



Transparency report 2022/2023

Mazars in the UK

mazars



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Introduction

Mazars in the UK at a glance

UK coverage

15
offices

171
Partners

3,273
professionals

Our people

295,451

hours audit training and development

Female RIs and KAPs

28%

2023
as %age of total

Female partners

28%

2023
as %age of total

38

Mental health first
aiders

11

Employee networks

UK turnover 2022-2023

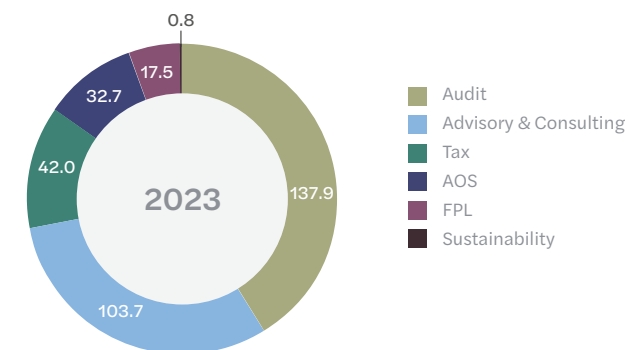
£334.6m*

40% in respect of audit services

16%

Turnover increase on prior year
21% in respect of audit services

Income by service line (£m)



These figures are valid as of 31 August 2023.

* Unaudited results

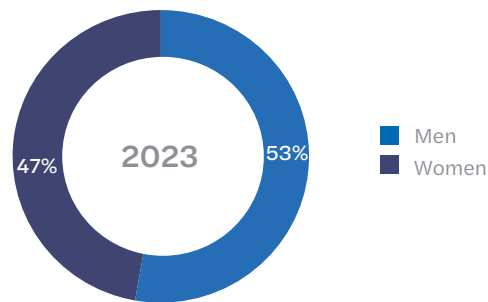


Introduction

Mazars in the UK at a glance

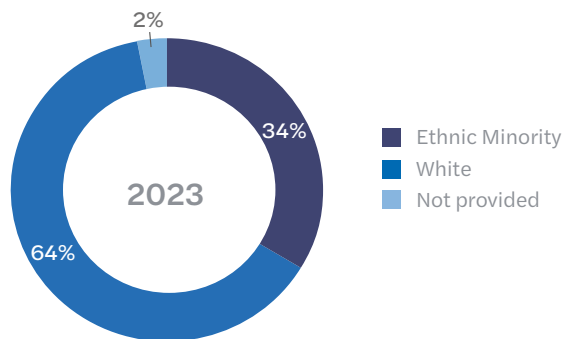
Gender

UK firm



Ethnicity

UK firm



Our conduct

Environmental sustainability

our **3rd** Sustainability Report published, with key emphasis on plastic reduction and digitalising our processes to reduce reliance on paper

Volunteering hours

3,276
2023

In promoting inclusion and diversity, we signed up to and supported:

- Charter for Black Talent in Finance and the Professions
- 10,000 Black Interns programme
- The Valuable 500

Audit quality

Our monitoring

Internal inspections

33

Internal monitoring reviews

61%

of which were good or required limited improvements

External inspections

1 out of 1

100% of Public Sector audits did not require more than limited improvements

5 out of 9

56% of Listed and PIE audits which were good or required limited improvements

Introduction

Mazars Group at a glance

Mazars works as one integrated team across borders, leveraging expertise, scale and cultural understanding to deliver exceptional and tailored services in audit and accounting, as well as tax, financial advisory, consulting, sustainability and legal* services.

Key facts and figures

1

international integrated partnership

€2.8bn**

13% year-on-year growth

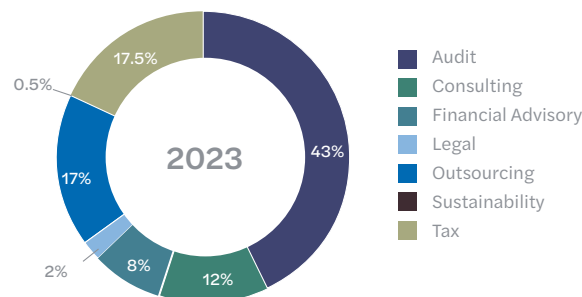
1,200+

Mazars SC partners

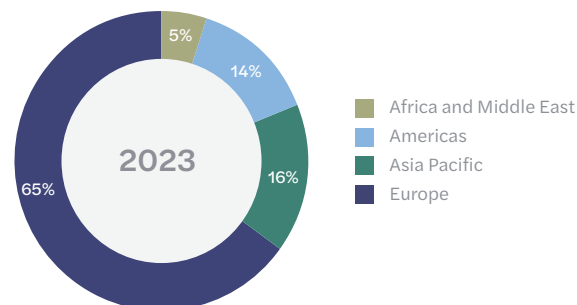
50,000+***

professionals

Global turnover by service lines (%)



Global turnover by regions (%)



Our global footprint

300+
offices

100
countries and territories

These figures are valid as of 31 August 2023.

* Where permitted under applicable country laws.

** Fee income for Mazars Group 2022-2023 financial year includes data for the ZhongShen ZhongHuan and ZhongShen Yatai practices. Unaudited results as at 31 August 2023 unless otherwise stated.

*** Including 33,000+ in the Mazars partnership and 17,000+ via the Mazars North America Alliance.

Introduction

Mazars Group at a glance

A diverse and inclusive firm

Diversity and inclusion lie at the heart of Mazars, shaping the modern firm we strive to be. We are dedicated to ensuring that Mazars is an organisation where there is a level playing field for all, that inclusive behaviours are role-modelled and embedded, that our workforce reflects our clients and communities, and that everyone feels like they belong and is proud of our inclusive firm.

Women represent

53%

of total global workforce

31%

of global leadership team

22%

of Mazars SC partners

46%

of global talent list

43%

of global governance bodies



Introduction

Foreword by Phil Verity, UK CEO

I am delighted to share this year's transparency report which provides an overview of how we are continuing to enhance audit quality within Mazars and contributing to safeguarding the public interest.

It has been another year of change both within Mazars and across the market. Through this we have maintained our focus and determination to make further progress towards our quality goals.

Our commitment to playing our part in a vibrant audit market generally and the Public Interest Entity (PIE) audit market specifically is a fundamental part of our firm's history, values and strategy. We are proud to invest in the people, skills and systems which underpin the delivery of high-quality audits to private and listed companies and public sector entities of all sizes across a broad range of sectors.

Sustainability

We continue to work towards ambitious sustainability targets across the firm. Mazars Group has committed to net zero by 2050 by signing up to the Science Based Targets initiative (SBTi). In the UK we have launched our Carbon Reduction Plan, creating an environment that supports and encourages our people to make the right choices and our suppliers to align with our goals.

Taking the lead on culture

This year we have dedicated significant focus towards identifying and perpetuating our culture. This has culminated in the launch of a comprehensive programme to embed an engaged and thoughtful culture which supports the delivery of quality in every aspect of our work, and giving every individual within the firm a sense of purpose and responsibility in doing so.

We have continued to focus on opportunities for our team to be together in person. This includes delivering more classroom-based training, collaborative working in offices, and face-to-face interaction with clients. We are confident that these dynamics positively influence timely reviews of work, a culture of challenge and support, and greater team cohesion; and ultimately help us to deliver stronger client outcomes.

We have been pleased to strengthen our governance in the past year through the creation of an Audit Board. The Board is established as an advisory body and provides challenge to the Audit Executive

Committee on the delivery of high-quality audits and the promotion of a culture supportive of the public interest. We are grateful to Lord Amyas Morse, Guy Jubb and Devyani Vaishampayan for taking on their valuable roles.

Continuous improvement

The goal of delivering exceptional quality requires continuous focus and improvement, and as a Tier 1 firm in the PIE market we strive to operate to the very highest standards. We recognise that we have not always met those standards, and we are absolutely committed to achieving measurable and meaningful improvements in our delivery.

Creating the right culture is the foundation upon which we have built a detailed and methodical approach to delivering quality consistently. We have set a clear roadmap to improve audit quality through our Single Quality Plan (SQP) and we have prioritised and emphasised the areas where urgency is required. Having commenced in September 2023, our Audit Quality Transformation Program (AQTP) is

Introduction

Foreword by Phil Verity, UK CEO

focusing primarily on resources that will enable the delivery of good quality PIE audits, actions to further improve team performance, and initiatives that support sustainable growth. These actions have been complemented by other elements of work we have done to the firm's System of Quality Management (SoQM) overall during the year in the context of the implementation of the new standard, International Standard on Quality Management (UK) 1 (ISQM1). More details on this can be found at Appendix 6.

We continue to invest in our teams and systems. From September 2022 to August 2023 we welcomed our largest group of audit trainees to date, and further increased overall headcount in our Audit service line. We have also appointed new audit partners and continued to grow our central audit quality team. The strength of our audit team is reinforced by our multi-disciplinary expertise across the firm, including valuations, tax and actuarial.

Looking ahead

2024 will be a transformative year for Mazars, with the formation of Forvis Mazars in June 2024. A unique global network, it provides us with the platform and scale to deliver further quality for our clients and opportunities for our people in the long term. We remain committed to strengthening our firm and its culture through consistent investment, strong governance and a clear focus on our values and purpose. By pursuing these goals with courage, and driven by our exceptional team, we aim to ensure the reliable and resilient delivery of quality for our clients.



For and on behalf of Mazars LLP



Phil Verity
UK CEO
December 2023

Introduction

Message from the Head of Audit

Mazars is passionate about delivering audit quality and we think an important element of ensuring quality is an independent mindset, and the ability to challenge constructively. Business doesn't stand still, neither does our audit team at Mazars.

The last 12 months

The last financial year has certainly been exciting with challenges that we have worked hard to address. While we have prioritised the delivery of high-quality audits and of our quality improvement plan, we took on 13 new (net) PIE audits bringing our total number of PIE audits to 85, and a total audit turnover of £132.8m (up from £109.8m in the previous year). In its [Key facts and trends in the Accountancy Profession 2023](#) report the FRC positioned Mazars as fifth in terms of PIE audit income in the UK. We see this is testament to our standing in the market and our reputation for delivering robust audits.

Mazars is proud to be a Tier 1 firm and to be part of the solution in the PIE Audit market. Serving our public interest role in this market is a central component of the firm's DNA, and we know we can only succeed in this goal through delivering outstanding quality – which we remain focused on achieving.

Facing challenge

We were pleased that in the AQR results for July 2023, we were able to show an improving trend of results albeit we remain disappointed that the hard work and commitment of our team does not show itself as clearly yet in these file reviews. The lead time between the many actions undertaken during the year and lag indicators of improvements, means that we feel we have leading indicators showing that we are continuing to make progress.

Over the year, as a firm and an audit team, we have been relentless at delivering the priority actions in our Single Quality Plan to drive the necessary quality improvements. In October 2023 we finalised our first Audit Quality Transformation Programme (AQTP) to engage the whole team even further on our transformation journey. This AQTP is being actioned every day and monitored very closely by the audit leadership. The firm's governance and leadership continue to support the whole audit team in our quality improvement journey.

We believe in holding ourselves accountable and, to this end, we have voluntarily chosen to create an Audit Board which includes a majority of Independent Non-

Executives to hold the service line and its leadership team accountable for quality. While the Board is not a component of the LLP's governance arrangements, with advisory responsibilities rather than formal responsibilities and powers, we want it to add real value and be the critical friend that will ask us the difficult questions but also work with us to find the answers.

The Audit Board was formed at the beginning of 2023 and has met four times in FY23. This transparency report contains a letter from the Audit Non-Executives which provides an overview of their involvement to date.

I am pleased to note that the FRC's latest report on its inspection activity on major local audits once again demonstrates that we are delivering quality in this key sector at a time when it is facing unprecedented challenges. We will continue to work with the FRC in its role as shadow system leader for local audit, alongside other stakeholders, to support the programme of measures being considered to improve the quality of local government financial reporting and the timeliness of audit reporting.

Introduction

Message from the Head of Audit

Our people

We believe a high-quality audit can only be achieved by a team of people who have the same set of values and work to the same standards, and where each individual within the audit team understands their individual responsibility and role within the team.

We held our first ever Audit Quality Conference in September 2023 for our partners and managers to explain our Quality agenda and our Quality transformation programme. This was overwhelmingly well received by our team and set the tone for the coming year. We want the whole audit team to share the same ambition to deliver high quality audits.

