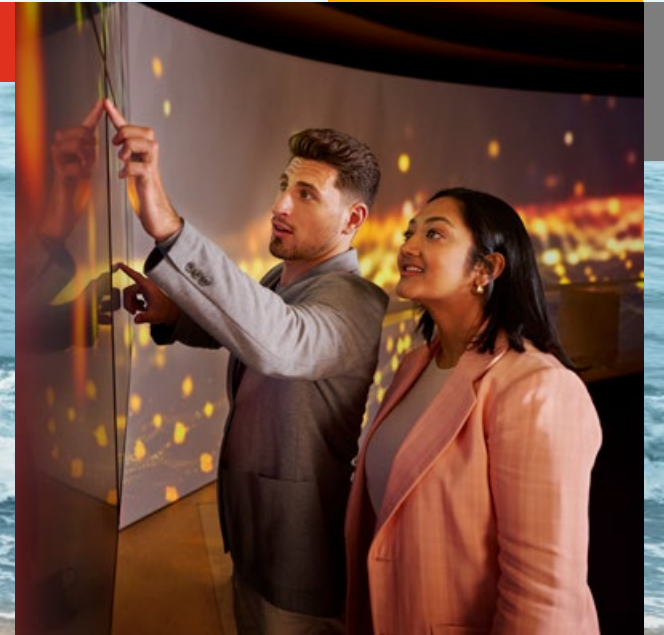




Transparency Report

2023/2024



www.pwc.nl

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Welcome to our 2023/2024 Transparency Report



At PwC, our purpose is to build trust in society and solve important problems. Our people make the difference in our services. They form our community of solvers and are the core of our strategy 'The New Equation'. Trust and sustained outcomes are central to this. Together, trust and sustained outcomes lead to greater relevance. In our Transparency Report, we reflect on the past year and how, as an organisation, we have worked together to deliver on our purpose.



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In a world of constant change, we are not only witnessing the changes happening with our clients and their stakeholders, we are also experiencing them ourselves. In this ever-changing world, it is more important than ever to provide certainty and trust to our clients and their stakeholders and society.

The foundation of our firm is to deliver trust to society, as part of that we have implemented measures to ensure proper and appropriate learning and assessment. We will continue to strive for improvement as the investigation into improper answer sharing concludes with a lot of energy, because we owe it to society to deliver trust especially in these times of major changes.

The Corporate Sustainability Reporting Directive (CSRD) is one of the changes. Just like our clients, we are learning how this new directive works. Timely preparation is crucial for both our clients and us. It requires a significant investment to be ready on time, including creating training materials, upskilling our colleagues, developing methodologies, and expanding the number of specialists in this area. Next to this, we are asked by clients to provide assurance on other topics as a result of changes in technology and the Dutch pension law. This demonstrates the relevance of our services and delivering trust in the areas that society is interested in.

It's not just the topics we provide trust on; it's also the way we do it. Technology, such as Generative AI (GenAI), is transforming our clients' processes, which in turn affects our approach to provide trust: we are embracing innovative technologies, automating wherever possible and shifting our focus from samples to judgement areas. This transition may not be perfect, but it is a promising one that we are developing in an agile manner. To inspire us, we used our own GenAI tool, ChatPwC, to review this Transparency Report!

Financial audit is the cornerstone of our work, as evidenced by the numerous proposals we issued last year. Due to rotation requirements, particularly for listed clients, our teams have worked tirelessly to create the best offerings for new clients while still making an impact for existing clients. Their efforts have paid off, as a significant number of listed companies subject to mandatory firm rotation requirements and other organisations have chosen PwC. I am proud of this achievement, which can only be attributed to the dedication of all our colleagues.

At the same time, we understand that trust can only be provided when there is no doubt about the quality of our services. It is important to continuously improve the quality of the work we do, by driving quality initiatives in our sector and within PwC, around culture, fraud, going concern, our role in the general meeting and the education of future auditors.

I want to conclude this foreword by expressing my heartfelt gratitude to all the colleagues working in PwC Assurance. Our colleagues are the driving force behind everything we achieve as PwC, and I am confident that as an organisation, we can continue on this path of change and strive for continuous improvement.

I hope you enjoy reading our Transparency Report.

Wytse van der Molen
Chairman of the Assurance Board



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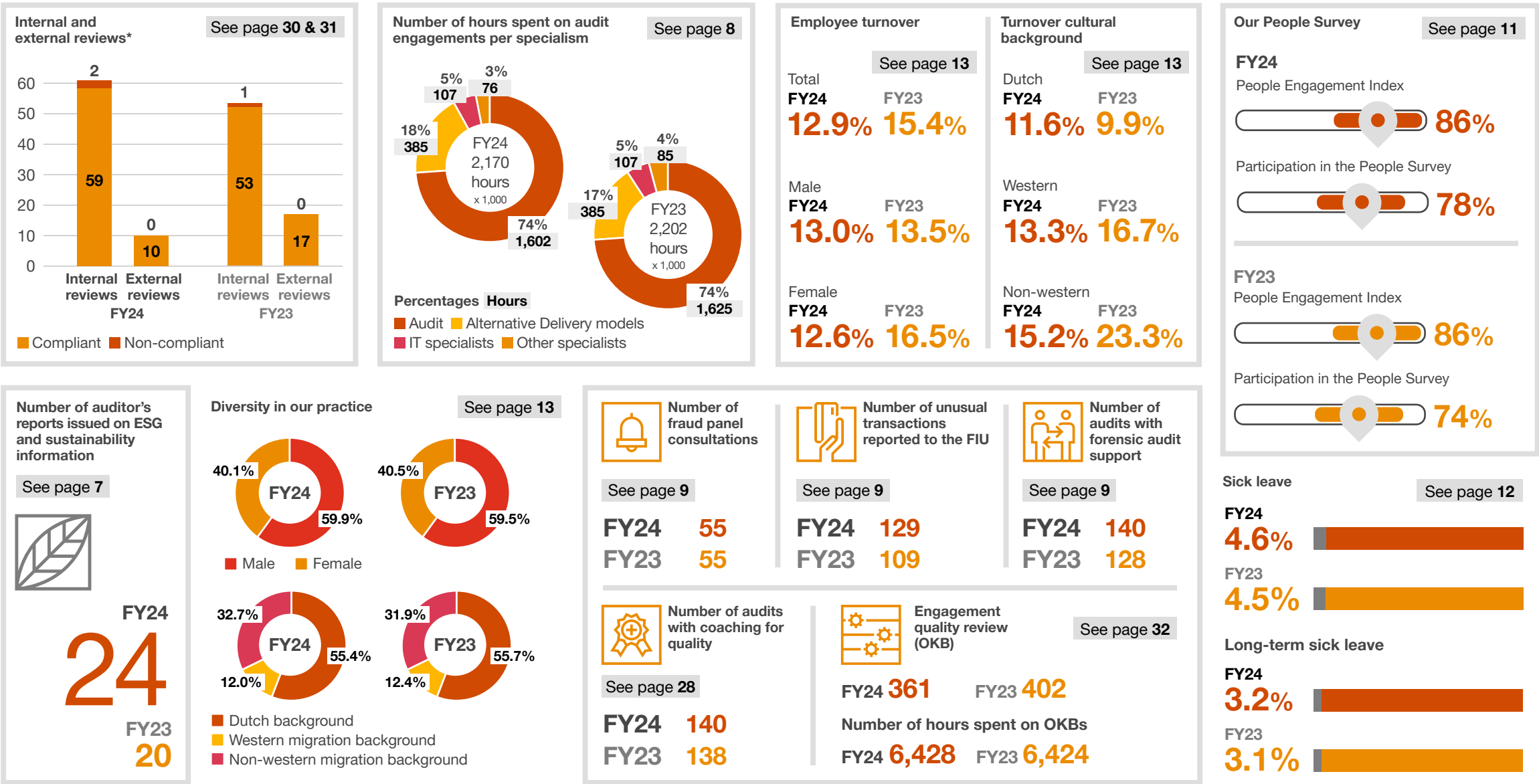
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* The thematic reviews performed by the AFM are not included in these figures. Please refer to page 30 for additional information and outcomes of these review.



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Providing trust is at the heart of our profession. To be able to provide trust on those topics that are relevant for society, organisations and their stakeholders and society, we have to understand what is happening in the world and how it affects our clients. Where historically, our profession was mainly focussed on providing trust in relation to financial information, we see a big shift of demand for trust in other topics. CSRD, the Dutch pension reform and Generative Artificial Intelligence (GenAI) will change the landscape where we will add trust.

Sustainability reporting is happening NOW

Reporting on sustainability information is coming our way. Large, listed companies will have to report on CSRD as part of their reporting over 2024. All other large companies have one year longer to prepare; their first reporting on CSRD is required for financial year 2025.

Starting in time is crucial to be ready on time. During the last year, we've noticed that a lot of clients, who will have to report on CSRD over 2025, are still in the early stages of implementation. To express our concerns that not enough progress is made, we've reached out to our clients with a letter. Click on the link on this page, to read this letter.

It's not just our clients preparing for the changes in reporting. We have to prepare for this as well. In order for us to provide assurance on sustainability information we need to develop methodologies and guidance, upskill our colleagues, obtain additional capacity and develop new technologies.

To upskill our colleagues on CSRD, we've trained all colleagues working on large, listed clients, since they will be the first to perform the audits on sustainability information. This year, all other colleagues will receive these training sessions as well. All our colleagues will be supported by sustainability specialists, who are already experienced in sustainability reporting.

The 2024 Edelman Trust Barometer reveals a new paradox at the heart of society. Rapid innovation offers the promise of a new era of prosperity, but instead risks exacerbating trust issues, leading to further societal instability and political polarisation.

Source: <https://www.edelman.com/trust/2024/trust-barometer>



New Pension law has been approved

The newly approved pension law in the Netherlands asks a lot from pension providers. Distributing billions of general pension funds to individual pension plans, for 18 million people, is a significant undertaking. For society to rely on these

activities, they need assurance on these adjustments. We as PwC are excited to play a role by adding trust in this process.

To ensure sufficient capacity we work together virtually with other PwC centres and offices: our Alternative Delivery Models (ADM). An example of ADMs is our Talenthub program which started two years ago: a way of working together with people from PwC offices in other countries for our clients. Working with people from different time zones, cultures and backgrounds required some adjustments, in which the members of the Young Assurance Board challenged us. Learning from this feedback and improving our processes continuously, ensures that we experience the advantages of these Alternative Delivery Models.

Technology is also an important element in preparing for CSRD. We've developed an innovative tool, powered by AI, which helps us to automatically perform a check on the completeness of CSRD reporting requirements. Another example of technology is a tool that automatically calculates important KPIs for the CSRD standard of Own Workforce. In the upcoming months we continue to test and improve these digital solutions to timely support our clients and teams.

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Digital transformation and changes in local regulation

As mentioned in the latest PwC CEO Survey, CEO's expect that, amongst others, digital transformation like GenAI and local regulation will have a significant impact on their business. Within our business unit Broader Assurance Services (BAS), we have colleagues specialising in these topics. We assist our clients in dealing with the important decisions they have to make, offering extensive knowledge on topics as risks & regulations and digital transformation.

Financial audit remains our cornerstone

Changes in topics on which we provide trust, will change our profession in the upcoming years. However, providing assurance, and therefore trust, to financial statements is still the core of what we do.

An important development in providing financial assurance, has been the mandatory firm rotation. All Dutch Public Interest companies in the Netherlands have to rotate their audit firm once every 10 years, which means that many of these companies have to choose a new audit firm now! In the past year we've worked on providing the best offerings to our new potential clients, showing all that PwC has to offer, while also performing our regular audits.

This process is demanding. We are pushing ourselves to provide high quality and perfectly tailored proposals. We see that the MFR process is driving innovation: using the newest technology in our audits is becoming a standard instead of a nice to have. We learn from this process and bring these experiences to all of our other clients as well. We see our drive is paying off: at year-end 2023-2024, we had a win rate of 57% of which we are very proud.

1	Assurance reports (limited and reasonable assurance) issued on sustainability information	FY24	FY23	FY22
	Sustainability information in (integrated) annual reporting	20	19	17
	Sustainability information in sustainability reporting	4	1	1
	CO ₂ statement on website	0	0	1
	Total	24	20	19

With CSRD, the number of assurance reports on sustainability information will increase exponentially over the upcoming years. This year, we have already provided assurance on sustainability information for clients who report on this on a voluntary basis.

2	Training hours		
		FY24	FY23
	Average number of external education and training hours per headcount	61	60
	Average number of internal training and other education per headcount	121	119
	Total average number of training hours and courses per headcount	182	179

Training is an important way of ensuring our high quality services. A large part of our training curriculum is preparation for the audits of sustainability reporting by our clients. Compared to the Transparency report of last year, we have measured the average change in training hours per headcount, instead of per FTE. Both the FY24 and FY23 figures are adjusted for this.

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The last years have taught us that we can only provide trust, if we are trusted ourselves. To be trusted, it is essential to perform high quality work that is recognised by our clients, society and our oversight bodies. The past years show us that we still have areas to address and improve.

Update regarding the investigation into improper answer sharing

In early 2023, following a request made by the Dutch Authority for the Financial Markets (AFM) to several large Dutch audit firms, we started an investigation into the possibility of answer sharing with regard to mandatory tests and assessments. The scope of the firm’s investigation, which is being overseen by the Supervisory Board of PwC Netherlands, includes the period from July 2017 to October 2023 and all parts and job levels of the organisation. The investigation is ongoing and is expected to be finalised in the financial year 2024/2025.

The investigation has found that improper answer sharing has occurred within PwC Netherlands. We know that this behaviour stands in contrast to the integrity and trust that must serve as the foundation of our firm, and we are committed to addressing the issue thoroughly.

While the investigation remains ongoing, we have already implemented a number of measures, such as, the introduction of a Learning Code of Conduct to provide clarity of the firm’s expectations and requirements related to participation in and the delivery of training, improving the way e-learnings are organised by converting some of them into classroom training sessions and the implementation of detective controls to flag possible improper behaviour in relation to mandatory e-learnings. We are also taking action to hold colleagues accountable where appropriate, such as corrective conversations, written warnings, financial penalties, loss of position or leaving the firm.

We are engaging in a root cause analysis to identify and interpret the underlying causes of improper answer sharing. The results of this analysis will be finalised after completion of the investigation and used to strengthen the measures already taken and introduce any new measures as appropriate.

Impact on our System of Quality Management (SoQM)

As indicated above, the ongoing investigation shows that improper answer sharing has also occurred within PwC Assurance which we have considered in our evaluation of our SoQM. We believe the remedial measures and quality measures taken since the start of the investigation have mitigated the associated risks. We will continue to implement remedial measures based on identified root causes.

Final report of the Quatermasters: keeping the pressure on the profession

In the fall of 2023, the final report of the Quatermasters “Pressure and Counterpressure” was published. The Quatermasters reported several recommendations, which we evaluated, and we have initiatives in place to address these recommendations. For example, we will be hosting sessions to get more insights into the ability of our colleagues to change and innovate to make sure we have the right actions in place to continue this change. The goal is to remove some of the pressure colleagues experience to facilitate change.

We also started with reporting on the Audit Quality Indicators in this transparency report, and we are closely involved with universities

3 Hours spent on audit engagements (x 1,000) during the period FY20-FY24

	FY24		FY23		FY22		FY21		FY20	
	Hours	%	Hours	%	Hours	%	Hours	%	Hours	%
Audit	1,602	74%	1,625	74%	1,575	78.5%	1,762	76.6%	1,844	77.0%
Alternative Delivery models	385	18%	385	17%	244	12.2%	289	12.6%	283	11.8%
IT specialists	107	5%	107	5%	110	5.5%	141	6.1%	156	6.5%
Other specialists	76	3%	85	4%	77	3.8%	109	4.7%	111	4.7%
Total	2,170		2,202		2,006		2,301		2,394	

To ensure sufficient capacity, we work together virtually with other PwC centres and offices: our Alternative Delivery Models (ADM). As our Talenthub is an important example of our ADM, and started already in FY23, we have adjusted the figures above. The hours spent by Talenthub, moved from the category “Audit” to “Alternative Delivery models” to better represent the key indicators we monitor internally.

% hours spent by IT specialists for OOB and non-OOB engagements

	FY24	FY23	FY22	FY21	FY20
OOB	8.8%	7.3%	9.0%	10.5%	12.1%
Non-OOB	4.1%	4.3%	5.0%	5.5%	5.6%

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4	Consultations and specialists involvement	FY24	FY23
	Number of consultations with National office (excluding the fraud panel)	313	318
	Of which regarding going concern	63	65
	Number of new fraud panel consultations	55	55
	Number of consultations regarding non-compliance with laws and regulations	9	20
	Number of clients where Business Restructuring Specialists were involved	61	61
	Number of clients where forensic specialists were involved	140	128
	Total number of reports on unusual transactions at the Financial Intelligence Unit (FIU)	129	109

to explore how the education to become a certified auditor can be improved further. Over the upcoming years, we will pursue these actions to keep working on enhancing the quality of our work.

Building on delivering high quality

Over the last couple of years, we invested significantly in the quality of our work. We have multiple strategic initiatives in place, like our culture behaviour plan and on the job coaching by our Coaching for Quality team, to make sure we keep making these steps forward. And this work is paying off: the importance of quality behaviour scores high in our employee satisfaction survey (Global People Survey or GPS) and our audit files show that quality is improving.

We also believe that we can optimise our audit approach. This is where our ‘Make quality easier’ program is important. We want to make the delivery of high quality easier, by building a learning organisation, ensuring easy accessibility of guidance, reducing, where possible, the number of policies and procedures and improving the accessibility of guidance. Simplifying the work in our audit files to create more time to take a step back and make cover all important developments and risks which our clients and society are facing. This improves the quality of our services.

High performing teams as a basis for high quality audits

Embedding quality into our culture and behaviour has been a key area of focus for years. Our ‘high performing teams’ initiative, which was started in the previous year, took further momentum over the last year. To become a High performing team, we have identified ‘Building Blocks’. These are: psychological safety, curiosity, connective communication, authentic confidence. Structural clarity is a condition for these building blocks demonstrating that we value clear roles, responsibilities, planning, and process management. The teams we work in every day are the place where we can make a difference. We want to facilitate and promote certain behaviours which contribute to teams in which everyone feels safe, enjoys working together, and is focused on high quality. We’ve asked teams to evaluate their cooperation using teamskans (questionnaires). By slowing down and evaluating how we work together, we can speed up later to deliver high quality in our audits.



Providing trust by being transparent

We currently see a call for more transparency about our audit, and the information we obtain in the process. An example of this, is the extended auditors report, in which we report on key topics in our audit such as the risk of fraud and going concern. Society, and the stakeholders of our clients want to have more insights on how companies are performing on these topics.



Interview: Accountant op AvA: meer openheid of mosterd na de maaltijd?
Accountancy Insights - PwC

In addition, stakeholders like the VEB and Eumedion are requesting more information to be provided in the annual general meeting (AGM) of shareholders for our listed clients. To meet this expectation, we have asked all partners presenting at AGMs to elaborate more on specific topics such as internal control, CSRD readiness, climate related risks and important accounting estimates made by the company. We are positive about this development, and encourage our partners to disclose more information, while also taking confidentiality of client information and the demand of other stakeholders into account. We asked Riens Abma, chair of Eumedion, how he feels about this development. Curious about the interview? Follow the link above.

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Strengthening the Accountability Chain

A Statement on Risk Management (SoRM, in Dutch VOR) will become part of the Dutch Code of Corporate Governance. It is the intention that the SoRM will be included in the directors’ report of Dutch listed companies for financial years starting on or after 1 January 2025.

The SoRM puts the topic of risk management and risk reporting by directors in the annual report higher on the “good governance” agenda. The VOR will strengthen the accountability chain regarding financial and non-financial reporting by directors and oversight thereon by the supervisory board.

How the SoRM will be implemented by Dutch listed companies will become clearer in the upcoming years. By participating in a steering and working group of the NBA, PwC contributes to the dialogue on the SoRM in general, and specifically on the role of the external auditor.

Events in the PwC Network

In May 2023, a situation regarding the use of confidential Australian government information by the PwC Australian Tax practice came to light. Publications about this matter mentioned the involvement of other PwC member firms, including the Netherlands, therefore, an investigation by PwC NL was conducted. Based on the procedures performed, no facts or circumstances were identified indicating the sharing of confidential (governmental) information with (former) colleagues of PwC NL. This matter led the network, as well as PwC NL as a member firm, to reflect on whether additional actions could be taken to enhance our policies. At the same time, we are closely monitoring the circumstances currently happening with regard to the impact on the network of Evergrande at PwC China.