To promote shared ownership of the quality agenda, communication is key. We have created various committees within the audit service line to ensure open communication between audit teams and leadership. These include the Elevate Committee which represents the voice and views of the manager, senior manager and director group. This complements our Aspire Committee which has been in place for some years for our auditors up to assistant manager. These committees meet regularly, exchange feedback and ideas with leaderships teams and with the whole team through our Audit Team webinars.

We pride ourselves that we have been able to grow the audit team from 1,118 in September 2022 to 1,328 in September 2023. We also welcomed 12 new partners in audit during the year.

The importance of audit

We never lose sight of why high-quality audits are vital – what we and other audit firms do helps the economy function. High-quality audits make society tick. They help businesses to start up and grow. They support employment, build confidence in trading relationships, and enable investment decisions and effective capital allocation.

We apply the same level of care to all the companies and other entities that we audit. We regularly review our audit portfolio and our acceptance and continuance decisions are solely focused on ensuring that we can deliver all audits in our portfolio with the right level of quality.

Looking forward

A new year has already started and our focus on quality and continual improvement, and our commitment to transform audit quality, without compromise, across all our audits, remains intact.

The audit market brings many opportunities to firms like Mazars with the ambition, plans, and willingness to invest in its team and infrastructure. We want to continue to contribute to playing our part in increasing competition and choice and to raise the bar for audit quality. We are disappointed that the necessary corporate reporting reforms have once again been deferred. The market requires a clear legislative and regulatory framework to operate effectively.

We shared in November the news of the creation of a new network, Forvis Mazars, effective from June 2024. We are looking forward to the opportunities this will bring to accelerate the development of our audit practice, and to enhance our audit offering in the US market.

As the Head of Audit it has made me proud to see how far we have come and to see our audit practice go from strength to strength. The next 12 months look equally exciting as we move forward and we see our plans to improve audit quality continue to fall into place. I am very thankful to all team members as they bring their best self to work every day, and contribute to building the future of audit at Mazars.



For and on behalf of Mazars LLP



David Herbinet
Head of Audit

Introduction

Report of the Independent Non-Executives

The Public Interest Committee has continued to challenge on issues that pertain to quality, risk, resilience and people.

As Chair of the Public Interest Committee (PIC), it gives me pleasure to present the annual letter and to provide details of some of the many activities undertaken by the firm's Independent Non-Executives (INEs) serving on the PIC.

As INEs, we help to enhance confidence in the public interest aspects of the firm's activities. We work to fulfil the purpose of the PIC, in accordance with the principal objectives of the FRC's Audit Firm Governance Code (Revised 2016):

- To help promote audit quality
- To help the firm secure its reputation more broadly, including its non-audit businesses
- To help reduce the risk of firm failure

The composition of the PIC remains unchanged from last year and is made up of the three INEs – Professor Guy Jubb, Lord Amyas Morse and myself – as well as Phil Verity, the UK CEO, and Jac Berry, the UK Head of Quality.

The firm's INEs have complementary backgrounds as explained below:

- Guy brings a professional investor's perspective on corporate governance and stewardship gained through a career in a major investment firm
- Amyas brings in-depth audit, audit quality and audit firm leadership experience acquired in a large audit firm and the National Audit Office
- I bring client experience, having served as the Chief Financial Officer and the Chair of Audit Committees of a number of companies, public and private. As a member of the Group Governance Council of Mazars Group, I also provide a strong connection to Mazars Group

The PIC meetings held and attended during the year are set out in Appendix 3. As INEs, we meet alone prior to every PIC meeting to ensure we are properly prepared in respect of, and, if appropriate, collectively agree on, the key areas in which to constructively

challenge management. As necessary during the year, we have also held ad hoc INEs-only meetings and informal discussions with management.

The INEs have continued to attend certain meetings of key bodies as observers. Guy attends a number of the Audit and Risk Committee meetings, Amyas similarly attends selected Governance Council meetings, and I attend certain Remuneration Committee meetings. This provides us with further valuable insight into relevant affairs of the firm and helps us in fulfilling our INE responsibilities.

In addition, we had regular engagement meetings with the FRC during the year and continued to find these to be greatly informative, constructive and open, enabling us to give clear feedback and challenge to the firm's leadership.

Introduction

Report of the Independent Non-Executives



Leadership and governance

Key management

We are pleased to report that we have had exposure to a wide range of the firm's leadership team as well as other key members of management. During our PIC meetings, we have welcomed:

- The Ethics Partner, Head of Audit, Head of Audit Quality, and the Chair of the Executive Risk and Quality Committee to the majority of meetings
- The Chief Operating Officer, Head of People, Chief Financial Officer, Chief Technology Officer, General Counsel, and the Director of Enterprise Risk Management as relevant

We give further information into some of the topics covered with these people in this report, but having open access to relevant individuals during the year has been most welcome and has aided us in fulfilling our responsibilities.

We have also had regular interaction with the Chair of the UK Governance Council, who also attended the majority of PIC meetings.

Audit Board

A revised version of the Audit Firm Governance Code was issued by the Financial Reporting Council (FRC) in April 2022 and is being adopted by the firm effective from 1 September 2023.

As we reported last year, the firm decided to voluntarily establish an Audit Board in 2023. The establishment of the Audit Board has ensured a greater level of oversight over the activities of the Audit service line.

Amyas is Chair of the Audit Board and Guy is a member of it. Please refer to the Report of the UK Audit Non-Executives on page 20 for more information of the composition of the Board, its objectives and its activities for the year.

Quality

Audit Quality

We were disappointed by the results of the individual AQR inspections published in July 2023, but we are encouraged with the direction of travel in respect of audit quality and the fact that there were no audits requiring significant improvements.

Since last year's INE report, the firm has successfully increased its headcount in the Audit Quality Support Team and has implemented initiatives that are designed to have a direct and positive impact on quality. Whilst these are starting to come to fruition, we recognise that more needs to be done, with due priority, to improve audit quality and AQR inspection results in a sustained and consistent manner over the long-term, consistent with the public interest.

Through the firm's Single Quality Plan, management are prioritising key actions and driving quality improvements across the firm. The Audit Quality

Introduction

Report of the Independent Non-Executives

Transformation Plan forms a clear approach and roadmap to improving audit quality. As INEs, we are provided with regular updates and continue to challenge management on the progress being made. We are encouraged that the audit leadership team is using its best endeavours to drive forward the audit quality agenda.

The establishment of a formalised Audit Acceptance and Continuance Committee during the year is an important step in safeguarding the quality of the audit client portfolio.

In September 2023, Amyas attended the firm's inaugural Audit Quality Conference as a panel guest, where he was able to communicate key messages in respect of audit quality and the management of public interest audits to the wider audit team.

We also considered the challenges in the local authority audit market, in which the firm has a meaningful market share.

Quality across all areas of the firm

The Audit Firm Governance Code applies to the whole of the firm, not exclusively to its Audit practice. To that end, we have spent time in the last few months with the firm's non-audit Quality and Risk Leadership team to oversee the key activities and priorities that are designed to enhance the firm's culture of quality and effective risk management.

We expect to spend more time assessing and evaluating the quality and risk objectives and responsibilities and other relevant matters in respect of the firm's non-audit business in the coming year.

Risk management and internal controls

We support the investments that the firm continues to make in respect of quality and risk management and are encouraged by the improvements made during the year, from both an operational and a governance perspective.

Mark Kennedy, as Chair of the Executive Risk & Quality Committee, is now a standing attendee at each PIC meeting. This has provided the PIC with a renewed focus on the key risks facing the firm and provides us with an opportunity to challenge management on actions taken to reduce the firm's risk profile across the most pertinent areas.

During the year, the PIC has welcomed deep dives into areas including but not limited to financial resilience; IT security and cyber; claims, complaints and insurance; ethics; and acceptance/continuance decisions. This, coupled with regular interactions with the Head of Internal Audit and the Director of Enterprise Risk Management, has enabled the INEs to have oversight over the progress and priorities of the firm's key risk management and internal control functions.

International Standard on Quality Management (UK) 1 (ISQM1)

The implementation of ISQM1 has been a key focus of management during the year and we have been updated on the ISQM1 framework and the process of linking this to the firm's wider quality initiatives. The initial evaluation over the firm's quality management system against ISQM1 has been completed and reported to the PIC; as INEs, we try to encourage management to maintain a focus on the proposed remediation steps to ensure any deficiencies identified are being addressed in an effective and timely manner in order to reduce the risk of reputational damage or firm failure that may arise from control weaknesses.

Ethics

The UK Ethics Partner has continued to attend the majority of PIC meetings meaning we regularly discuss matters that may be relevant to our responsibilities.

We were disappointed with the FRC's findings on ethics as included in the July 2023 public report and sought to be assured that the ethics team is adequately resourced to enable the firm to maintain high standards of ethical conduct throughout the organisation. We appreciated being updated on the leadership team's work in this area and were pleased that management increased the headcount of the ethics team and we have been provided with regular

Introduction

Report of the Independent Non-Executives

progress updates in relation to further investment and the priority actions.

There continues to be good communication between the UK Ethics Partner and the INEs.

People and Culture

We recognise the significant investment and emphasis that the firm has put in over the past year on establishing a culture that has quality embedded throughout and are pleased with the progress being made in respect of this. We welcomed the restructuring and refocussing of the People function during the year.

The firm's Head of People has attended certain PIC meetings, providing us with updates on the culture project and the key priorities being addressed.

As we have done for a number of years, in November 2022 Amyas and I met with almost 150 Mazars team members, across all levels, to gain a deep understanding of their perceptions of the firm's culture. These discussions are confidential and are conducted under the Chatham House Rule; we are not accompanied by members of the Executive team. We communicate the key themes to the Executive team on a 'no names' basis. Since doing this, we have been updated by the Head of People on the progress being made against the key areas that were identified.

The ability of the firm to improve quality, strengthen its reputation and reduce the risk of failure depends

on the people within the firm, and the culture and ethics instilled in them. Therefore, shaping the firm's culture as it continues to grow and become more diverse is a key priority for the firm moving forward.

Conclusion

We continue to maintain a strong working relationship with the firm and its management; it is one that fosters an open dialogue and welcomes the INEs' constructive challenge. We would like to thank all those who have ensured that we receive information of an appropriate quality and in a timely manner.

We believe that we have been able to appropriately fulfil our responsibilities under the Audit Firm Governance Code (Revised 2016) throughout the period under review.

The firm has made a significant step in increasing its focus on quality; whilst this is most notable within the audit service line, there has also been a strong focus on quality and risk within the non-audit business. We are pleased with the progress made to date, but more needs to be done and focus is needed to maintain momentum as the firm continues to be committed to building a better firm for both internal and external stakeholders, as well as the public interest.

Denise Fletcher

Independent Non-Executive and Chair of the Public Interest Committee of Mazars LLP



Denise Fletcher
Chair, Public Interest Committee



Professor Guy Jubb
Member, Public Interest Committee



Lord Amyas Morse
Member, Public Interest Committee

Introduction

Report of the UK Governance Council

It is my pleasure to provide a report on the activities of the UK Governance Council (UKGC) and its subcommittees.

The UKGC has seen several changes in the last year.

My predecessor Greg Hall, stood down as Chair having served for the maximum three terms. Ann Nilsson also elected to stand down following completion of two terms. Greg and Ann both played integral roles in providing oversight of the firm and we would like to thank them for their contributions.

Having joined UKGC in October 2021, I was elected by members in December 2022 to become the next Chair, from 1st April 2023, taking over from Greg.

Following an election process, Charlene Lancaster and Alex Baskeyfield became members from 1st April 2023.

The UKGC may comprise eight members elected from the partnership together with up to two co-opted partners and up to two co-opted non-partners. For the period covered by this transparency report, the UKGC comprised eight members elected by the partnership. There were no co-opted members during the year.

The UKGC is the Board for Mazars in the UK, and its duties and responsibilities are set out in the firm's Members' Agreement and are available on the firm's website.

In summary, the UKGC is responsible for the supervisory oversight of the firm and the business undertaken by the firm and its subsidiaries, and it acts as a check on the Executive and the UK CEO in the exercise of their management powers. This includes establishing a governance and supervisory oversight structure under which powers and responsibilities are exercised and overseen, and values of integrity, professionalism and good governance are upheld, in a way that properly takes the public interest into consideration.

We held six formal meetings in the last year and have focussed our efforts on adhering to our governance handbook and the AFGC, in addition to establishing more formality and rigour in our work.

The agenda for these meetings included (but was not limited to) consideration of the firm's strategy; financial performance and resilience; our people and culture, our audit portfolio and audit quality. We reviewed our Terms of Reference and considered succession.

An effectiveness review is carried out annually on the workings of the UKGC and in the last year we

implemented several improvements, following effectiveness recommendations. These included:

- Seeking a greater level of oversight of the work carried out by all members of the Executive and in the last year, each member of the Executive has attended at least one UKGC meeting to speak about their work
- Establishing a Secretariat function that supports both the Executive and UKGC
- Holding one meeting in-person and agreeing to meet in person twice per year going forward
- The Chair of the UKGC attending Public Interest Committee (PIC) meetings

As the Board for Mazars in the UK, Governance Council members recognise their duty to ensure sustainability on behalf of the public interest in addition to representing UK partners.

We held our first joint meeting with the Public Interest Committee (PIC) in June 2023. The meeting was a great success and we gained much by sharing and collectively discussing. As Chair of UKGC, I am working with the Chair of PIC to develop a better understanding of our respective forum's roles. In the

Introduction

Report of the UK Governance Council

coming year we will be looking at ways to improve the working relationship between the two forums to gain greater transparency and agility in the way we work.

In addition to the six formal meetings, the UKGC meets throughout the year, as required to deal with matters arising. These included approving the appointment of new partners and partner promotions.

The Chair of the UKGC regularly meets with the UK CEO to discuss upcoming matters that will require UKGC intervention and communicates with the partnership at National Partner meetings, to keep them updated on work undertaken.

The UKGC has two subcommittees with delegated authority that meet regularly, and each member of the UKGC sits on or Chairs one of the two forums.

- The UK Audit and Risk Committee (UKARC)
- The UK Remuneration Committee (UKRemCom)

Each sub-committee reports back to the UKGC and provided both written and oral updates in the last year.

The Nomination Committee

Under the UK Members' Agreement, the UK CEO may be in office for a maximum period of four years.

There was no election process during the year, and therefore the Nomination Committee did not sit.

The Remuneration Committee

The purpose of the UKRemCom is to provide oversight and governance of processes and decision making related to partner appraisals, objective setting and remuneration.

During the last 12 months, the key focus for UKRemCom has been ensuring a fair and transparent process in relation to partner remuneration, incorporating our Inclusion and Diversity strategy, whilst building a robust objective process for the future.

The UKRemCom consists of not fewer than three UKGC members, the UK CEO and such other co-opted members as may be appointed by the UKGC on the recommendation of the UKRemCom Chair.

During the year covered by this report, the UKRemCom comprised four members of the UKGC and the UK CEO. A PIC INE attended two of the UKRemCom meetings during the year.

The Audit and Risk Committee

The principal responsibilities of UKARC include:

Financial reporting

- Monitoring the integrity of the Annual Report and Financial Statements of the LLP, including non-financial elements, and reporting to the UK GC on significant financial and non-financial issues and judgements applied; including matters

communicated to UKARC by the LLP's external auditor (Crowe UK)

- Reviewing and challenging the application of significant accounting policies and any changes to them, including methods used to account for significant or unusual transactions and, significant estimates and judgements used by the Executive in preparing the financial statements

The UKARC focussed its review on the key areas of judgement and estimates used in preparing the financial statements. These included the recognition of revenue (including accrued income), provision for client receivables, provision for client claims, defined benefit pension scheme and impairment assessment of goodwill and other intangible assets. There were no significant or unusual transactions recorded in the year. The UKARC also reviewed the financial statements prior to their issue to the firm's partners for approval.

External audit

- Considering the appointment, re-appointment or removal of the LLP's external auditor and to oversee the selection process for a new external auditor of the LLP where required
- Annually challenging and assessing the performance, independence and objectivity of the LLP's external auditor, discussing issues as they raise in the audit and monitoring the effectiveness of the audit process and reviewing their quality

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Report of the UK Governance Council

control procedures and steps taken to respond to regulatory, professional and other changes

- Approving the nature and scope of the audit, and fees, with the LLP's external auditor before the audit commenced and reviewing the findings of the audit, as well as management's response on completion

The UKARC met with Crowe UK and members of the firm's Executive at the planning stage of the audit to discuss the proposed audit approach. A further meeting was held prior to the finalisation of Crowe UK's report on the firm's consolidation return to Mazars Group to discuss any audit issues that had arisen. The final closing meeting with the external auditor considered the audit findings and approved the LLP's financial statements. In addition UKARC met privately with the audit engagement partner to discuss any concerns regarding the quality of financial reporting within the firm or the performance of the firm's finance team. No significant matters were noted.

Internal control and risk management

- Reviewing the LLP's quality and risk management framework and its linkage to the enterprise risk management strategy; including assessing the robustness of the LLP's risk management policies and processes and their fitness for purpose when tested against the Executive's enterprise risk management strategy and risk appetite
- Reviewing and assessing the content of regular assurance reports received from management,

the quality and risk management function, the LLP's General Counsel and the LLP's internal audit function covering service quality and risk management, regulatory compliance, business resilience, contentious matters and other ad hoc reports

The UKARC met on several occasions during the year with members of the Executive, the Risk & Quality Committee and the Enterprise Risk Management team to review the design and robustness of the risk management systems and processes adopted across the firm. The key areas of focus included the review of the management of Executive and other significant risks facing the firm, actions being taken to align risks with the firm's risk appetite statements and the Executive's response to emerging risks. There was additional focus during the year on the firm's compliance with the requirements of the International Standard on Quality Management (UK)1 (ISQM1) and risks related to the firm's Audit practice. UKARC was satisfied with the Executive's approach to and management of the firm's internal controls and, quality and risk management systems. In addition the UKARC reviewed the firm's response to regulatory and compliance matters; including the firm's interactions with the FRC.

Internal audit

- Approving the internal audit programme, budget and resource plan and monitoring the significant internal audit findings, including management's response to them

- Reviewing the effectiveness and performance of the service provided by the LLP's internal audit function
- Ensuring that the LLP's internal audit function is adequately resourced and free from constraint, and has the appropriate standing within the LLP

Frequent meetings were held throughout the year with the firm's internal audit function. The UKARC reviewed and approved the Internal Audit plan at the start of the year, monitored progress against the plan and considered the findings from the internal audit reviews performed. In addition, it reviewed progress made to address recommendations arising from completed internal audit reviews. The internal audit function was considered to be effective, sufficiently resourced and free from constraint.

Conclusion

We are encouraged by the progress we have made in the last year and are focussed on continuing to build upon those improvements to strengthen our firm. We have appropriately fulfilled our responsibilities to the Partnership and to the Audit Firm Governance Code (Revised 2016) throughout the period under review.



Peter Cudlip
Chair, UK Governance Council





Introduction

Report of the Audit Non-Executives

I am delighted to present the first letter of the firm's Audit Non-Executives, giving an overview of our purpose and activities to date.

As noted in the Report of the Independent Non-Executives, Mazars decided to voluntarily establish an Audit Board in 2023 with the inaugural meeting taking place in January 2023 (details of meetings and attendees can be found in Appendix 3).

The Audit Board is established with reference to the provisions and principles of the Audit Firm Governance Code 2022 to assist the leadership teams with advice and challenge; it is not a component of the LLP's governance arrangements and has advisory responsibilities rather than formal responsibilities and powers.

Purpose

The purpose of the Board is to advise and, within that advisory context, provide challenge to the Audit Executive Committee and, in turn, the Executive to support a focus on the delivery of high-quality audits as well as establishing and promoting a culture supportive of the public interest.

The composition of the Audit Board follows the requirements of the Audit Firm Governance Code

2022 in that there are more Audit Non-Executives (ANE) than Executives, and while ANEs may also be INEs, there is at least one doubly independent ANE (DIANE) who is not a member of any other governance committee of the firm.

The current composition includes three ANEs as follows – Professor Guy Jubb, Devyani Vaishampayan and myself, Lord Amyas Morse as Chair – with David Herbinet, Head of Audit, and Christos Vernardos, Head of Audit Quality. There are also regular attendees of meetings including Stephen Mills, Head of Audit Operations and Phil Verity, the UK CEO.

The ANEs offer a specific and complementary skill set to the Audit Board as summarised below:

- I have an in-depth knowledge and experience of audit, audit quality and audit firm leadership and am also a member of the Public Interest Committee
- Guy reflects the professional investor's perspective on corporate governance and stewardship. He has an in depth knowledge of the firm and also sits on the Public Interest Committee

Introduction

Report of the Audit Non-Executives

- Devyani has a history of leading large organisations through transformational change with experience in leadership, culture and talent management. She is the Board's doubly independent ANE who is not a member of any other governance committee of the firm

Activities

In our first year, as non-executives we have sought to gain a deep understanding of the audit service line, its plans and challenges. In our four meetings to date we have considered the following:

- The firm's ambitious audit quality transformation plans which looks to embed quality in every aspect of audit delivery, underpinning a quality culture where everyone is clear on their role and responsibility to achieve that
- The developments around client acceptance and portfolio reviews to ensure the firm works with clients it can support in delivering quality audits
- Transformation initiatives with exciting developments in digital solutions throughout the audit process – from the bidding process through to the delivery of audits
- Training and development plans which includes new accessible training solutions at all career levels as well as clear training plans to develop people to their full potential

- Monitoring quality – how the audit service line monitors quality and responds to findings

We have considered the findings from external reviews and commented on the firm's response. We shared the firm's disappointment in its most recent FRC public report but are encouraged by the strong actions that are already in place or planned to address this.

We have also had the opportunity and privilege of meeting with the members of an audit team to gain an insight into how an audit works and to understand the roles and responsibilities of audit team members. It was inspiring to see how engaged and informed all team members are, from the audit director to the audit assistants.

This year has been a busy year as we have started on our journey to support the leadership teams in delivering audit quality and we are excited to contribute to the plans for the coming year.

Lord Amyas Morse
Chair of the Audit Board



Lord Amyas Morse
Chair and Audit Non-Executive



Devyani Vaishampayan
Doubly Independent Audit Non-Executive (DIANE)



Professor Guy Jubb
Audit Non-Executive

Chapter 1

Inspiring stakeholder confidence in audit quality



Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

We differentiate ourselves by the opportunities, development and culture we offer to our teams.

Our culture

As a firm, our three statements, we do the right thing, we show respect, and we take responsibility are now underpinning all that we do. Our culture underpins all that we do at Mazars, and in our last report that we shared we were undertaking a project to define our unique culture and help shape our cultural ambitions. This year the project has moved from being a defined project to being woven through all that we do at Mazars. We have done this through our defined culture statements, these statements were articulated from the insights we received from the culture project which included input from over 2,200 team members. This year has started our work on embedding our culture statements and this focus will be continued as we recognise the need to have a continued and dedicated focus on culture.

We recognise the need for our culture to be more than words, it needs to be shown through all that we do, and this has been a focus for us. We have a national team dedicated to embedding our culture, and this team works collaboratively with our service line teams to ensure these underpinning behaviours shape what

our teams think about every day. It is important to us that our statements are understood and brought to life through lived experiences for our team to see and relate to, this year we started this communication through our all-team webinar dedicated to culture, weaving together how our culture statements are reflected in how we operate with one another, our teams and our clients. As we continue our focus on embedding our culture this will involve a focus at our induction and through the full employee lifecycle.

Creating an engaged team – focus on Gallup

We continue to partner with Gallup to capture the views of our people, the annual You Matter survey which uses Gallups Q12 questions, once again saw a steady growth in engagement across the firm.

To continue to create a positive employee experience and accelerate the engagement scores again, we provided additional support to a small group of partners to benefit from a in depth intervention on creating an engaging workplace, building accountability for engagement and coaching sessions with Gallup to consider their actions.

We also introduced more Gallup resources to enable our people managers to facilitate better conversations and follow through on actions identified in the survey by their teams.

Our culture project enabled us to identify core elements of our culture at Mazars. It is important for us that we can track our progress on culture. We have identified KPIs to allow us to measure progress and these are regularly reviewed. Our measurement of culture closely aligns with our You Matter engagement survey, as well as the introduction of a newly introduced pulse survey, our first pulse in the July 2023 focussed on our team wellbeing and psychologically safety.

We strive to be an inclusive and diverse firm that has a strong focus on wellbeing to ensure our team members feel psychologically safe, have a sense of belonging and are valued for who they are. We know that by creating a healthy workplace for our team members it allows them to be in the best place physically and mentally and offer the best service to our clients.

Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

We show respect to one another through our approach to Inclusion & Diversity (I&D) – We strongly believe in equality for all, regardless of age, disability, gender identity, race, religion & belief and sexuality, and that compliance with all legislation dealing with discrimination on the basis of these qualities is vital. However, our desire and commitment to addressing this agenda – combating discrimination, promoting equal opportunity, valuing diversity and managing inclusion is driven not by legislation, it is the right thing to do, and by doing this enables us to create a respectful and inclusive working environment for our teams, and is essential to be able to provide high calibre services to our clients.

We show respect to one another through our approach to Inclusion & Diversity

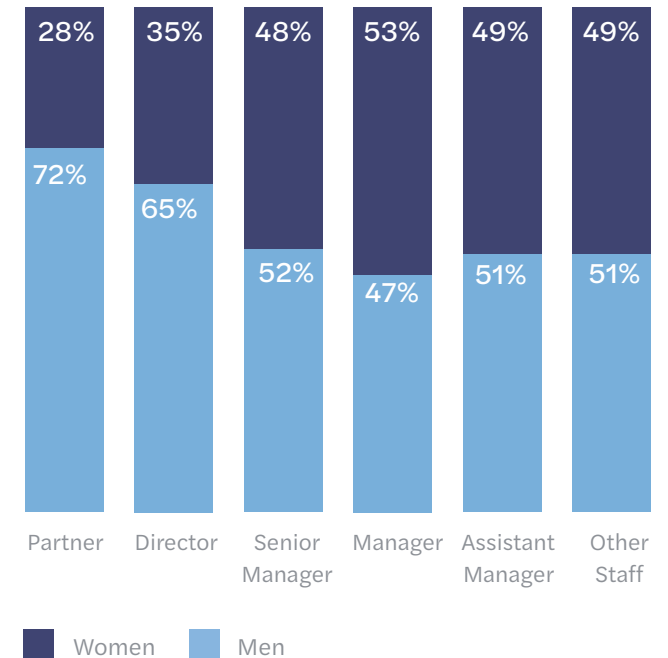
Our vision is to be an inclusive and caring firm which puts its people first. We want to create an authentic culture of inclusion through:

- Taking responsibility to ensure there is a **level playing field** for all
- Being **reflective** of our **clients and communities** across all levels of our firm
- A culture where we are respectful and role model **inclusive behaviours**
- Doing the right thing by creating an environment where everyone feels like they **belong** and are proud of our inclusive firm

We regularly review our diversity data across the firm to check progress in relation to targets and use them to inform future actions and initiatives. This year we have run focus groups open to the firm in relation to gender, ethnicity and wellbeing to allow us to create dedicated and structured plans to continue to evolve our journey to be an inclusive firm for all. As in the previous year, we published our gender pay gap report (as required by law), as well as our ethnicity pay gap, which is not a legal requirement, but which Mazars takes responsibility for and chooses to publish voluntarily. We recognise that we must continue this momentum if we are to embed long-lasting systemic change across the firm.

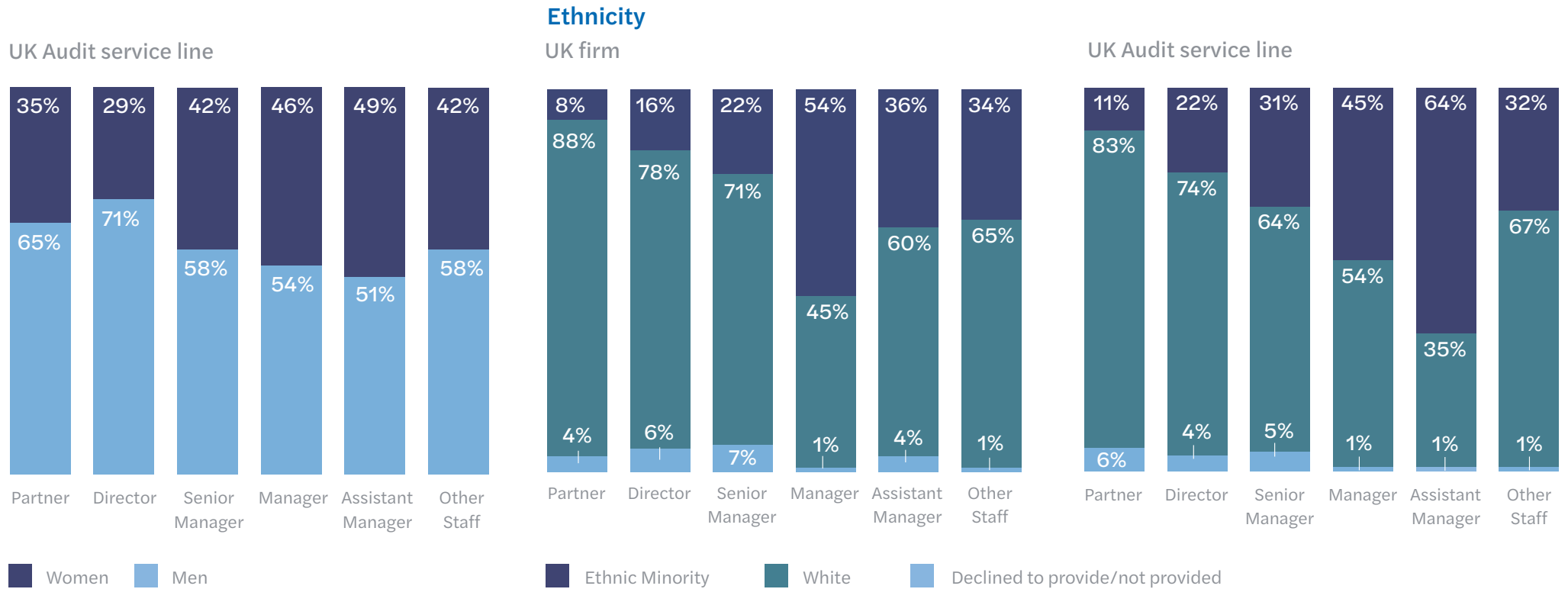
Gender

UK firm



Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality



Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

Wellbeing and our approach – We have been working on a new wellbeing strategy to ensure we have the right approach; this has included review and analysis of our current offering as well as continuation of our hybrid approach to working. We continued to share educational material on our ID&W hub, provided all team members with access to the Wellbeing app, and run our monthly wellbeing drop-in sessions. These sessions have provided a safe space to talk about all things mental health and wellbeing. During these drop-in sessions we have interviewed members of our UK Executive on how they look after their own wellbeing and mental health, as well as hosted sessions that talk about the intersection of diversity and wellbeing – e.g., our LGBTQ+ and Families networks hosted in a wellbeing drop-in session on the mental health impact of coming out to family and how to support those doing so.

Mental Health First Aiders – The firm has 38 Mental Health First Aiders (MHFAs), and we will train another cohort in late 2023. This group meet on a regular basis and work with the national wellbeing team to signpost and support colleagues across the firm, sharing tips and tools to support a culture of positive wellbeing.

Well-makers – Our group of Well-makers has now evolved into a network and work closely with our I&D networks and MHFA's to signpost and share wellbeing resources across their local offices and the wider firm. The purpose of this network is to create an environment where everyone feels supported and to champion healthy wellbeing. They do this by providing a friendly face in the office, welcoming new joiners,

and ensuring their colleagues are aware of the support available to everyone to support positive wellbeing.

Spot the Signs – We want to ensure all people managers have the access to be upskilled in having conversations about mental health. We have regular interactive sessions open to all people managers, providing them with the tools and confidence to have conversations with their team members about mental health, and ensure they are aware of the signposting support. These sessions have provided invaluable support to our people managers in upskilling them to have the confidence to talk about mental health and support their teams.

Employee Assistance Programme – We acknowledge the support individuals need for their wellbeing can vary from day-to-day, and it is important that they can access counselling and other specialist advice as and when they need it. To help with this we provide all employees with access to a confidential employee assistance programme, which is available to them 24/7.

Inclusive attraction and selection

Our UK Employer Value Proposition (EVP) – Mazars & Me – was introduced this year focusing on choice, ensuring that candidates are empowered to select Mazars for the reasons that matter most to them.

Mazars & Me captures the unique culture of our firm, and the many varied ways that it impacts the different individuals who work here. It brings the opportunities and employee experience on offer at Mazars to life

and shows the spirit of our firm through the stories of our people.

By championing the people who make the Mazars culture what it is, we are creating a platform that promotes the personal perspectives of our people. In turn, this delivers communications that prove our messages around personal progression, empowerment and impact.

Crucially, this personal perspective is always balanced with a sense of the collective belonging and connection individuals feel to their teams and to Mazars as a whole. Each individual has a unique personal connection to their career with Mazars, but without fail, our people always mention the sense of shared purpose, teamwork, collaboration and support that makes this a special place to work and grow.

Underpinning Mazars & Me is our employer promise and our four supporting pillars that represent what it means to work at Mazars.

To build the team of the future, we need to hire the right people. Our Talent Acquisition teams work closely with team members and partners across the firm to ensure that recruitment attraction and selection processes are purposeful and inclusive.

Over the last 12 months covered by this report, we have hired, 1117 new joiners of which 424 were new entry-level joiners (Graduates / Postgraduates / School Leaver Apprentices & Industrial Placements), and we continue to recruit at high levels, providing meaningful career opportunities for people at all stages of their careers.

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1.1 Investing in our people to drive purpose, pride and quality

At Mazars, we celebrate individuality and thrive on teamwork.

We give people the freedom to make a personal contribution to our shared purpose. We support one another to deliver quality, create change and make an impact, so that everyone can reach their full potential.

That is why Mazars is the smart choice.

Our roles are widely advertised to ensure that candidates from diverse backgrounds can access our career opportunities. We advertise through our careers website and social media channels, through carefully chosen external partners, and across UK schools, colleges and universities.

We are delighted to have been named as one of the UK's leading graduate recruiters in The Times Top 100 Graduate Employers for 2023. We have been ranked #94 for 2023 which is an increase in our rankings from previous years and our inclusion in this year's rankings is a reflection of our hard work and continued growth. We have also been once again named as one of the UK's leading apprenticeship employers in the Top 100 Apprenticeship Employers for 2023 in the Rate My Apprenticeship Top 100 rankings for the first time. All of these external rankings help future

apprentices, parents, and career advisers to identify graduate, internship and apprenticeship opportunities at the country's leading employers.

To enable us to build a diverse, inclusive team of the future and create a pipeline of future talent, we are committed to offering internship and work experience opportunities to students at school and university. In 2023 we have piloted our first summer internship designed to provide students with an experience of Mazars and also to effectively fill our future permanent trainee vacancies with motivated, diverse and engaged undergraduate talent leveraging the EVP to develop a strong internship marketing campaign to reach our target audience. We were able to provide 31 undergraduate interns with a 2-week internship as part of this pilot with the aim to build this programme year on year. We are committed to ensuring our processes are fair, transparent and inclusive and therefore do not support requests for ad hoc work experience placements or internships outside of our approved, structured internships.

We support targeted initiatives to address areas of under-representation, including the 10,000 Black Interns and 10,000 Able summer internship programme and our Future Choices work-experience programme as part of our commitment to Access Accountancy, which is for sixth form students from lower socioeconomic backgrounds. We have delivered 85 opportunities via these programmes this year.

We have a robust selection process which includes application screening, competency-based interviews, presentations and in addition to this for Early Careers

Recruitment, we also include online testing, case studies and group exercises. We design best-practice assessment frameworks to ensure fair, consistent and transparent decision making.

Using detailed data from our applicant tracking system, we regularly monitor and review candidate progression on the basis of gender, ethnicity, social mobility and disability in order to highlight and minimise any biases within our processes.

It is important to us that our recruitment processes enable all candidates to perform at their best, and that they allow the right candidates, no matter their background, gender, ethnicity or disabilities, to succeed.

For entry-level recruitment we use the Rare Recruitment contextual tool, which helps us to review the achievements of candidates from different backgrounds more fairly, and this helps us to widen access to the profession.

To further increase the inclusivity of our selection, we moved towards a flexible approach to academic entry requirements for our early-careers opportunities.

We run CV-blind assessment days and have recently made changes to our online testing to make it more inclusive and put in place more support tools including Preparation Plus a practice online assessment platform to support candidates to succeed during the process.