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Our people are the strength of our organisation. That is why we continuously invest in upskilling, wellbeing, inclusion and diversity. By combining the knowledge and expertise of our professionals with advanced technology, we can provide even more and faster added value to our clients and society. How we are doing this, and what steps we plan to take, we will explain in this chapter.

Our people make the difference

We are a people business: our colleagues drive change and deliver quality services. As they are our most valuable drivers of business, we work hard every day to be a good employer and offer opportunities to our talent. An important way to measure how we are doing, is by our annual satisfaction survey: the Global People Survey (GPS). In addition, we have several programs in place to improve even further as employer, and trust provider.

Improving on points of attention, cherishing our strengths

Every year, we evaluate our employee satisfaction with the GPS. Highlights of the survey are shown in the table below. Overall, we are proud of the outcomes of the survey, especially the People Engagement index, which indicates the attractiveness of PwC. On this index, we've consistently scored 86%. We also see that people choose PwC as an employer for their professional development and learning.

Of course, we also have points where we can improve. Recognition remains an area of attention. Recognition in the workplace means that all PwC employees feel valued, supported and seen for what they do every day. To make recognition a priority, we have taken various actions. Examples are initiatives for in-the-moment recognition, which can be as simple as giving a compliment, but also small tokens of appreciation. We will continue to work on this, also involving our Young Assurance Board to see how we can make further steps in this area.

5 GPS outcomes

	FY24	FY23
The People Engagement Index - which indicates the attractiveness of PwC as an employer	86%	86%
Questions concerning purpose and integrity		
I am encouraged to try new things and to learn from failure.	85%	84%
The people I work with demonstrate conduct consistent with PwC's Global Code of Conduct.	91%	91%
At PwC, I feel comfortable discussing or reporting ethical issues and concerns without fear of negative consequences.	76%	80%
At PwC, I can speak openly, including voicing my opinions or raising any concerns, even when my views may be different from others.	78%	78%
Questions concerning quality		
The leaders I work with discuss with my team the ways in which we can build better trust and solve important problems.	65%	64%
The people on my team take accountability for the outcomes of their work.	81%	80%
Questions concerning coaching and supervision		
The Learning & Development I have used at PwC, including classroom/virtual classroom, digital assets, webcasts, reading, job aids, eLearns and other digital learning has helped me prepare for the work I do.	73%	71%
The people I work for encourage me to develop my digital skills	74%	65%
The leaders I work with support me through regular on the job feedback and coaching.	71%	66%

On a yearly basis, we ask all colleagues to fill out the Global People Survey (GPS). In the GPS, we measure both our satisfaction by numerous questions, in which we also ask them to reflect on how they experience our values: act with integrity, make a difference, care, work together and reimagine the possible. In the table above, we have added important outcomes relating to integrity, quality, coaching and supervision. In addition, the outcomes of the GPS regarding the PwC Values are presented. The most recent GPS was filled in by 78% of all Assurance colleagues.



Act with integrity

FY24
82%

FY23
83%



Make a difference

FY24
67%

FY23
68%



Care

FY24
70%

FY23
68%



Work together

FY24
73%

FY23
72%



Reimagine the possible

FY24
78%

FY23
77%

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In addition to our Global People Survey, we have conducted the Barrett Survey. The Barrett survey is an initiative which investigates to what extent the personal values, values in the current organisation culture and the desired organisation culture are aligned. We have conducted this Survey before, so we can monitor the movements over time. Overall, we see that several of the values between our current culture and the desired culture match, such as high quality and personal development, which provides a stable balance to build on. Areas of attention where values not yet always align are the value of work-life balance and recognition. These topics are in line with the outcomes of the GPS, which show a clear path to further improve on.

Clear is kind

When it comes to behaviour, we noticed over the last years that honest feedback and clear expectations are not always the standard. Because of this, we introduced the phrase ‘clear is kind’. The aim is to encourage people to give each other true and honest feedback on behaviour and performance, even if this is not positive. Only when doing this, our colleagues will know how and where they can grow and improve further. This requires the growth mindset that we have been practising for a while already.

Learning from each other’s perspectives and the different views that people bring, is something we strongly believe in. That is why we believe that inclusion and diversity is essential. We have taken actions to strengthen our inclusive culture, where all talents are seen and utilised, different ideas and perspectives are heard, and no one is implicitly or explicitly excluded, for example via our High Performing Teams initiative. We are aware that the tone at the top is critical in realising our beliefs.

Our leadership is committed and challenges each other to demonstrate inclusive behaviour and mindset. We also continue to work on an inclusive and diverse culture by our sponsorship program and connected cultures activities, where we provide a space to celebrate differences within the PwC environment as well. We are aware that we are not there yet and that inclusion and diversity is an area that requires continuous effort. In order to improve and remain to be an attractive employer for diverse talent, we will continue our efforts in the upcoming years.



6	Workload	FY24	FY23	FY22
Average number of client hours by audit colleagues per FTE				
Partner/director		1,000	1,006	1,001
Manager/Senior manager		1,261	1,263	1,258
Associate/Senior associate		1,336	1,368	1,327
Total		1,286	1,308	1,277
7	Sick leave			
Sick leave		4.6%	4.5%	5.4%
Long-term sick leave		3.2%	3.1%	3.8%

We as PwC believe that the development of our colleagues takes place when working for clients, and not when performing internal tasks for the firm. To optimise learning, we focus on the number of hours spent on clients, which we internally call “Project Focus”. For the upcoming year, increasing these hours is an important point of attention.

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8 Workforce (FTE)				
	FY24	FY24 %	FY23	FY23 %
Partners/directors	200	10%	199	10%
Managers/Senior managers	515	27%	481	25%
Senior associates	800	41%	809	42%
Associates	419	22%	431	23%
Total	1,934		1,920	

Our workforce is essential for performing high quality work. The increase in workforce is explained by more colleagues providing Broader Assurance Services, for example services relating to CSRD.

9 Employee turnover		FY24	FY23
Total employee turnover		12.9%	15.4%
Turnover of colleagues with above-average appraisals		8.3%	11.3%
Male/female employee turnover			
- Male		13.0%	13.5%
- Female		12.6%	16.5%
Turnover of employees from differing cultural backgrounds			
- Dutch		11.6%	9.9%
- Western		13.3%	16.7%
- Non-western		15.2%	23.3%

Our annual turnover decreased compared to last year. At PwC, we invest in retaining our colleagues, for example by defining actions from our annual employee satisfaction survey (Global People Survey, or GPS). The figures show that the turnover for non-western cultures is still higher than for Dutch or Western colleagues. To improve diversity and inclusivity in our organisation, we have initiatives in place to address these differences.

10 Diversity and inclusivity

	FY24	FY23
Diversity in our practice		
Male	59.9%	59.5%
Female	40.1%	40.5%
Dutch background	55.4%	55.7%
Western migration background	12.0%	12.4%
Non-western migration background	32.7%	31.9%
Diversity in promotions		
Male	18.5%	19.7%
Female	18.6%	19.9%
Dutch background	22.0%	21.8%
Western migration background	13.9%	21.4%
Non-western migration background	16.4%	15.1%

We strive for a diverse and inclusive organisation in which everyone can and may be themselves. This not only contributes to the quality of our services, but also to becoming a better organisation. The differences we see in the table above for colleagues with different backgrounds have our continuous attention, and we work to further improve on this.

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Evolved PwC Professional

We can only deliver our services with the support of our colleagues. During the year, we introduced the Evolved PwC Professional, to inspire our colleagues and support us in making the next step in realising our strategic ambitions. Instead of mainly focussing on competencies, we will now primarily focus on behaviour. For next year, we identified six core behaviours, which we believe are key in providing trusted leadership and realising distinctive outcomes. This very much aligns with our ‘High performing team’ program, as both initiatives focus on behaviours instead of outcomes.



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We are powered by next generation technology

As part of our commitment to building trust and delivering sustained outcomes, the PwC network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC’s investment will accelerate ongoing innovation and enable us to respond to changing stakeholders’ needs while taking advantage of emerging technologies, including generative AI, providing a transformed audit experience focusing on continuous quality enhancement. PwC’s vision for NGA is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders.

As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience. There have been significant investments across the PwC network into Generative AI as we seek to reimagine how we further enable our people by leveraging the power of AI. We are focused on promoting a culture of responsible usage of AI while supporting ongoing interest and quickly evolving potential use cases for AI including Generative AI.

Applying AI in our audit

Generative Artificial Intelligence (GenAI) is, of all the developments we are working with, the most promising. We are not only using it to develop parts of the NGA but are also building first use cases with GenAI. During the year, we introduced our own ChatPwC which is a safe and secure chat platform powered by GPT (Generative Pre-trained Transformer) technology. Microsoft Co-Pilot is rolled out to all staff which not only helps us to automate simple tasks such as summarising meetings and creating action points. But more importantly, it helps to train our people to start working with GenAI and get skilled in prompting. GenAI offers many use cases and opportunities but it also comes with risks, such as automation bias.

An important emphasis for us is to train our people to work with this technology and be receptive to the risks.

Continuous auditing instead of samples

We have the possibility to perform continuous auditing. Instead of checking processes a couple times a year, our Continuous Monitoring Platform (CMP) can run on our clients data, checking controls and procedures continuously, identifying exceptions when they occur. Also our Audit Highway helps us to provide our clients and audit teams with near real-time insights on the accuracy and completeness of their payroll on an employee or aggregated level.

Digital accelerators for every colleague

A lot of potential for innovation lies with the data that we receive from our clients. However, getting data into a correct format to actually perform valuable data analysis, obtain audit evidence and create valuable insights, does require some technical skills. Because of this, we have introduced digital accelerators in each business unit. These colleagues are committed to innovating our audits and its adoption across the wider practice. They are very capable with tools such as Alteryx, PowerBI and other digital solutions that we have, helping teams to adopt these digital solutions as well, to get the most out of our clients data.

11 NL investments in technology in euros

FY24
5mIn.

FY23
5mIn.

Every year, we invest in technology. The amount shown in this table is the amount of Dutch investments. The majority of our investments in technology, for amongst others the Next Generation Audit program, are made via our Global PwC network.



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Our report presents a summary of the past year – a year full of developments, changes and opportunities. We as auditors believe that adding trust in these times is more important than ever. Providing trust on the relevant topics for society and being trusted ourselves to provide our services with our people supported by next generation technology, that is the way we will continue to build on our services. We are very proud that we have a diverse group of talented colleagues with whom we are able to make a difference for our clients, society and each other: thank you! We specifically would like to thank our Young Assurance Board, current and former members, for their valuable insights, enabling us to make the best decisions.

Amsterdam, 3 October 2024

The Assurance Board*,
Wytse van der Molen (chair)
Joris van Meijel
Raneesh Jagbandhan**

* The composition of the Assurance Board changed due to a partner leaving the board on 1 July 2024 and another on 1 October 2024. Successors will be appointed shortly, once the appointment procedures have been concluded.

** Authorised executive director of PricewaterhouseCoopers Accountants N.V.





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The Public Interest Committee (Commissie Publiek Belang, CPB) is a sub-committee of the Supervisory Board. As the name suggests, it safeguards public interest matters within PwC (see text box). We look back with CPB chair Jan Sijbrand and committee member Saskia Vlaar on the year under review.

Any reflection related to the issue of public interest must of course address the ongoing investigation into improper answer sharing. The Supervisory Board oversees this investigation and, as a sub-committee, the CPB plays an important role with regard to the design and scope of the investigation and the measures to be taken. This has led to the committee being convened three times as often in the past year as would normally be the case.

Trust matters

While the chair of the Supervisory Board Chris Buijink looks at this ongoing investigation in more detail on [page 124](#) of the Annual Report, CPB chair Sijbrand adds the following: “Trust is the most important product of PwC, which is why PwC’s declared purpose starts with ‘build trust’. The improper answer sharing touches on the core of this element and, therefore, at the heart of the organisation. That is very serious.”

“We did indeed spend a lot of time on this investigation over the past year,” continues Vlaar. “But we were careful to ensure that other important topics were not neglected as a result.” An example was the report by Dr Ziggy Switkowski, who conducted a review of the culture, governance and accountability on behalf of PwC Australia after conflicts of interest in its tax practice.

Vlaar says that the report contained analyses and recommendations which were certainly worth discussing. “It is our role as CPB to engage in dialogue with PwC board members about Dr Switkowski’s findings and ask further questions on how things are handled in the Netherlands. We discussed the lessons learned in the report and their follow up several times and will continue to do so in the coming year.”

Double hatters and CSRD

Another prominent topic on the CPB agenda was the social debate on so-called ‘double hatters’ – partners and directors who combine their role at audit or consulting organisations or law firms with an academic position. Critics of such dual functions are concerned about the independence of scientists when combining these roles. The public debate on the issue is going on for several years now.

Sijbrand appreciates the steps that PwC has taken in this matter: “The CPB stimulated discussions about the way PwC deals with the combination of a role at PwC with an academic function. There is now clarity on the PwC website as to who holds which roles and the double hatters policy is being revised.”

The increasingly important role of accountants in auditing sustainability information has also been a focal area for the CPB. From 2025 (covering the 2024 financial year) onwards, large companies will be obliged to comply with the EU’s Corporate Sustainability Reporting Directive (see Annual Report, [page 21](#)). This major change places new demands on the role of auditors and the CPB regularly asked attention for the way PwC is preparing its partners and staff for the new role. It also supported PwC’s intention to comply with the new way of reporting on the financial year 2023/2024, a year earlier than necessary (Annual Report [page 30](#)).

What does the Public Interest Committee do?

The Public Interest Committee is responsible, amongst other things, for advising the Supervisory Board and for preparing its decisions regarding the way in which PricewaterhouseCoopers Accountants N.V. safeguards the public interest in terms of audit quality. The CPB is a sub-committee of the Supervisory Board of Coöperatie PricewaterhouseCoopers Nederland U.A. The Supervisory Board consists entirely of independent members. The members of the CPB are also the members of the Supervisory Board. In this report, the CPB accounts for the way in which it performed its role with regard to the audit firm during the 2023/2024 reporting year, and sets out its findings on how the public interest was safeguarded by PwC.

Open dialogue

Other topics addressed by the CPB over the past year included developments in the external supervision of the organisation such as the AFM investigations into engagement quality control reviews (*opdrachtgerichte kwaliteitsbeoordeling*), the follow up to the AFM review of fraud risk assessments, incidents reported to the AFM and the AFM’s new data-driven approach.

Also on the agenda have been the NBA publication on transparency and confidentiality as well as other societal interest developments related to PwC’s practice such as the work of the Audit Sector Quartermasters (*Kwartiermakers toekomst accountancysector*), and the proposed Accountancy Amendment Act (*Wijzigingswet Accountancysector*) and the role of PwC Advisory in the public domain. Other recurring topics include the audit firm’s quality management system, PwC reports with social impact and the conversations PwC board members have with stakeholders.

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“A clear task for us is to continue having frank discussions with the members of the Board of Management and Assurance Board.”

“It is good to see how PwC is in an open dialogue with a wide range of stakeholders,” says Vlaar. “In doing so it brings the outside world in. Our role as the CPB is to have conversations about what the organisation does with the input from those stakeholders. In addition, PwC has published some excellent social impact reports, including on the semiconductor industry and the tax contribution of the Dutch business community. I appreciate the way these reports take a clear position.”

Future thinking

How do Vlaar and Sijbrand see the future role of the CPB? “A clear task for us is to continue having frank discussions with the members of the Board of Management and Assurance Board,” answers Vlaar. “This is crucial if the organisation is to continue making progress on difficult topics. Fortunately, we already see this happening with the likes of the double hatters issue.”

Sijbrand looks a little further afield: “The incidents within and outside PwC, some of which we deliberated on extensively as CPB last year, make clear that integrity and quality are the rock on which PwC is built. These foundations deserve the continuous attention of board members, partners and employees and are more important than profitability in the short term. It is up to the CPB to continue questioning and challenging the organisation on this over the coming year.”



The policymakers of PricewaterhouseCoopers Accountants N.V. have discussed this Transparency Report 2023/2024 with us. We consider the tone of the Transparency Report, given the fact that the investigation into improper answer sharing is still ongoing, to be appropriate to the insight we have gained this past year into the manner in which PricewaterhouseCoopers Accountants N.V. safeguards the public interest and the status of its system of quality management.

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The Young Assurance Board (YAB) is a group of eight young professionals, who represent the Young Professionals within Assurance. The goal of the young assurance board is to contribute to advancing the Assurance practice, serving as a sounding board. This involves ensuring that strategic initiatives are understood, as well as bringing relevant topics to the table, in order to create a pleasant and developmental work environment at PwC. In this way, we can make an impact for both society and our clients.

Sounding board to the Assurance Board

One of the most crucial aspects of the Young Assurance Board (YAB) is our role as a valuable sounding board to the Assurance Board. We as YAB actively engage in challenging the status quo, offering fresh perspectives, and contributing innovative ideas. During the year, we have fulfilled our role by expressing thoughts and opinions on multiple topics, whereby we want to highlight two key areas: the ongoing investigation into improper answer sharing and transparent communication on human capital topics.

The ongoing investigation into improper answer sharing holds significant importance for the young colleagues, whereby it is a time of uncertainty for a lot of us. In this part we play an important role in sharing our input on how the investigation is perceived and affecting our young professionals. This input helps the Assurance Board navigate this uncertain situation effectively. Furthermore, following interim learnings from the ongoing investigation, PwC continues to undertake a redesign of the learning curriculum to better cater to the needs of young professionals. By actively participating in discussions and providing our perspectives, we ensure that the learning curriculum is aligned with the expectations and requirements of young professionals, contributing to a more effective and engaging learning experience.



From left to right: Milou Kemperman, Jan van der Linden, Zoraya van Oudheusden, Tom Winkelaar.

We also provided insights on human capital-related topics, including clear communication regarding possible “early promotions” for colleagues who perform significantly better than their peers. In addition, we contributed to the introduction of a pilot program for in-the-moment recognition. As bonuses for young professionals are already incorporated into their fixed salaries, this pilot program offers team leaders the opportunity to express their appreciation and recognise colleagues by providing tokens of recognition, such as tickets to a festival.

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CSRD and Innovation
All young professionals in the audit are faced with a lot of upcoming changes, particularly in the areas of innovation and the audit of sustainability information, known as the CSRD. These changes bring both excitement and challenges, and we as YAB play an important role in helping navigate this transformation.

Regarding innovation, several initiatives have already been implemented. Throughout the year, we started using Generative Artificial Intelligence tools such as ChatPwC, and we are currently in the process of developing the Next Generation Audit (NGA). These innovative projects show great promise, and we are excited to adopt these initiatives such as Copilot into our work. At the same time, some of these initiatives, such as NGA, are not yet ready for full implementation. It is important to have balanced communication and make sure that we develop use cases and best practices that will also make this more tangible to the young professionals and unlock the potential of these tools in our future audits. Young professionals recognise the importance of aligning education with the evolving demands of the industry. We observe that universities are actively working to modify their curricula to address these developments. However, this process proves to be complex, as it involves managing multiple stakeholders. Ensuring that universities and other educational institutions effectively communicate their efforts to adapt their learning program is crucial. This transparency can help young professionals understand the changes being made and provide valuable input to ensure that the education they receive aligns with the skills and knowledge required in the industry.

Complexity of audits is increasing - Working with Talenthubs
Audits are becoming increasingly complex. Our first clients have to comply with the CSRD standards in the upcoming year, and the way our teams are built has changed a lot. CSRD demands significant additional capacity from audit firms, capacity that is not always available from starters leaving university or intake from other audit firms. This is why we are working more closely with other PwC member firms, for example in the Talenthub program. Through



From left to right: Herschvardhan Ranjalkar and Lianne Ramaekers

collaboration with professionals from member firms in Pakistan, India, Cyprus, and South Africa, we efficiently attend to clients, run audits, and meet demand.

But as you can expect, changing the way we work also comes with challenges. Working with remote team members, often in other timezones and other cultures, is taking some adjusting and learning time. By critically assessing the further roll-out of this program, both on development areas and best practices, we helped to further improve this new way of working.

Young professionals and clients
Thinking about how young professionals can make a difference for our clients was also an important topic in the last year. We have thought about how to support our young professionals to better grasp the business of our clients, and become better auditors, by having broader conversations with our clients and adjusting our audit on their developments and challenges. To get more insights into what adds value to our clients, we attended evaluation meetings with some of our larger clients together with Assurance Board members, and plan to host workshops to share these

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insights, and improve business acumen of young professionals even further.

At the same time, combining the working life with finalising their education to become an auditor, already puts pressure on young professionals. Keeping this in mind, and all other developments such as CSRD, we are also realistic to not overwhelm colleagues. Furthermore, we sent out our annual survey where all colleagues can provide feedback on the clients they work for. What went well and what could go better? Was the collaboration between the client and the audit team effective? Are there development areas for the client themselves? The output is analysed by all Business Unit Leaders together with the local YAB member and follow-up actions, such as evaluation sessions with the engagement leader and the client, are taken.