We provide one-to-one candidate coaching, interview feedback and applicant mentors to support

Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

candidates throughout their recruitment journey with us, equipping them with transferable employability skills.

In September 2023, we developed an improved reasonable adjustments approach to provide candidates with one-to-one support where required and all of our assessment centre materials have been reviewed by the Business Disability Forum to improve accessibility and the candidate experience.

Working as a team, we will continue to evolve our approach to attract and hire high-quality, diverse talent with the right skills, behaviours and values to make a positive contribution to our firm and to help build the economic foundations of a fair and prosperous world.

Enabling and empowering our teams to grow and develop

Our people are the most important asset we have as a firm. So, it is important that team members are given the time and resources they need in order to develop and maximise their potential. There is a significant investment in the development of the team members within Mazars. This development spans across technical knowledge and skills and behavioural and leadership development.

The Learning and Development team collaborates with service lines and strategic market leaders to understand the challenges faced by each area of the business and to develop appropriate solutions tailored to their specific development and training needs, as well as development in line with our competency

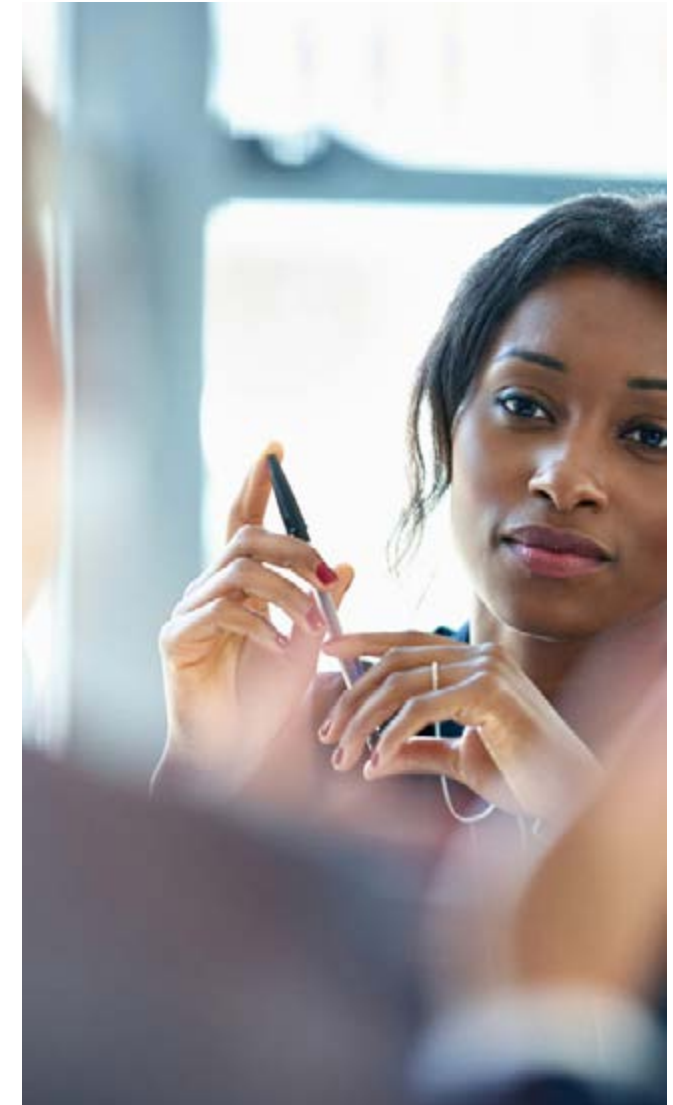
framework. This provides our people with greater clarity over the development opportunities that are available to them at each stage of their career and across all areas of their role.

We continue to develop and deliver relevant and impactful content through our learning management system, U-Learn, and our intranet, HIVE, providing all team members easy access to our training content. This includes a dedicated hub to support those early in their careers. We also continue to develop and design digital content and face to face learning to support service line learning needs.

There is a significant investment in the development of the team members within Mazars. The development spans across technical knowledge and skills and behavioural and leadership development.

Underpinning our leadership development framework is a playing-to-strengths philosophy; we encourage everyone to use their natural talents to develop their career. We continue to embed this philosophy through the use of the Gallup Clifton strengths assessment on a number of our programmes and through the performance and development conversations between team members and their managers. We deliver numerous programmes to support development in key skills at all levels, examples are improving personal effectiveness, building confidence with team and client presentations and leading in a hybrid world.

We also continued to provide talent development programmes to support those in leadership roles reach their potential. The Strategic Leadership



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1.1 Investing in our people to drive purpose, pride and quality

programme focuses on development outcomes for both the individual and the business in three strategic areas – culture and people leadership, personal resilience and gravitas, and strategic leadership and risk. Whilst the Inclusive Leadership programme focuses on delivering development outcomes on creating a culture of inclusion, building a diverse talent pipeline and developing qualities needed to be a modern leader.

Coaching and mentoring

Building coaching capability for the firm is a key development priority to enable team members to develop to their full potential and create shared responsibilities. There were two key learning interventions delivered to meet this priority. The first was the roll out of a partner development programme called Enabling Peak Performance. Most partners attended this programme to develop valuable new skills, tools and behaviours that are the basis for creating motivation and success at Mazars and to become resilient, confident coaches who can function in diverse situations to lead high performance in individuals and teams

The second intervention is aimed at our people managers – this course, Everyday Coaching and Feedback, provided the attendees with the understanding of the importance of coaching and also the tools to utilise this leadership style when supporting team members.

We also continued to support mentoring as a key development tool. We use a mentoring platform

to match mentoring relationships under three main programmes, Career Development, Reverse Mentoring and Audit – Improving Professional Scepticism. The platform has recently introduced the requirement to add mentoring goals at the start of the relationship allowing the mentor and mentee to better track development progress. The clear benefits of promoting mentoring at Mazars are the building of relationships and networks, the sharing of knowledge and skills, the development of leadership capability as well as setting career direction.

Improvement of feedback

We have introduced more continuous feedback loops and robust mechanisms for capturing 360 views as a pivotal part of our performance approach for both partners and team members. We have provided more structure on timing and frequency to make a more continuous cycle to drive incremental improvements throughout the year. We have also supported colleagues' development on how to give and receive feedback.

To capture richer more detailed feedback through the year, we provided more structure on feedback questions, as well as automating systems notifications to remind people to solicit feedback and highlighted the increased expectations of a mandatory minimum of four pieces across the year, at staggered points.

On top of this we introduced engagement feedback mechanism within the Audit service line, where team members ask for feedback on any job lasting 70 hours. There is a dedicated form for the team member to

request more detailed review of their performance. The form has now been updated to incorporate new competencies (see point below) and new rating scale and is being adopted for all service lines.

Partners continued to get anonymous feedback against how they perform against the partner competencies, including a minimum of five at the more junior levels to increase their self-awareness of their approach.

We developed and delivered an essential learning to support people in this area and this was completed by 98% team members up to senior manager, on top of the everyday coaching and feedback referred to earlier for people managers.

Our firmwide competency framework

Focus on performance and quality – In 2023 we shaped our firmwide competency framework. The framework is how we bring our culture and purpose to life and provides an outline of the individual behaviours, skills and attributes enabling us to live our culture every day. These competencies provide transparency and clarity on the requirements of our roles and allows us to focus on what is needed to deliver for our clients. We are embedding these competencies throughout our approach to performance, development, recruitment and reward and recognition.

Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

An environment of psychological safety and support

Creating a sense of belonging and respect for all team members is critical for us and it is important to us that we are providing a psychologically safe working environment for our partners and team members where they can challenge, and also be challenged. This will protect our culture and encourage the right behaviours in line with our values. It will in turn, drive high performance, productivity, improve quality and innovation across the firm.

We launched our “speak up” project in June 2023 with the purpose of ensuring team members know how to call out any behaviour that is not in line with the firm's values, from non-inclusive behaviour through to whistleblowing. Speaking up links to our culture statement of ‘we do the right thing; we show respect and we take responsibility.’ It has also been woven into our competency framework.

Our focus on speak up continues with focussed actions in place for the coming year.

Our networks – Our networks support us in creating a culture of belonging for all, and our continued work with them enables us to deliver safe spaces and a continued focus on allyship. Our networks empower and support team members to share their lived experiences and educate others across the firm. Networks also assist in the shaping and delivery of organisational strategy and policy, working with the firm to improve the experience of team members on specific issues relating to each network. Our networks

are open to all. This year we worked closely with our innovation team to develop a network app, and in the spring launched our app which makes it easy for team members to join our networks.

The firm has an active I&D agenda which includes commitments to the Women in Finance Charter, Valuable 500, The Black Talent Charter, The Workplace Menopause Pledge, The Social Mobility Pledge, Neurodiversity in Business. We also take part in the 10,000 Black Intern and 10,000 Able Interns programmes and in 2023 we were awarded a silver award from Stonewall for LGBTQ+ Inclusion. We continue to launch initiatives that promote inclusion and belonging:

- We have a dedicated Inclusion, Diversity and Wellbeing intranet site, which offers learning content to all across the firm
- We have an inclusion alliance where our network leaders meet regularly with members of our executive board
- We run mentoring programmes to encourage learning about different perspectives through reverse mentoring and speed mentoring
- All our partners have an Inclusion, Diversity and Wellbeing goal as part of their performance and development, and we hold regular upskilling session for partners to increase their inclusion competencies and awareness. We also have allocated partner sponsors across our service lines who work with the national team to drive inclusion and belonging through all we do

- We have run conscious inclusion sessions for all team members and continue to develop our portfolio of inclusive training programmes with the launch of inclusive hiring training and inclusive people manager training shortly

Through our commitment to the Valuable 500, we continue to keep disability on the leadership agenda. We work closely with our DisABILITY network to continue our focus on disability inclusion, this year that has been through lived experience sharing, and raising awareness through educational content. We are members of Business Disability Forum who we have worked with to update several policies, this is something we continue to review. We have also undertaken a disability self-assessment to become more disability smart and have created an action plan to ensure we continue to progress in this area. We have become disability committed through the government disability confident scheme.

This summer we ran inclusive internships and supported 10,000 Black interns and 10,000 able interns. We had 15 Black interns, and three able interns join the firm for a six-week internship.

We are actively supporting social mobility programmes including: No Wrong Path, Rise, Access to Accountancy and 10,000 Black Interns and 10,000 Able Interns. We have a social mobility network to support the agenda.

Our networks:

- Balance – Gender network
- DisABILITY – Seeing the ability in disability

Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

- REACH – Racial Equality Allyship and Cultural Heritage network
- Families@Mazars – Families network
- LGBTQ+ Champions – LGBTQ+ network
- SoMobile – Social mobility network
- Christian Network
- Muslim Network
- Jewish Network
- Hindu Network
- Well-makers – Wellbeing network

In addition to these networks we have a menopause and neurodiversity group.

We have an inclusion awareness calendar, and we recognise key awareness dates through the year. On these dates, our networks run events and initiatives, the aim being to educate and raise awareness by sharing information and personal stories.

A transparent approach to reward and benefits

Good reward is an important aspect of our approach to reward and benefits to attract and retain the best talent. Our approach is based on several factors, including the external market, economic factors, the performance of the firm and individual contribution.

We participate in several market leading surveys, both within the accountancy and general industry sectors.