Working together with other Young Boards

Throughout the year, we actively collaborated with young boards of other audit firms and also some clients and corporates. The purpose of this collaboration was twofold: to learn from each other and to work together to establish an unified voice representing young professionals in the Dutch auditing landscape.

One of the outcomes of this collaboration was the creation of a concise one-pager that summarised the most important topics from the final report of the Quartermasters. Recognising the length of the report, we aimed to provide young professionals with a condensed version that they could easily reference to enhance their day-to-day work. We are proud of the way the one-pager was picked up by the media.

We consider driving this change to be of utmost importance. We understand that we are the future of the profession and take pride in the positive responses on the one-pager within the sector. By working together with the young boards of other audit firms,

we demonstrate our commitment to fostering collaboration and creating a collective impact that benefits all young professionals in the auditing industry.

An example of working together in the past year was the ‘Made in NL’ project. As part of this initiative, we facilitated a meeting between young boards from various companies in the manufacturing industry at the World Energy Congress. During this gathering, we engaged in productive discussions on the necessary steps to enhance the Dutch Business Climate specifically for the manufacturing sector. We identified five concrete measures and communicated those to the public.

Working together with the young boards of other, non-audit, companies helps us to improve the way we operate. By having these connections, we are able to see what topics are applicable for other young boards, how they operate within the organisation and how they communicate their points of view to leadership. Reflecting on this, we are already happy with the way we can fulfil our role within PwC Assurance, especially the strong relationship with the Assurance Board.

Plans for the future

We look ahead to the upcoming year and recognise the importance of maintaining our role as a sounding board for various topics. We emphasise the continued attention for addressing issues such as colleague recognition and transparent communication from the Assurance Board.

In addition, we acknowledge that our input will be crucial for young colleagues to embrace changes in the profession, particularly in relation to CSRD and innovation. We understand that by staying engaged on these topics and voicing our opinions, we can have the greatest impact on shaping the future of the profession.

‘Being an auditor is an attractive and versatile profession, but I’m not sure if that is clear to everyone. We can all promote it even more.’

Jessica van der Vlugt, board member Young Assurance Board PwC Nederland

Each year, a number of YAB members rotate, and we would like to express our gratitude to those departing members and extend a warm welcome to the new members joining our team. With a commitment to making a difference, we are determined to continue our active involvement in these areas and will persist in advocating for the needs and perspectives of young professionals in the years to come.

The Young Assurance Board

Milou Kemperman
Jan van der Linden
Zoraya van Oudheusden
Tom Winkelaar
Herschvardhan Ranjalkar
Lianne Ramaekers
Jack Blaauw
Tugba Uzel

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The foundation for our audits is delivering high quality. Providing high quality services is our reason for existence and continuous improvement is essential within a culture that serves the public interest as the main task. That’s why we invest in a wide variety of areas, including training (professional technical training and behavioural and ethical training), and the development of our way of working, including technology. It is important that we are transparent about what we do, in both delivering quality and improvement of our quality behaviour.

Compliance with standards and policies
As a member firm of the global PwC network, we are required to comply with the PwC Network Standards and the PwC Network Risk Management Policies. These are designed to assure consistency of service quality across the PwC network.

Our policies and procedures for quality are consistent with these international frameworks and are naturally also focussed on compliance with the applicable legislation and regulation in The Netherlands. The framework of standards that is applicable in the Netherlands for legal audit can be divided into different levels (see table below).



The audit firm
The Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties* (Wta)), the Decree on the Supervision of Audit Firms (*Besluit toezicht accountantsorganisaties* (Bta)), and EU Regulation set out requirements applicable to the operating structures of audit firms that are licensed to perform legal audits. An audit firm is required to have a System of Quality Management (SoQM) and safeguards to ensure that work is performed in a managed environment and with integrity.

The external auditor
All external auditors are required to comply with the Code of Ethics regarding professional competence (including continuing professional development training), objectivity, integrity, professionalism and confidentiality. The Audit Profession Act (*Wet op het accountantsberoep* (Wab)) gives the NBA the authority to prescribe professional requirements for auditors in the practice of their profession, and the NBA has issued instructions regulating the auditing profession in the form of so-called Regulations and Supplementary Requirements (*Verordeningen of Nadere Voorschriften*) and, in particular the Regulation Code of Ethics for Professional Accountants (*Verordening gedrags- en beroepsregels accountants* (VGBA)), the Regulation concerning the Independence of Auditors in Assurance Engagements (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (ViO)), the Regulation concerning Audit Firms (*Verordening accountantsorganisaties*), and the Supplementary Requirements regarding Auditing and Other Standards (*Nadere Voorschriften controle- en overige standaarden* (NV COS)).

The Dutch regulatory framework for the legal audit		
Who	Standards framework in short	Legislation and regulation
The Audit Firm	<ul style="list-style-type: none">• System of quality management• Performance in a managed environment and with integrity	Wta, Bta, EU regulations
External Auditors	<ul style="list-style-type: none">• Rules of professional conduct• Independence requirements• National and international auditing standards (e.g. ISAs)	Wta, Bta, Wab (VGBA, ViO), EU regulations

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Our system of quality management

The International Standards on Quality Management 1 (ISQM 1) of the International Auditing and Assurance Standards Board (IAASB) became effective 15 December 2022 and required all firms performing audits or review of financial statements, or other assurance or related service engagements to have designed and implemented a System of Quality Management to meet the requirements of the standard. Although ISQM1 is not yet adopted in Dutch Law, we as PwC implemented the standard as of FY2024

The PwC Network’s Assurance QMSE (Quality Management for Service Excellence) framework was designed to enable us to meet the requirements of ISQM 1. This includes design and implementation of our SoQM to comply with ISQM 1 to meet the effective date and evaluation of the SoQM under the standard by 15 December 2023.

Our overall quality objective is to have the necessary capabilities in our organisation and to deploy our people to consistently use our technological and intellectual resources, methodologies and processes to deliver services in an effective and efficient manner to fulfil the expectations of society, our clients and other stakeholders. Put simply, designing our business and processes to consistently deliver high-quality audits. To achieve the overall quality objective, our QMSE framework is structured along fifteen so-called objectives with regard to:

- 1. Leadership and quality management process
- 2. Ethical requirements and values
- 3. Objectivity and independence
- 4. Client selectivity
- 5. Managing services and products
- 6. Engagement acceptance and continuance
- 7. Recruit, develop and retain
- 8. Learning and education
- 9. Assignment of people to engagements
- 10. Evaluation and compensation

- 11. Technological resources
- 12. Support for engagement performance
- 13. Direction, coaching and supervision
- 14. Expert knowledge
- 15. Quality controls in performing engagements

When describing our SoQM, we use the structure of the fifteen quality objectives. In the appendices of this Transparency Report we have described per quality objective what the related risks are and how we have designed our system to meet the specific objective. For every quality objective, we have appointed a functional area leader (FAL) who is responsible for the day-to-day operations of the quality objective.

To help us achieve these objectives, the PwC network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC network’s Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do. These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that we tailor to reflect our individual circumstances. As member firm we are responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

Accountability for the system of quality management

The management board of PricewaterhouseCoopers Accountants N.V. (also referred to as the Assurance Board) and the Board of Management of Holding PricewaterhouseCoopers Nederland B.V. are the policymakers of the audit firm PricewaterhouseCoopers Accountants N.V. The Assurance board, and ultimately Territory Senior Partner (TSP), are responsible for the design, maintenance and operation of the SoQM, and the Assurance Board assesses the adequacy of the design, and operating effectiveness of the system on an annual basis. Where deficiencies are noted, a remediation process is set in motion to correct the practices and/or to update the systems affected. Our Statement on the effectiveness of our SoQM is included in this Transparency report.

To be able to carry out this assessment, the Assurance Board receives a quarterly report on the results of the ongoing monitoring activities by the functional area leaders. This report includes the most important developments and quality findings per quality objective, root cause analyses performed, possible mitigating measures, and an analysis of the key performance indicators (KPIs) in relation to the relevant quality objectives. The design and operating effectiveness of the SoQM is also periodically monitored and tested by an independent testing team.

Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of member firms’ SoQMs. It looks at the member firm leadership’s own assessment of the effectiveness of their SoQM and their determination of whether the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, has been achieved with reasonable assurance. The review program is managed by a (global) central team of international team leaders (ITL) consisting of senior partners. The ITLs monitor the Member Firm’s inspection activities.

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Within the Netherlands, the Assurance practice is divided into multiple business units. Each business unit has its own management team, with the business unit leader (BUL) as the chair of this team. Included in the team are also: a quality assurance partner, a human capital partner, an operations partner and a clients and business partner.

Some of the procedures and controls for QMSE are delegated to the business unit leaders and their management teams. They are responsible for implementing PwC’s policies for quality within their respective business units. The business unit leaders acknowledge this in writing on behalf of their management team through an annual confirmation process. The functional area leaders include the business unit management teams’ implementation of the policies for quality in their evaluation of the operational effectiveness of the system as it relates to the objective for which they are individually responsible. The functional area leaders also confirm in writing each year that they have taken responsibility for and followed up on any quality finding.

Our quality management process

The achievement of these objectives is supported by a quality management process (QMP), established by our firm and Assurance leadership, business process owners, and partners, directors and staff. This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance (RTA) as well as appropriate key performance indicators
- continuously improving the SoQM when areas for improvement are identified by performing root cause analyses (RCA) and implementing remedial actions and
- establishing a quality-related recognition and accountability framework (RAF) to be used in appraisals, remuneration, and career progression decisions



Our SoQM must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, evaluating, assessing, reporting, and being responsive to changes in quality risks, driven by our internal and external environment. This is our QMP. Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

The past several years have seen unprecedented challenges. From the global COVID-19 pandemic to the Russian government’s invasion of Ukraine (hereafter: ‘the war in Ukraine’). Our SoQM has helped us navigate and react to the impact that identified factors had on our ability to achieve the overall assurance quality objective – to deliver quality audit engagements.

Our SoQM involves a dynamic risk assessment process that takes and analyses the information about these conditions, events,

circumstances, actions or inactions which may result in new or changing quality risks to achieving one or more of the quality objectives or changes to the risk assessment of existing quality risks.