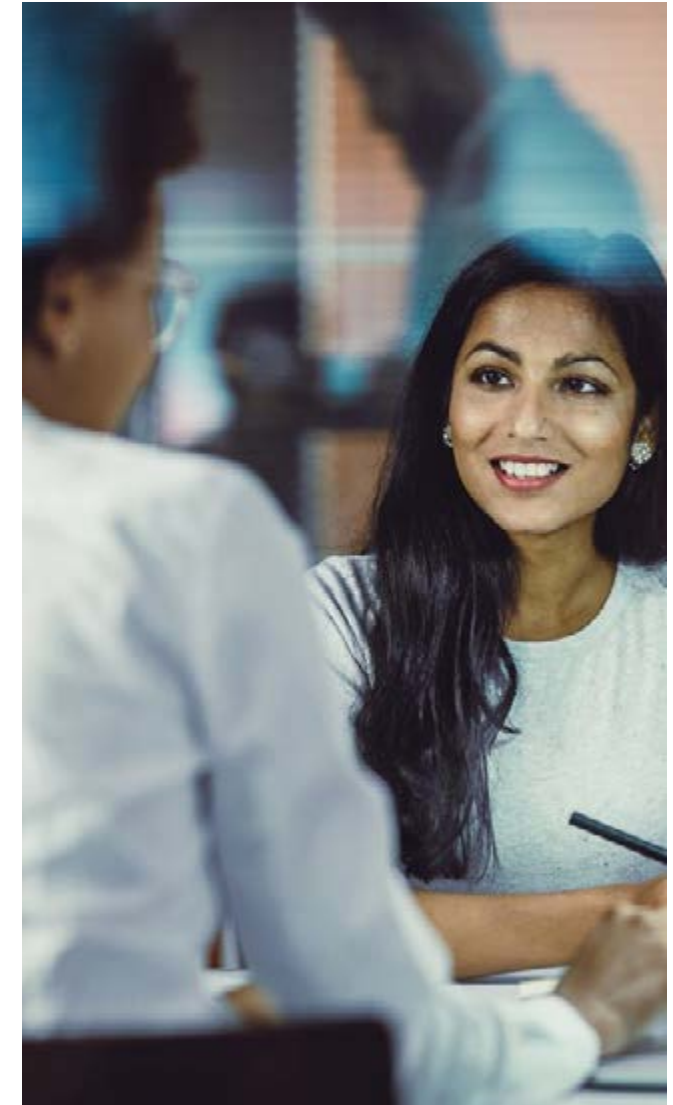
Our main source of UK reward data is from Willis Towers Watson. The market data includes data from the sectors including professional services, hi-tech; pharmaceutical; media; financial services – and as in previous years, we have data from the combined Big 4 and smaller firms.

This benchmarking data allows us to understand how our base salary compares with the external market. In addition, we consider this in conjunction with other factors, specific to the individual, such as scope of their role; contribution; critical skills; equity (gender and ethnicity); fairness etc. There is no automatic inflation related salary increase. The firm believes that a salary increase should reflect a team member's contribution and the fairness of their salary against their peers, taking account of a range of factors relevant to the Business Unit.

Our Mazars benefits platform, first launched in 2018, has continued to develop. Many of our benefits are available to team members to access throughout the year on the Mazars benefits platform.

We offer access to a wide range of wellbeing benefits, including our virtual GP service; the Bupa Be.Me app, which provides personalised health and wellbeing advice via a virtual coach; and online mental wellbeing programmes provided by SilverCloud Health. This year we implemented Spectrum as our new provider for the employee assistance programme.

We continue to promote sustainability through the benefits we offer. Mazars car benefit promotes both electric and hybrid low-emission vehicles; our ceiling



Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

for Cycle2work scheme increased significantly to provide greater choice.

The firm provides a wide-ranging suite of benefits to both partners and team members which, depending on an individual's circumstances, could help mitigate some of the effects of the cost-of-living crisis. Mazarsmore provides discounts across a wide range of retailers, including supermarkets; and we offer several benefits which can, for example, help team members to hire a bicycle or lease a car more cheaply.

We have a firmwide discretionary bonus plan for eligible employees. For FY23 there were two elements to the plan: a profit-share payment and an exceptional-bonus award. The profit-share element recognises the contribution of everyone to the collective success of the firm and was payable to all eligible team members. The exceptional-bonus element recognises the contribution of team members who demonstrated exceptional

performance, exceeded expectations and made a significant contribution to the firm's success during the financial year.

We want to ensure that Mazars is a safe and welcoming environment for everyone in our firm, we encourage team members to speak up about anything that causes them concern.

It is important that every team member and partner feels that they can bring their whole self to work and that as a firm we create a culture of debate, challenge, and innovation. Creating an inclusive and safe culture means we team members respect each other, take responsibility for their actions and focus on doing the right thing.

Mazars for Good

At Mazars, we recognise that it is our duty as responsible citizens to make sustainable business

decisions. This is reflected in our Mazars for Good strategy, which has five pillars:

- Community involvement
- Reducing climate and environmental impacts
- People at the heart of our development
- Supporting businesses on their sustainability journey
- Integrity and responsibility

Our [Annual Sustainability Report](#) provides an overview of our sustainability vision, strategy and performance across the five pillars. In September 2022, we were awarded with our first EcoVadis accreditation, achieving a Bronze rating, placing us in the top 21% of companies rated by EcoVadis in our industry. This recognised our efforts in Environment, Labour & Human Rights, Ethics and Sustainable Procurement areas.



Inspiring stakeholder confidence in audit quality

1.1 Investing in our people to drive purpose, pride and quality

Community involvement

Making a proactive contribution to our communities and wider society has always been fundamental to our values and the way we do business. Over the last financial year, we have elevated and strengthened our community engagement with a strategic focus on social mobility and education.

We launched a successful pilot firm-wide charity partnership with IntoUniversity. IntoUniversity works with young people across the UK who face personal or systematic barriers to education and employment. During this pilot, 52 dedicated team members were able to share their professional skills and personal experiences with over 600 young people through dynamic business simulations and career workshops, inspiring them to realise their ambitions.

To further expand our impact, we continue our partnerships with Young Enterprise, a prominent employability and financial education charity, and Rise, a UK wide initiative equipping the hardest to reach young people with skills they need to succeed in life and work.

Our policy of two annual volunteer days per team member empowers them to support these initiatives or to support charities that resonate with their passions and interests. This year, our team members across the UK volunteered over 3,200 hours, giving their time and expertise to a wide range of causes.

We are proud of what we have achieved and continue to look forward. We have introduced two community-

driven targets to continue to drive the impact we have on our communities:

- Between FY23 and FY25, we will contribute 20,000 hours of volunteering time
- In FY25, 25% of our team members will be actively volunteering

Another significant element of our community engagement is the Mazars Charitable Trust (MCT). The Trust was established by our partners to donate a share of our profits to a diverse range of charities and causes each year. Throughout the year, our team members have the opportunity to nominate charities, whether local or international, to receive grants. This year marked a momentous occasion, as we celebrated the 40th anniversary of the MCT. Since 2017, the MCT has donated £2.2 million to charitable projects.

Reducing climate and environmental impacts

In November 2022, Mazars Group signed up to the Science Based Targets initiative (SBTi) and publicly committed to combat the effects of climate change. Over the past year we have worked hard to improve the quality of our data and developed new approaches to measuring our Scope 2 and Scope 3 emissions. Greater granularity of our emissions data has given us deeper insights and allowed us to identify new strategies to map out our global and UK net zero pathways. We are in the process of defining targets to reduce our Scope 1, 2 and 3 emissions to achieve net zero by 2050. We launched our first [Carbon Reduction Plan](#) in September 2023. The document outlined our

current carbon footprint and how we plan to reduce our carbon emissions.

Despite a rise in emissions as the effects of the pandemic lessen, we are working to implement various measures to further reduce our emissions. This includes updating our travel policy, embedding the firm's hybrid working policy, and offering cutting-edge technology at work.

Our supply chain has been identified as a major contributor towards our emissions and we now have a procurement function in place to lead the development of policies and procedures to mitigate supply chain risks. Sustainability has been incorporated into the supplier due diligence process and the sustainable procurement policy was launched to guide our people in sourcing responsibly.

We have secured a sustainability-linked revolving credit facility with HSBC which demonstrates our commitment to embedding sustainability across our business. This shows to our people and stakeholders that sustainability remains at the forefront of business decisions.

Our people are the driving force behind change, with education playing a vital role in empowering them. In FY23, we introduced a new sustainability foundation module which focuses on how the private sector contributes to sustainable development. Together with the three modules launched previously, our aim is to inspire our people to become effective agents along our decarbonisation journey.

Inspiring stakeholder confidence in audit quality

1.2 Delivering audit quality

We continue to invest heavily in improving audit quality and remain committed to the PIE market in the UK. We remain dedicated and determined to continue our journey to consistently deliver the standards of excellence that we demand of ourselves.

The UK and global economy are facing fresh uncertainties driven by socioeconomic turbulence that continue to put pressure on the audit profession. The UK Audit reform and the timing of the creation of the new Audit Regulator are still uncertain. We have a responsibility to act in the public interest and believe that investors in all companies should be able to rely with confidence on high-quality audits. A high-quality audit needs a high performing audit practice and a strong risk management focus. As we progress with our firm's transformation, we have refreshed our plans and we have launched our Audit Quality Transformation Program 'AQTP'. The AQTP is founded on our firm's greatest assets; our people and the unique Mazars culture. As explained further in this section we aim to sustainably improve audit quality across Mazars by promoting and nurturing the right mindset and the right behaviours.

Our Audit Quality Strategy

We reflected our Audit Quality Strategy to the Audit Quality Transformation Programme which is a fundamental initiative to sustainably improve audit quality across Mazars, consistently and effectively over

a period of two years. The AQTP is also interrelated with the Audit Strategy. The delivery of the Audit Strategy should also deliver the AQTP, and the setting of the Audit Strategy was informed by the AQTP. The programme strengthens our commitment to audit quality, and our commitment to serve the public interest by consolidating and expanding our presence in the PIE market to provide competition and choice.

The AQTP is both an imperative and an opportunity to build a foundation, in the next two years of "quality by design" for many years to come across the audit service line.

The programme will adapt to an ever-changing audit environment and stakeholder expectations but remain focussed on audit quality at its heart.

The UK Audit Executive Committee (AExeco) has overall responsibility for the programme. The AExeco monitors the plan as a separate project. We developed the programme in close collaboration with key stakeholders across the firm and we assigned responsibility for each of the areas illustrated in the Desired Outcomes Wheel to a sponsor member of the AExeco.

Our regulator, the FRC in its most recent inspection report issued in July 2023, acknowledged our heavy investment in improving audit quality and referred to early indications of improvements to audit quality on some individual audits. None of the audits the FRC inspected were found to require significant improvements, compared with three in 2022.

We present below the key areas of priority where we have invested and will continue to focus on and invest in as part of our AQTP.

We strengthened the Acceptance and Continuance process and established a new Audit Acceptance and Continuance committee notably to enhance the challenge over the availability of appropriate resources, skills and expertise before we can accept a first-year audit. We now routinely monitor the resourcing of first year-audits with a particular attention on PIE engagements.

We standardised the resource planning process across all audit business units, including specialist time. We built a long-term strategic workforce planning tool, which has started to deliver insight and value, and which is now fully operational.

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We designed and implemented a risk rating approach for our audit portfolio in order to drive its rationalisation. This is a key step and the foundation towards enhancing our monitoring of Engagement partners' and Engagement Quality Reviewers' (EQRs) availability and capacity.

Our quality priorities – AQTP Desired Outcome Wheel

We have developed the Desired Outcome Wheel to visualise our key goals and top-quality priorities. We have placed at the heart of our plans culture and our commitment to transform audit quality without compromise. For each high priority area of the desired outcomes wheel, we have identified actions and ways to measure their effectiveness.

The key desired outcomes and key actions are distinct but are also integrated and aim to collectively achieve urgent improvements to audit quality and sustainable growth. We have designed and performed an iterative risk assessment of our portfolio at business unit and individual partner basis that also considers sufficient and appropriate resourcing.

We acknowledge that we need to further improve our FRC quality results, and we have designed and launched a new 'in-flight' review process that runs in parallel to our Engagement Quality Review Assistant program. We recognise that quality is important across audit, and we ensured that the in-flight process captures audits across all business units. One of the key goals of the new process is not just

risk management and prevention of quality issues but also to nurture a culture of consultation, share 'what good looks like' and reiterate the importance of demonstrating and evidencing professional scepticism consistently.

We are grateful to our team for their commitment and hard work, and we continue to invest on their development through initiatives in culture, people, and training. We set clear objectives and expectations for team members based on our competency framework, and in line with our purpose-led approach and our training curriculum is tailored to the needs of individuals; drives learning and change effectively and promotes our desired culture and behaviours.

Quality Without Compromise

We have enhanced our culture initiatives at audit and whole of firm level. Quality Without Compromise is our headline programme focussed on promoting the right audit culture and promoting best practice across the audit service line. A good quality audit is delivered by good auditors. Our desired behaviours set out our expectations of a good auditor, focussing on continued (individual and team) development and so we can deliver high quality audits, without compromise.

Each behaviour is rooted in our core values, and they come together to enable a whole team effort, to deliver high quality consistently, without compromise.

Our desired audit behaviours align with recommendations and frameworks from FRC

publications, and will be aligned with the core competency framework to further embed within the culture of our auditors.

- 1 People who understand our purpose, their role and live the values
- 2 People with technical excellence who are engaged, and take pride in audit
- 3 People who collaborate, communicate and lead with respect
- 4 People who are empowered to challenge and demonstrate professional scepticism
- 5 People who take responsibility and do the right thing

The AQTP is designed to support our desired behaviours, focussing our efforts to embrace and embed this, helping to transform audit quality across our teams.

Root cause analysis

Root cause analysis (RCA) is at the heart of our continuous improvement process, enabling us to identify the underlying causes of quality findings and develop remedial actions to continuously improve audit quality. Following the implementation of ISQM1, we have continued to enhance the RCA framework and methodology.

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For FY23, we adopted an improved, structured and analytical approach, by evaluating findings for deficiencies, assessing the severity and pervasiveness of these deficiencies and identifying potential causal factors to develop appropriate actions to prevent them from reoccurring.

The use of data has been expanded in order to determine whether particular data indicators are associated with audit quality, as well as whether there are any correlations that can then be used to inform our Audit Quality Indicators methodology.

Moreover, the RCA team has been strengthened with the addition of two new managers, enabling us to improve efficiency and increase the number of RCA reviews performed. The RCA team has also undergone an accredited behavioural design training which included learning a practical method to decode unconscious human decision-making and mastering principles from behavioural science, allowing the team to understand how individuals make and communicate decisions made. It allowed the RCA team to understand how to influence choice and shape behaviours, which is critical when designing remedial actions. We will continue to invest in training and tools in order to strengthen the robustness of our RCA process.

RCA reviews for FY23 have focussed on identifying behavioural or cultural factors that contributed to high-quality audits or deficiencies. Additionally, we examined and analysed factors that influenced the environment within which engagement teams make decisions and act. The RCA team also undertook RCA

reviews on recurring findings and themes that impact our overall audit quality. Remedial actions have been developed and are being implemented to address the identified root causes and themes. Equally, we have identified positive behaviours contributing to good practices. We will strive to replicate these positive behaviours to ensure consistency in delivering high-quality audits.

The detailed findings of the RCA review process on external inspection results are discussed in the Audit Quality Inspection and Supervision Report for the firm, which is available on the FRC website.

2022-23 cycle overview



Audit quality indicators (AQIs)

As part of our strategic priorities, we have created a workstream to improve the monitoring of our AQIs so that we can intervene in audits when risks are identified. We expect this process to develop over time and aim to include further AQIs in future transparency reports.

Refer to section 1.4 for details of our reported AQIs.

Other areas of focus

Financial services sector

The financial services sector continues to be an area of focus for regulators. We continue to engage with the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) on emerging audit matters as a firm and on matters specific to individual entities we audit where relevant. This interaction is important as we receive regulators' views and insights on risk matters or areas of concern for specific audited entities to feed into our risk assessment. We have made progress in completing and delivering our commitments to the FRC in relation to IFRS 9 and other areas of banking methodology. We continue to strengthen our banking specialists' resource in the Audit Quality Support Team to assist with these initiatives and to enhance collaboration within the audit service line. The culture of 'when in doubt, consult' is a message being shared throughout the on-going culture initiatives. Our methodology team will work to ensure that application guidance and templates for all sectors including banking is improved.

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Audit methodology, policies and processes supporting high-quality audits

The Mazars Audit Methodology (MAM) is a global methodology that Mazars entities around the world apply, supplemented by local regulatory and legal requirements. Using a common methodology allows us to apply a consistent approach and level of quality globally on all client engagements irrespective of their size and international presence.

In an increasingly globalised world, the MAM allows us to provide our multinational clients with quality audits across borders. Specific policies and procedures are in place in respect of group audits including the use of and reliance on other auditors.

The MAM is continually enhanced as we seek to apply a systematic risk-based audit approach, focusing on the things that matter and adjusting the areas of focus and effort based on the level of risk. Our methodology and associated application guidance are also designed to encourage challenge and professional scepticism in our audits.

Audit software is used to support the audit teams in applying our risk-based approach, from acceptance to completion of the audit. Over recent years, Mazars has been developing a new audit software, Atlas.

In the UK, the rollout of Atlas commenced in 2019 with a sample of non-PIE entity audits. Atlas has been further rolled out for December 2022 year ends, and we are in the process of rolling out an enhanced next generation of the Atlas software for all 31 December 2023 year end audits. The deployment of Atlas will

enhance the quality of audit documentation, ensure global consistency in the application of the MAM, strengthen the oversight of international group audits, and provide our teams with access to enhanced technology and tools.

We will continue to invest and develop our audit software as new challenges and technologies impact on the audits of the future.

Data analysis is increasingly becoming a key aspect of our standard audit procedures, particularly with respect to the mandatory requirements to address the risk of management override of controls.

Our ability to maintain quality is not only dependent on the IT tools available to our professional staff, but it also relies on the appropriate support being available. The MAM details the circumstances when there is a mandatory requirement to consult within the firm. Our technical experts are also available for audit and financial reporting technical consultations when support is required.

To aid the quality of specific areas of the audit, our core audit teams have access to our specialist auditors and experts, including IT, tax, actuarial and valuation specialists.

We support enhanced audit reporting, believing that value can be derived from reporting that is clear and insightful to the reader. To maintain this level of quality, all our audit reports which include key audit matters are reviewed by our audit technical team.

During the year we augmented our EQR processes and support through the introduction of EQR teams

to support the EQR on high-risk engagements. These teams were drawn from relevant sector specialists from both the practice and the audit quality support team.

Our audit policies and procedures have been designed and implemented to ensure that we comply, and can demonstrate that compliance, with ISA(UK)s.

Rewarding contribution to high-quality audits

We recognise that the responsibility for audit quality does not just sit with the Responsible Individuals (RIs) and Key Audit Partners (KAPs). Audit quality is the personal responsibility of all our professionals within the Audit & assurance service line. Each professional sets clear objectives for audit quality, appropriate to their role and responsibilities. These objectives are monitored and assessed through performance reviews, thus ensuring a culture committed to audit quality.

All Audit & assurance staff are required to set quality objectives at the start of the year and to evaluate through a self-assessment process how well they achieved these objectives prior to the formal performance review.

Investing in innovation

Innovation is a key driver in our ability to deliver higher quality audits as complex business environments require our audits to be more dynamic and focus on more innovative and technology-driven solutions.

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As a firm, we are committed to investing in innovation as is evident through our ongoing investment in our in-house audit software Atlas, our data analytics solutions and other audit transformation tools. Continued investments in innovation will be critical to enable us to continue to bring the best technology into the heart of our future audit approach.

Responsibility for the delivery of audits

The engagement partner is overall responsible for leading, managing and achieving quality on an audit engagement. This also includes taking responsibility for creating an environment that promotes the firm's culture and expected behaviour of team members. As engagement leaders, the RIs or KAPs, supported by the engagement managers, are responsible for fostering a culture of quality throughout the audit process, challenging the team on their professional scepticism in respect of the work performed and supporting the culture of on-the-job training and coaching.

Our RIs and KAPs, are responsible for the direction and supervision of the engagement team members and the review of their work in accordance with the firm's policies and procedures, professional standards, and regulatory requirements.

The RI or KAP is also responsible for ensuring that the engagement is adequately resourced with appropriately experienced professional staff.

In situations where a difference of opinion arises between the RI or KAP and either the engagement team, the Engagement Quality Reviewer or technical

consultants, procedures are in place to consider the opinions further, including the use of a panel of independent partners appointed by virtue of their knowledge and experience.

In addition to differences in opinion we have reviewed and expanded the scope of risk review panels to be held at audit service line level. We have added any other situation deemed appropriate by the audit leadership that could adversely impact audit quality as reported by Business Unit Leaders, partners, in-flight reviewers, or Engagement Quality Reviewers.

Licensing

RI status does not confer the right to act in relation to all audit work. An additional licence is required by RIs, KAPs and audit managers in relation to audits operating within certain regulatory frameworks or specialist sectors, demonstrating appropriate knowledge and training. There is a three-tiered approval process for licences, with final approval from the UK Head of Audit Quality.

A poor quality monitoring result or failure to keep up to date with technical knowledge would lead to a reconsideration of an RI's licensing to perform statutory audits. Similarly, sector licences held by RIs and managers are reconsidered regularly for the same reasons.

Monitoring audit quality

Monitoring of audit quality is integral to understanding our own audit quality and developing ways to challenge and improve it. It allows for the



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identification of areas for improvement within our policies and procedures, combined with additional training to allow for a consistent quality approach to audit work. Our audit quality policies and procedures are embedded as part of our firm's day-to-day activities.

Refer to 1.3 for further details on our 'Quality Monitoring' process.

Engagement quality reviews (EQRs)

An EQR is required to be performed on all audits of listed companies or PIEs (as defined in s494A of the UK Companies Act 2006). Other engagements, including local audit engagements, may be identified as subject to EQR; the criteria for determining whether such other assignments require an EQR are mainly based on the existence of specific risk situations.

The purpose of an EQR is to provide an objective evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating the opinion. This review must be performed by a person with sufficient authority to be capable of imposing their professional judgement upon the engagement team. EQRs are performed by experienced RIs and KAPs who have been internally licensed and they are also subject to rotation.

In their 2022 report the FRC noted that the application of quality control including EQCR procedures requires improvement. In response to this, and as part of a wider quality improvement plan, we have updated our policies and procedures in relation

to the EQCR process. Our enhancement to the process has advanced over and beyond current requirements. Planned actions include but are not limited to formal assessment and consideration of capacity, capabilities, annual training to EQCRs emphasising expectation of the role and assessment of continued suitability to carry on this role. We will also introduce the 'EQCR' team approach for those highest-risk audit engagements.

Responsibility for quality

The quality and effectiveness of our audit services are critical to all our stakeholders and an integral part of our commitment to building trust with society.

Quality is the responsibility of everyone at our firm, and we work hard to ensure we have a culture of quality. To ensure a culture of quality is embedded within Mazars as a core value, the UK Head of Quality and the UK Head of Audit are members of the UK Executive. A sub-committee of the UK Executive, the Risk and Quality Committee (RQC), assists the UK Executive in fulfilling this ultimate responsibility for quality monitoring.

The AExeco reports to, and is overseen by, the UK Executive. The AExeco is led by the Head of Audit and includes members with responsibility for operations, audit quality support, transformation and quality monitoring, who are nominated by the Head of Audit.

The role of the AExeco is to promote and ensure delivery of a high level of audit quality and risk management in the Audit practice. In fulfilling its

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role, the AExeco assists the firm, including the PIC, in meeting the expectations of the AFGC.

On a global level, the Audit service line is governed by the global audit board (GAB), which is Chaired by Mazars' Global CEO and made up of 16 members from ten countries, covering all regions. Members represent global functions including quality, audit learning, talent, transformation and methodology as well as our privately owned business (POB) and PIE markets. The GAB is supported by four committees, which focus specifically on: regions, our five largest countries, quality and projects. At the Group level, we dedicate specific resources to building and maintaining high standards of quality, independence, ethics and professional competency, under the supervision of the Quality and Risk Management (Q&RM) Board.

We also ensure that there is a strong connection between the UK Audit and Global Audit service lines. This is achieved by aligning core values and ensuring that matters highlighted in Group Executive meetings are cascaded down to all local Audit service lines.

Our Audit Quality Assurance Framework

The International Federation of Accountants (IFAC) is the global organisation for the accountancy profession. It is dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. Mazars Group is actively

involved in IFAC and has a presence on a number of its boards and committees.

Mazars Group is also a member of IFAC's Forum of Firms (FoF), an association of international networks of accounting firms that perform transnational audits. As a member of the FoF we commit to:

- Maintain quality control standards in accordance with the International Standard on Quality Management (ISQM1) – issued by the International Auditing and Assurance Standards Board (IAASB) – in addition to relevant national quality control standards
- Conduct, to the extent not prohibited by national regulation, regular globally co-ordinated internal quality assurance reviews
- Have policies and methodologies for the conduct of transnational audits that are based, to the extent practical, on the International Standards on Auditing (ISAs) issued by the IAASB
- Have policies and methodologies that conform to the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code) and any relevant national codes of ethics
- Submit to the secretary of the FoF an annual report, in an approved format, indicating that it meets the membership obligations set forth above

We have been members of IFAC since 2007, and we make an annual declaration setting out our commitments.

In line with our commitments, our Quality Assurance Framework is presented through our Global Policy Manual (GPM) and Risk Management Manual (RMM), which together constitute the benchmark for audit quality control for all entities.