Changes to the design of our system, including the risk responses

- This year, we have seen various factors impact our SoQM:
- Based on our ongoing investigation into improper answer sharing we have implemented enhanced monitoring controls and a Learning Code of Conduct. Also refer to [page 8](#) of this report.
 - Implementation of ISQM1.
 - Since we are changing the way we work together with alternative delivery models, such as national and international delivery centres and the Talenthub from different territories, we have made changes to further strengthen our SoQM, taking up new quality measures. This ensures high quality, no matter where or by who our (audit) work is performed.
 - Adequately imbedding innovation technologies, such as GenAI, into our SoQM.

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Strategic quality initiatives

Four strategic quality initiatives have been defined within our worldwide network organisation that contribute to the continuous monitoring of the operational efficiency of our SoQM and of the process of quality improvement.

Aim to predict: assurance key performance indicators

We have identified key performance indicators that support us in the early identification of potential risks to quality. This quality risk analysis is an essential part of our QMSE, and the quality indicators provide a key tool in the ongoing monitoring and improvement of our SoQM. Please note that the AQI's that we have identified in our SoQM, are not exactly the same as the ones identified by the Quartermasters. The AQI's by the Quartermasters are reported on top of the AQI's which result from our QMSE processes.

Aim to prevent: real time assurance

We have developed a Real Time Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real time during the audit. The RTA programme consists of Coaching for Quality (C4Q) and coaching through what we call Business Intelligence (BI) solutions. C4Q and BI help audit teams to assure audit quality throughout the execution of their audit work. Where aspects of an audit or file are noted that can or should be improved, the audit team involved is provided with coaching and the opportunity to follow up before completion of the audit.

Learn: root cause analyses

We continuously perform root cause analyses (RCA) to identify potential factors contributing to audit quality both negatively and positively so that we can take actions to continuously improve quality.

Reinforce: recognition and accountability framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients and driving a high quality culture. The RAF evaluates quality outcomes and behavioural aspects, it encourages the quality-focussed culture, and it develops the frameworks for setting the evaluation and remuneration procedures. Our RAF considers and addresses the following key elements:

- **Quality outcomes:** We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies.
- **Quality behaviours:** We have set expectations of the behaviours that support the right attitude to quality, the tone from the top and a strong engagement with the quality objective.
- **Recognition:** We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- **Consequences/reward:** We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives

Based on, amongst others, the developments with regard to ISQM1, the RAF has been updated and will be applicable for financial year FY25.



13 Evaluation and remuneration of our partners and directors

In our evaluation process, we pay specific attention to quality. But quality is not assessed as only the results of engagement reviews. Quality behaviour, showing integrity even when under external pressure, is weighed in our evaluation. In addition, we look at the contribution of our partners and directors to our quality management system and performance regarding the people aspect. How these different aspects are reflected in the evaluation is set out in the table below.

	Evaluation elements	Test reference	Internal assessment	Evaluation ²	Impact on total remuneration ¹	Financial impact	
						FY24	FY23
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	System of quality management PwC (QMSE)	<ul style="list-style-type: none"> • Internal monitoring • Internal reviews • External reviews 	Evaluation of review outcomes Individual contribution to PwC quality (in terms of roles, projects etc.)	Distinctive contribution: Positive effect on evaluation Effects on the evaluation of management	Up to +8,33% impact on total remuneration Up to -16,66% impact on total remuneration	24 positive 1 negative	20 positive 1 negative
	Personal independence	<ul style="list-style-type: none"> • Internal monitoring • Internal reviews • External reviews 	Independence Sanctions Committee decision ³ : <ul style="list-style-type: none"> • Warning • Reprimand 	Warning: Letter of notification, with no effect on evaluation Reprimand: Note in file, though the effect can be greater in the case of ownership of prohibited securities or in more serious cases	No effect on remuneration More serious reprimands: up to -50% impact on total remuneration.	- -	- -
	Personal behaviour / Business conduct	<ul style="list-style-type: none"> • Complaints and notifications 	BoM decision based on advice from the Business Conduct Committee or the Complaints Committee	Letter of notification, with no effect on evaluation Note in file, though the effect can be greater in more serious cases and even greater in repeat situations	No effect on remuneration More serious reprimands: up to -50% impact on total remuneration	- -	- 1 negative
Download the appendices to this Transparency Report on pwc.nl	Compliance with requirements and standards (baseline expectations)	Specific objectives: number of training hours, financial management etc	Evaluation of baseline expectations	If unsatisfactory: Negative effect on evaluation	Up to -50% impact on total remuneration	-	-
	People component in evaluation	<ul style="list-style-type: none"> • People KPIs (incl. People Survey) • 360 degree feedback 	<ul style="list-style-type: none"> • Evaluation business unit results (People Survey)⁴ • Evaluation 360 degree feedback 	Above average: Positive effect on evaluation Unsatisfactory: Negative effect on evaluation	Up to +8,33% impact on total remuneration Up to -12,5% impact on total remuneration	9 positive 4 negative	8 positive 1 negative

This table does not include consequences of the ongoing investigation into improper answer sharing.

¹ In relation to a 'regular' good evaluation. ² In addition, a partner or director can receive both a positive and negative remark regarding quality in one of the areas of evaluation: clients, people, firm. This remark has no direct effect on the performance rating, but it does affect the evaluation of the partner or director concerned and is included in the BMG&D form. Last year this concerned 6 partners and directors (previous year: 5). ³ The Independence Sanctions Committee also has the power to impose a financial sanction in addition to a warning or reprimand. This sanction is independent of any impact on the evaluation/remuneration of a partner/director or employee. The independence sanction policy applies firm-wide (see KPI 20). ⁴ Partners and directors are evaluated collectively per business unit.

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14 Number of incidents reported to the AFM



In 2023/2024 three Wta incidents were reported to the AFM; relating to client and engagement acceptance and our ongoing investigation into improper answer sharing. Two of the three Wta incidents open as at year end 2022/2023 have been closed (without follow-up or enforcement) by the AFM in 2023/2024.

15 Reviews of financial statements by National Office



National office reporting specialists, in some cases supported by industry specialists, conduct reviews of the financial statements of a selected group of audit clients prior to issuance of the auditor's report, with the aim of increasing the quality of these financial statements and to provide a learning effect for the teams involved. The number of reviews can be different every year because of our internal policy for selecting engagements. For example: this number can be lower if we have less audits which are performed by PwC for the first time.

17 AFM reviews

PwC financial year	FY24	FY23
	Number of reported file reviews	
Total number of files reviewed	4	4
Number of files with findings	1	2

As in 2022/2023, the AFM has carried out theme-driven file reviews. As this did not lead to a conclusion whether files are 'compliant' or 'non-compliant', we have not included these reviews in the table with other external reviews. A theme-driven review was performed in 2023-2024 regarding the effectiveness of the Quality Review Partner role and the AFM reported findings for one engagement (out of 4 files).

16 Internal reviews (ECRs)	Number of reviews				Compliant			
	FY24	FY23	FY22	FY21	FY24	FY23	FY22	FY21
Audit engagements	55	41	43	33	53	40	43	32
Other engagements	6	13*	12	8	6	13	12	7
Total	61	54	55	41	59 (97%)	53 (98%)	55 (100%)	39 (95%)

Internal reviews (ECRs)	Of which compliant with improvement required				Non-compliant			
	FY24	FY23	FY22	FY21	FY24	FY23	FY22	FY21
Audit engagements	5	6	7	9	2	1	-	1
Other engagements	1	-	3	2	-	-	-	1
Total	6	6	10	11	2 (3%)	1 (2%)	0 (0%)	2 (5%)

* In relation to the internal quality reviews on advisory engagements (BAS) within the Assurance practice, we have adjusted the process as from the year 2023-2024. In previous years, we performed Engagement Compliance Reviews using the same approach as we did for audit engagements. We decided to adjust the quality review programme for these engagements to better align with the monitoring requirements of our network and to make monitoring more tailored to advisory engagements, which also increases the value to the engagement teams. Included in the figures of FY23, are 9 reviews for BAS. For FY24, no BAS reviews were included in the figures because of this change in the review programme.

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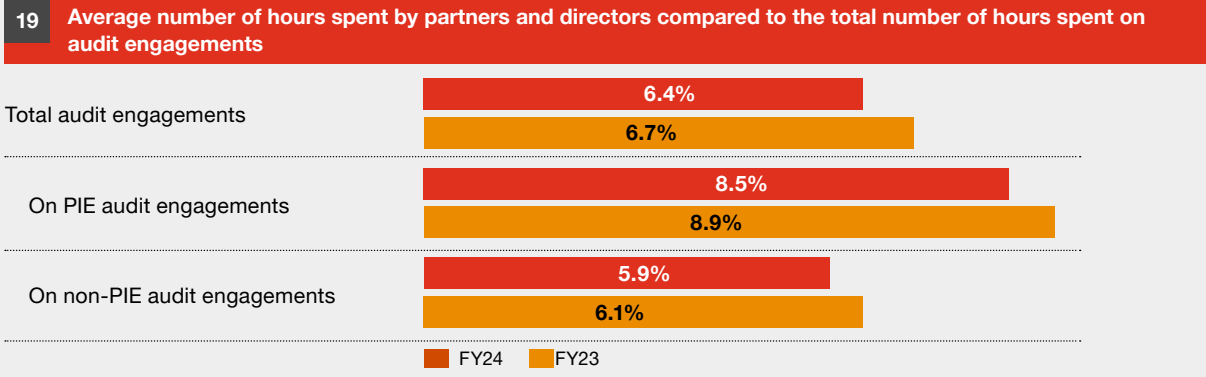
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18	Review by	Number of reported file reviews			Number of non-compliant files		
		FY24	FY23	FY22	FY24	FY23	FY22
	Financial year assessed	2022	2021	2020	2022	2021	2020
	PCAOB	-	-	3	-	-	1
	ADR	3	7	5	-	-	-
	Education Inspectorate	3	3	4	-	-	-
	NZa	4	4	6	-	-	-
	NOREA	-	-	-	-	-	-
	Dutch Accreditation Council	-	3	3	-	-	-
	Other bodies	-	-	1	-	-	-
	Total	10*	17**	22***	-	-	1

* For the 10 compliant files, one point for improvement was identified.
** For the 17 compliant files, no points for improvement were identified.
*** Points for improvement were identified in 3 of the 21 satisfactory files.



Over past years, we have seen that strong partner and/or director involvement positively contributes to engagement quality. The average number of hours spent by our partners and directors is decreasing slightly over the past years. We monitor this closely. For the last year, we see strong involvement of managers in the audits, resulting in high senior team member involvement (even though Partner and director involvement decreased). We therefore conclude that there are no audit quality risks, however we will address this point in the upcoming year.

20	Reviews of personal independence and identified violations		
		FY24	FY23
	Number of reviews completed on personal independence firm-wide	272	230
	Number of breaches identified	30	31
	Number of warnings imposed	28	28
	Number of reprimands imposed	2	3
	Number of financial sanctions imposed	19	23

In FY24 272 samples were tested. There were no serious independence breaches regarding personal independence this year. We identified 30 exceptions through our personal independence and compliance tests. Of the 30 exceptions two exceptions were in breach with our internal independence regulations and did not cause any compromise to the independence of our audit teams to our audit clients and 28 exceptions did not relate to an internal or external breach. These 28 exceptions involved exceptions in administrative maintenance for permitted changes to personal investment portfolios (e.g. administering changes too late) or a failure to accurately or completely register crypto currencies. As a result, out of the 30 colleagues, 19 colleagues received financial sanctions, and 11 colleagues received a written warning. This distinction between a financial sanction and a warning and the amount of the financial sanction is based on the severity of the identified exceptions and is in line with our accountability framework. We continue to give attention to compliance around personal independence through training courses, guidance and frequent communication.

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21 Errors identified

	FY24	FY23
Number of material errors identified NL GAAP	16	15
Number of material errors identified IFRS	8	7
Total number of material errors identified	24	22
Of which identified under art. 362 subsection 6	3	0
Material errors identified as a percentage of the total number of legal audits	1.4%	1.3%

The identified material errors relate to legal audits on financial statements we also audited in the previous year. The number of material errors increased slightly. When a potential material error is identified during a financial statement audit, audit teams consult with National Office. Specialists within National Office assess and determine whether the error qualifies as a material error. Relevant adjustments and disclosures for the financial statements are agreed upon. Subsequently, root cause analyses are conducted internally to identify potential insights and start any improvement initiatives.

22 Hours spent by National Office

FY24

122,264

FY23

107,648

Our National Office is key in supporting all teams when working on their client engagements. The increase in hours spent by National Office, is mostly for further developing our internal System of Quality Management, which is the basis for our high quality services.

23 Number of OKBs carried out by QRPs and CRPs and number of hours spent

	FY24	FY23
Number of legally required OKBs carried out by QRPs	277	310
As a percentage of the total number of legal audits	16%	18%
Number of not legally required OKBs by CRPs	84	92
As a percentage of the total number of legal audits	5%	5%
Total number of OKBs by QRPs and CRPs	361	402
Number of hours spent by QRPs on OKBs	4,466	4,583
Average number of hours spent by QRPs on regular OKBs as a percentage of the total number of hours spent on the legal audits involved	0.7%	0.7%
Number of hours spent by CRPs on OKBs	1,962	1,841
Average number of hours spent by CRPs on OKBs as a percentage of the total number of hours spent on the legal audits involved	1.1%	1.0%
Total number of hours spent by QRPs and CRPs on OKBs	6,428	6,424
Average number of hours spent by QRPs and CRPs on OKBs as a percentage of the total number of hours spent on the legal audits involved	1.9%	1.8%

24 Composition of turnover of PwC the Netherlands

Composition of turnover PwC the Netherlands 2023/2024 ¹ (x € millions)	Legal annual financial statement audits	Other annual financial statement audits	Other reports and assurance reporting	Assurance- related services	Other services	Total	% of total
Legal annual financial statement audits (PIE clients)	i 60	iii 0	5	0	0	65	6%
Legal annual financial statement audits (Subsidiaries of EU PIE clients)	14	1	0	0	1	16	1%
Legal annual financial statement audits (non-PIE clients)	ii 192	4	11	1	29	236	22%
Other annual financial statement audit clients		iv 13	3	0	1	18	2%
Other reports and assurance reporting clients			36	0	46	83	8%
Assurance-related services clients				6	30	36	3%
Other clients					629	629	58%
Total	266	18	55	7	736	1,082	100%

Composition of turnover PwC the Netherlands 2022/2023 ¹ (x € millions)	Legal annual financial statement audits	Other annual financial statement audits	Other reports and assurance reporting	Assurance- related services	Other services	Total	% of total
Legal annual financial statement audits (PIE clients)	i 63	iii 0	6	0	0	69	7%
Legal annual financial statement audits (Subsidiaries of EU PIE clients)	16	1	1	0	0	18	2%
Legal annual financial statement audits (non-PIE clients)	ii 178	4	19	1	33	235	23%
Other annual financial statement audit clients		iv 15	2	0	1	18	2%
Other reports and assurance reporting clients			29	1	45	74	7%
Assurance-related services clients				6	10	16	1%
Other clients					609	609	58%
Total	257	20	56	8	698	1,038	100%

1 Turnover represents the amounts charged for engagements by all entities of the PwC Netherlands member firm. Amounts charged directly by other international PwC member firms to our multinational clients, including audit clients, are excluded from this table.

The allocation of revenue is in line with Article 13, paragraph 2, sub. K (i-iv) of EU Regulation 537/2014:

- i) revenues from legal audits of annual and consolidated financial statements of public interest entities and of entities belonging to a group of undertakings whose parent undertaking is a public interest entity;
- ii) revenues from the legal audits of annual and consolidated financial statements of other entities;
- iii) revenues from permitted non-audit services to entities that are audited by the legal auditor or the audit firm; and revenues from non-audit services to other entities.

Re i) and ii) The summary sets out the revenue earned from legal audits as defined in Article 1, first paragraph, sub. p of the Law on the Supervision of Audit Firms (including the annex). This definition differs from that included in Article 13, paragraph 2, sub. k of EU Regulation 537/2014.

Re i) In the summary, the revenue earned from legal audits at entities that are part of a group of companies of which the parent company is a public interest entity is limited to those entities that are part of a group of companies of which the parent company is an EU PIE audited by PwC or an international PwC network member firm.

The consolidated revenue reported in the annual financial statements of PricewaterhouseCoopers Accountants N.V. for 2023/2024 amounted to €425 million (2022/2023: €403 million), of which €283 million (2022/2023: €278 million) related to legal audit work and €142 million (2022/2023: €125 million) to other services.

PricewaterhouseCoopers Accountants N.V. is part of an international network of independent member firms. Total turnover achieved by legal auditors and audit firms from EU/EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the legal audit of annual and consolidated financial statements is approximately €3.0 billion (2022/2023: €2.8 billion). This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2024.

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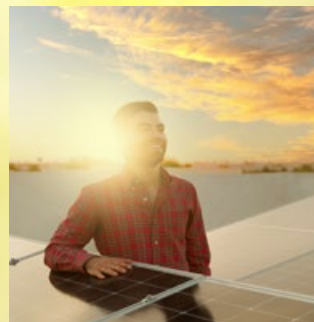
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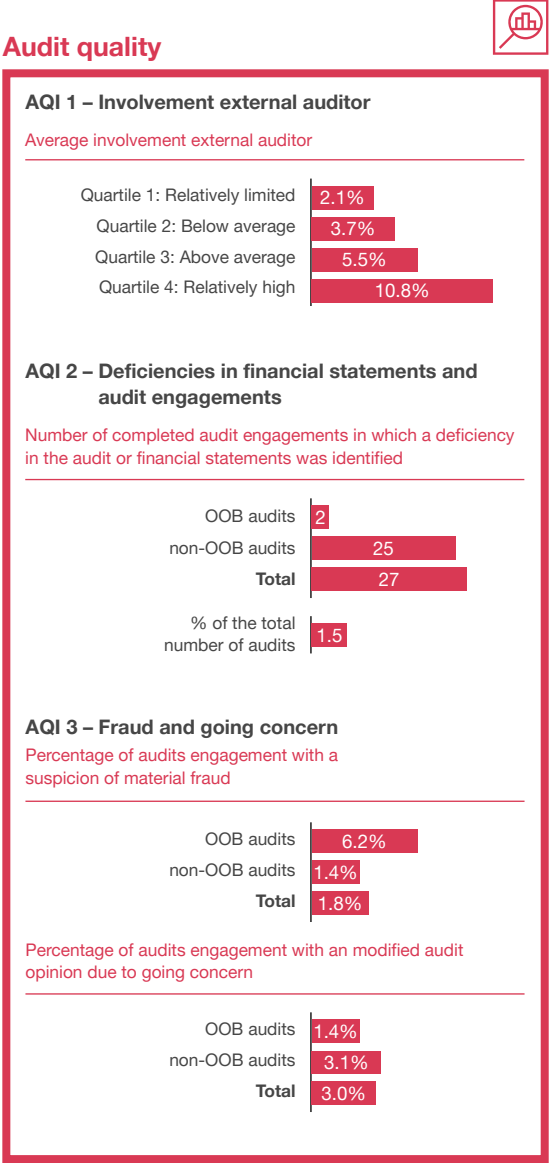
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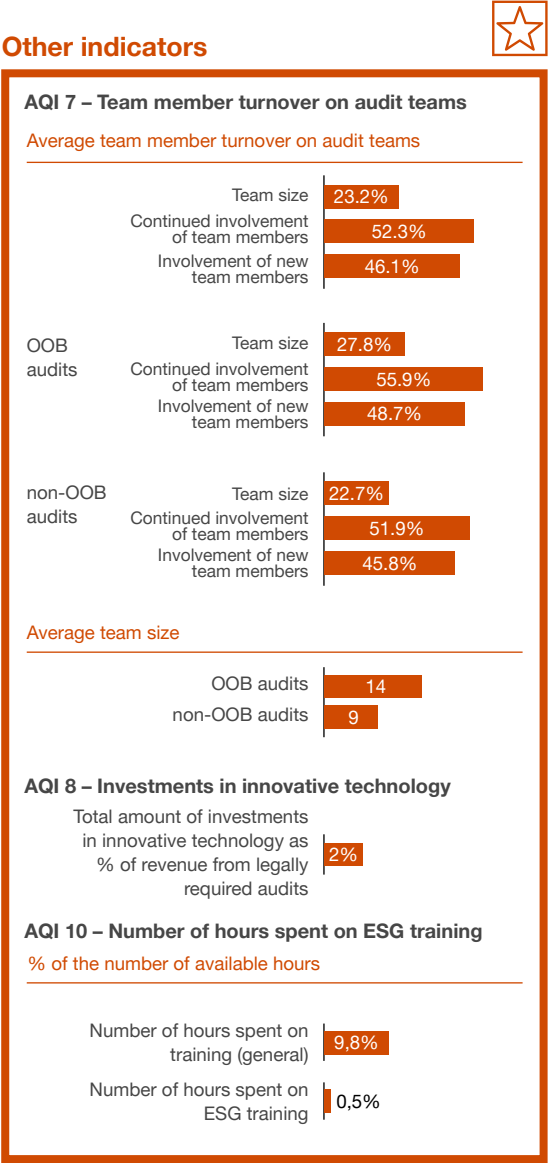
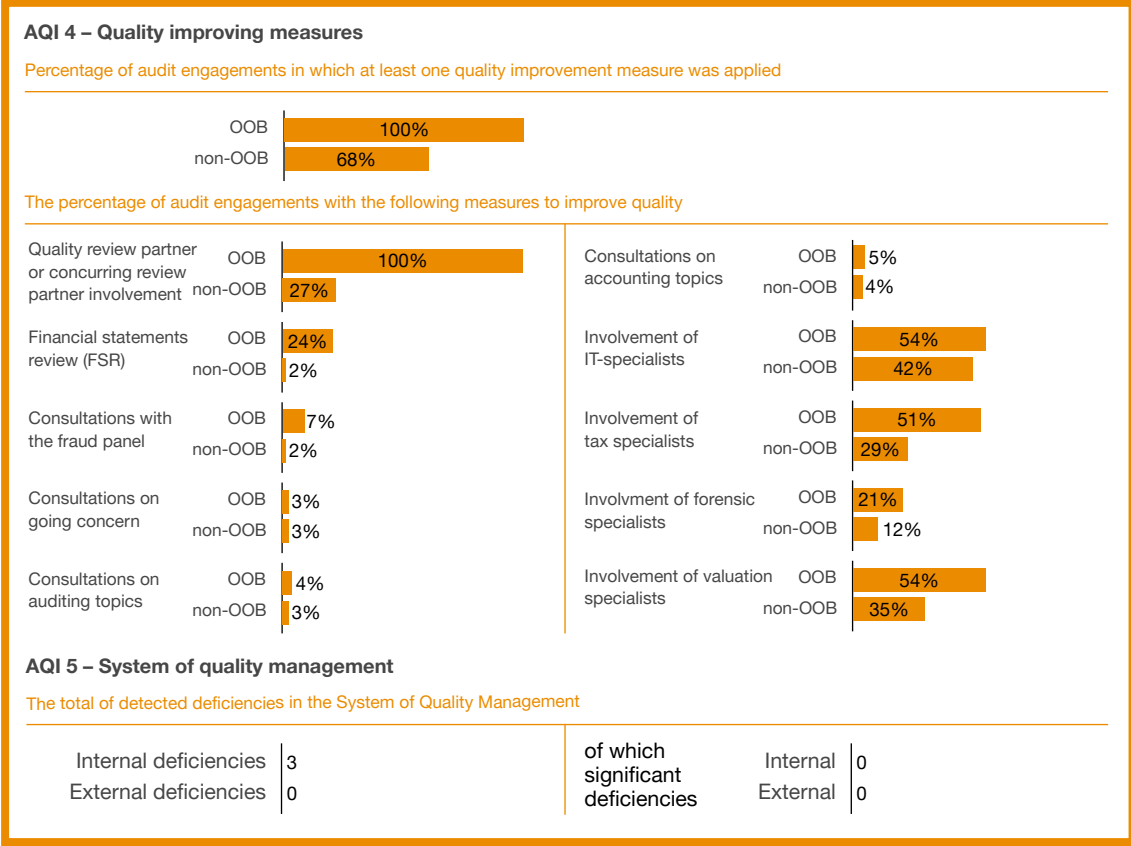
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On this page, we have included the Audit Quality Indicators (AQIs) which have been introduced by the Quartermasters. In their final report they have identified eleven indicators, to be reported on by all audit firms for legally required financial statements audits under Dutch law. In this report, we have included eight of the indicators, since for other three indicators no questionnaires are available, or the data is not sufficiently reliable. On this page, you can find the outcomes of the AQIs we can already report on. More information, and our reflection on the figures reported, can be found in the [appendix of this Transparency Report](#).

System of quality management



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As required by PwC policies the System of Quality Management (SoQM) of PricewaterhouseCoopers Accountants N.V. is designed and operated to provide a reasonable level of assurance that our statutory audits, as well as other audits, non-audit assurance and related services engagements are performed in accordance with the legislative and regulatory requirements that apply. There is a reasonable assurance when the SoQM reduces the risk that the objectives thereof are not achieved, to an acceptable low level. Reasonable assurance is not absolute assurance, because there are inherent limitations to our SoQM.

The overall quality objective is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to meet expectations of society, our clients and their stakeholders.

Internal monitoring of compliance enables PwC to identify and respond to findings and quality deficiencies both on engagement level as on the SoQM. This includes evaluating internal and external developments impacting our risk assessments, the results of internal and external reviews and root cause analyses performed, and expectations of our clients and other stakeholders.

If deficiencies are identified in our annual evaluation of the SoQM we evaluate the severity and pervasiveness on the SoQM with consideration of remedial actions and measures taken as of the date of the evaluation.

We completed our evaluation of the firm's SoQM for the period 1 July 2023 - 30 June 2024 (FY24). This includes the internal monitoring of compliance with policies and requirements. In doing so, we have relied upon the outcomes of the monitoring and testing as designed and implemented as part of our SoQM.

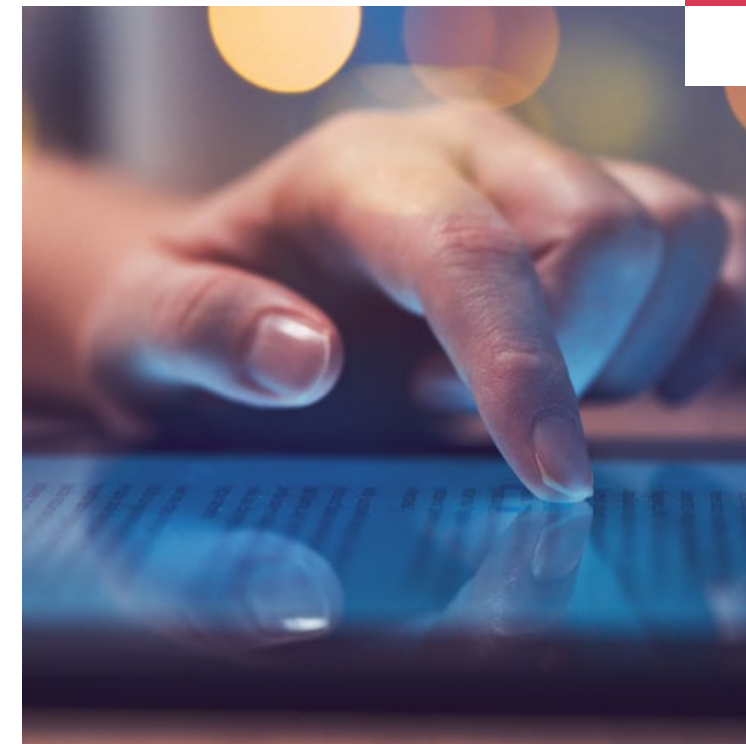
On behalf of PricewaterhouseCoopers N.V., the Assurance Board evaluated whether our firm's SoQM provides us reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as at 30 June 2024, we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM1 noted above have been achieved.

Amsterdam, 3 October 2024

PricewaterhouseCoopers Accountants N.V.
Wytse van der Molen (chair)
Joris van Meijel
Raneesh Jagbandhan



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To: the Management board of PricewaterhouseCoopers Accountants N.V.

Our opinion

We have examined the numbers and percentages on page 4 'Our year in figures' and in the tables 1 to 24 with Key Performance Indicators, the numbers and percentages on page 35 'Audit Quality Indicators (AQI's)' and in the tables AQI 1 to AQI 10 of the appendix 'Audit Quality Indicators' of the Transparency Report 2023-2024 (further: 'the reported data') of PricewaterhouseCoopers Accountants N.V., based in Amsterdam. This engagement is aimed at obtaining a reasonable degree of assurance. In our opinion, the reported data of PricewaterhouseCoopers Accountants N.V. has been prepared, in all material respects, in accordance with the applicable criteria as set out in the appendices Legislative and regulatory framework (page 45), Reporting criteria of the Key Performance Indicators (pages 48 to 50) and Definitions of AQI's used as set out on page 44 of the transparency report 2023-2024.

Basis for our opinion

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' ('Assurance engagements other than audits or reviews of historical financial information (attestation engagements)'). Our responsibilities in this regard are further described in the 'Our responsibilities for the examination of the reported data' section of our report.

We are independent of PricewaterhouseCoopers Accountants N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in The Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Applicable criteria

The reported data need to be read and understood together with the reporting criteria and definitions of the AQI's. PricewaterhouseCoopers Accountants N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable laws and regulations related to reporting.

The applicable criteria for this engagement are included in the appendices Legislative and regulatory framework (page 45), Reporting criteria of the Key Performance Indicators (pages 48 to 50) and Definitions of AQI's used as set out on page 44 of the transparency report 2023-2024.

Responsibilities of management for the reported data

Management is responsible for the preparation of the information on the reported data in accordance with the applicable criteria, including the identification of the intended users and the criteria being applicable for their purposes. Furthermore, management is responsible for such internal controls as it determines is necessary to enable the preparation, measurement or evaluation of the information on the reported data free from material misstatement, whether due to error or fraud.

Our responsibilities for the examination of the reported data

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion. Our examination has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our assurance engagement.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included among others:

- ▶ identifying and assessing the risks of material misstatement of the reported data whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- ▶ evaluating the suitability of the reporting criteria used as set out in the appendices Legislative and regulatory framework, Reporting criteria of the Key Performance Indicators and Definitions of AQI's used of the Transparency Report 2023-2024;
- ▶ obtaining assurance information that the reported data is consistent with the entity's underlying records;
- ▶ evaluating relevant internal and external documentation, based on partial observations, to determine the reliability of the reported data.

Utrecht, October 3, 2024

For and on behalf of BDO Audit & Assurance B.V.,

drs. J.F. van Erve RA

Acknowledgements

Foreword

Our year in figures

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Assurance Board

Report of the Public
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Report of the Young
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Monitoring quality

Audit Quality Indicators

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Transparency Report PricewaterhouseCoopers Accountants N.V. 2023-2024

Board of directors,
PricewaterhouseCoopers Accountants N.V.

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Download the appendices to this Transparency Report on [pwc.nl](https://www.pwc.nl)



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