The purpose of the GPM is to describe the quality management and risk management requirements and controls applicable to all Mazars Firms to:

- Identify and manage the System of Quality Management applicable to Firms delivering in-scope services in accordance with ISQM1 requirements, and/or providing resources/services to support delivery of in-scope services
- Identify and manage enterprise risks

The policies and procedures in our GPM are complemented by our audit methodology.

Our audit software has been developed to allow a structured audit approach in accordance with the most recent auditing standards.

Both our audit methodology and software are updated, as required, to reflect the evolution of international and national standards and as a result of operational suggestions made by users. Our compliance with the GPM is monitored through internal and external inspections.

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1.2 Delivering audit quality

Maintaining and improving audit quality is integral to our profession. To ensure the firm keeps its focus on audit quality, the UK Executive is required to:

- Promote the firm’s internal culture of quality and reinforce this culture with clear, consistent and frequent messages and initiatives
- Remind individuals at all levels of the existence of the quality monitoring system
- Underline the importance of respecting legal and regulatory obligations, particularly with regard to the IFAC code, local ethical requirements and professional standards of practice when accepting and carrying out new assignments

In Appendix 7 we provide our statement on the effectiveness of the functioning of the quality monitoring system.

Within Mazars only RIs can be responsible for an audit and sign a statutory audit report. An RI has to hold an appropriate qualification, commonly known as an “audit qualification”, and be competent to conduct audit work. An appropriate qualification can be gained by holding a recognised audit qualification awarded by, among others, one of the Institutes (England and Wales, Ireland or Scotland) or the Association of Chartered Certified Accountants (ACCA).

Approval from the Institute of Chartered Accountants in England and Wales (ICAEW) is required before we are able to appoint a new RI. Before asking the ICAEW, we satisfy ourselves that the individual is competent to carry out audit work. Newly approved RIs are given a mentor who hot reviews their initial assignments, both to ensure quality and to assist with the transition to the RI role. Once the mentor is satisfied with the

quality of the RI’s audits, the mentor arrangement ends, and the new RI becomes subject to the firm’s normal quality monitoring review process. In Mazars in the UK, 67 (2022 - 66) individuals held RI status as at 31 August 2023, and a further 11 (2022 - 13) were KAPs authorised to sign public sector audit opinions.

Group wide initiatives

Environmental, social and governance expectations

With the introduction of mandatory audits on environmental, social and governance (ESG) reporting in Europe and other parts of the world, the role of the auditor is changing and has to go beyond traditional accounting skills. This presents both an opportunity to further support our clients and a risk management challenge as there is the potential for a significant

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rise in ESG-related controversies and greenwashing litigation, from which auditors are unlikely to be immune. Finally, we also strongly believe that ensuring our clients are fully engaged in ESG reporting is aligned to the auditor's duty of serving the public interest by contributing more reliable, relevant and transparent information in public reporting.

In the last year, true to its DNA, Mazars has heavily invested in building the foundations of our Sustainability service line, notably with regard to "assurance" provision. At the global level, we have created Sustainability technical functions, comprised of a Sustainability reporting standards team, a Sustainability assurance standards team, a Sustainability quality management team and an ESG Acceptance working group. This structure is expected to be replicated in all major countries.

In parallel, we are rolling out global training programmes and tools (e.g., on the European Sustainability Report Standards (ESRS) and ESG audit methodologies) to our Sustainability team members in all major geographies. This also includes equipping traditional financial auditors for the new challenges they will face.

Our contributions to the public interest

We pride ourselves on being a different kind of firm – one that contributes to a fair and prosperous world by caring for the success of our people and clients, the health of financial markets and the integrity of our profession.

New missions are emerging for auditors, and these are expected to have a significant impact on our societies and economies. As companies must increasingly account for their performance in new strategic areas such as ESG/sustainability and their use of digital tools, auditors face growing demands to provide assurance in these areas. This is a challenging and exciting time, and we are paving the way, helping to shape new approaches to fuller understanding of company performance, including establishing new benchmarks in these fast-evolving areas.

That's why we contribute to the conversations on the future of audit and the need to adapt audit regulations, standards and frameworks to the new context. We share our expertise, our experience and feedback on the most efficient levers to improve audit quality and build confidence by engaging with key stakeholders and regulators through our involvement in professional organisations, key working groups and institutions around the world. In 2023, this included:

- Board membership of IFAC and IAASB, the international audit standard-setters
- Board membership and Chairing working groups at Accountancy Europe and the European Group of International Accountancy Networks and Associations (EGIAN), professional organisations that represent auditor associations and accountants across Europe
- Participation in various key working groups of national audit institutes around the world





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We are active participants in the conversations regarding audit reforms in multiple jurisdictions and forums, seeking to contribute solutions to the common challenges faced by the profession around the world. These challenges include questions regarding audit quality arising from significant audit scandals, which have had a substantial impact on the economy, financial stability, retail shareholders and trust in the profession, in addition to the increasing demands for audit in different fields, coupled with the decreasing number of auditors and audit firms able to address such challenges.

At Mazars, we take part in these conversations by sharing our views and responding to public consultations at the national, regional and global levels. Our key recommendations include:

- Incentivising the opening of the PIE audit market to additional audit players, in order to build trust and audit quality and properly address new demands and new expectations
- Ensuring that companies have a real choice and say regarding their auditors, thereby protecting them from the inherent risks of a concentrated market
- Making sure the biggest entities benefit from the 'four eyes' principle and cross-reviews, which are key features of joint audits
- Allowing auditors to benefit from the widest skills and securing the multidisciplinary model within existing safeguards

- Mandating a level playing field for sustainability reporting by implementing reliable, consistent and comparable sustainability standards such as the ESRS in EU member states and the International Financial Reporting Standards Sustainability Disclosure Standards in other jurisdictions

Our contributions to these debates are public and available on a dedicated webpage of the Mazars global website as well as on the websites of the institutions leading these consultations.

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1.3 Quality monitoring

The ICAEW Audit Regulations and Guidance require each RI of Mazars to be subject to a cold file review of a completed audit engagement at least once every three years. At Mazars, our aim is to review every RI and KAP for audits performed under the Local Audit and Accountability Act (2014) at least once every two years.

Audit file reviews are supervised by the Director – Quality Monitoring Lead, who reports to the Partner Responsible for Audit Quality Monitoring, and are carried out by experienced audit partners, senior audit staff, or our dedicated audit quality monitoring team. Our quality monitoring reviewers are selected based on their knowledge and skill set, and are appropriately briefed on the quality monitoring objectives, approach, and requirements.

We allocate quality monitoring reviewers to file reviews based on their knowledge and skills. We also ensure that quality monitoring reviewers are independent from the audit under review and the audit team. Quality monitoring reviewers are supported by a technical consultant, when required.

Each year a quality monitoring plan for audit work is prepared, which specifies the RIs and KAPs to be reviewed in the year, together with any planned thematic reviews. This plan is presented by the Partner Responsible for Audit Quality Monitoring to the firm's AExeco. Relevant details of this plan and information on our approach to quality monitoring reviews, including how files are reviewed and graded, are

communicated to the Audit service line to ensure our people understand and are engaged in the process.

Audit files are selected for review based on several criteria, including risk and public interest, with the basis for file selections recorded.

Each file review starts with an opening meeting between the quality monitoring reviewer and RI or KAP. At a closing meeting, any findings arising from the file review are discussed and finalised, subject to any additional information supplied by the audit team and not already considered by the reviewer.

The RI or KAP is required to respond to each finding in writing, specifying the action they will take to address the finding on the subsequent audit. The files are then graded in terms of overall audit quality by the Partner Responsible for Audit Quality Monitoring.

The findings and actions, along with the file grade, are communicated in a final findings letter to the RI or KAP, which is copied to their appraising partner. Similar letters are sent to the Engagement Manager and EQR, where one was allocated to the audit (and their appraising partners).

Quality failures are taken in a serious light. Findings and file grades are considered in performance appraisals and in decisions on partner remuneration. We also celebrate good outcomes in that good quality results are also considered and have a positive impact on promotions and rewards.

Part A findings are subject to a follow up review in the next quality monitoring review cycle.

A summary report is prepared and presented to the AExeco for review and approval of the actions to be taken in response to key findings/themes identified from file reviews completed in a review cycle. Actions may include immediate remedial action, changes to the firm's methodology or guidance, or additional training and support. The results are communicated to the UK Executive. The themes in this cycle related to the audit of expected credit losses (non-financial services), transfer pricing arrangements, revenue and going concern. Good practices observed were fraud risk assessment, appropriate sampling and working with specialists.

In the 2022-23 quality monitoring review cycle, reviews of 33 audit files were reviewed, with 61% of

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1.3 Quality monitoring

those reviews being of local audits. Refer to section 1.4 for further detail on the overall findings.

Lessons learnt from quality monitoring are communicated to all the RIs or KAPs and audit managers on a timely basis.

RIs, KAP, EQRs and engagement managers who receive recurring adverse internal and/or external audit quality grades are referred to the Audit Executive Subcommittee – Quality Monitoring (Subcommittee). The internal quality monitoring team will provide the Subcommittee with the RI, KAP, EQR, and/ or EM's internal and external grade history for the last five years. The Subcommittee is responsible for deciding, or recommending to the Audit Executive, actions to be taken in response of the RI, KAP, EQR and engagement manager who receive unsatisfactory grades from reviews. The Subcommittee members are decided by the Audit Executive and consist of the Audit Chief Operating Officer, Partner Responsible for Audit Quality Monitoring and Audit Compliance Principal. The Subcommittee decides or recommends the action to be taken in accordance with the framework that considers the internal and external audit quality grade history. Actions available under the framework are categorised by tiers which ranges from mandatory training, allocation of mentor, portfolio review and withdrawal of one or more licences.

The assessments undertaken by the IQCC monitor member entities' compliance with the IFAC standards. The Mazars entities' audit quality monitoring reviews organised by the IQCC have several components:

- Self-assessment of the entity's audit methodology, ethics, and the quality assurance system
- Internal monitoring of the effectiveness of the internal procedures and of the quality of the audit files. This is performed by each entity on an annual basis and constitutes the basis for the completion of the self-assessment
- Mazars international inspections: these are undertaken by experienced reviewers from other member entities within the organisation, generally every three years, and they aim to take an independent view on the results of the self-assessments and the internal monitoring whilst helping to spread best practices
- Consideration of findings from external inspections: entities are periodically subject to reviews by the audit regulators or other relevant bodies in their jurisdictions. Results of such reviews are communicated to the IQCC for consideration

The self-assessment includes the entity's compliance with the IFAC standards as well as reporting on the results of its internal and external audit quality monitoring reviews. This can be the basis for an action plan relating to all areas identified as requiring improvement including those identified through any Mazars international inspections.

Entities are required to communicate internally the results of their audit quality monitoring reviews to their Executive, partners, and audit managers. This communication is provided in sufficient detail to

enable the necessary corrective measures to take place, both for the partner in question, and the overall level of the entity.

As a minimum, the results of the audit quality monitoring reviews include: a description of the procedures applied and of the scope of the quality monitoring review; the results and conclusions of the reviews of the entity's procedures and audit engagements; and detailed action plans, where required.

Entities that are applying to join the Mazars organisation are subject to an inspection organised by the IQCC. The report setting out the results of the review is included in the admission file submitted to the GEB and the GCC for consideration before the vote at the General Assembly of Partners. The report may be accompanied by an action plan, progress against which would be monitored by the IQCC.

During the year the UK firm submitted an annual self-assessment around audit quality to Mazars Group which was reviewed centrally. Periodically, we are reviewed by a Group quality monitoring reviewer, and that review covers our whole firm procedures as well as file reviews. A group inspection was ongoing during the period of preparing this review.

UK external reviews

Mazars is a Public Interest Entities 'PIE' audit firm. The FRC groups the PIE audit firms into three tiers, based on their impact on the UK audit market. Due to the

Inspiring stakeholder confidence in audit quality

1.3 Quality monitoring

number of PIE audits, Mazars is a 'Tier 1' firm subject to annual reviews by the FRC.

The results of our 2022 review were published in July 2023 and are disclosed in section 1.4.

Mazars' audit work is also reviewed by the Quality Assurance Department (QAD) of the ICAEW. The firm is currently undergoing a full review by the QAD, the results of which are expected in 2024.

Responsibility for external quality monitoring of local audit work rests with the FRC's Audit Quality Review 'AQR' team for major Local Audits and the QAD for non-major local audits. The results of the AQR team's review of our major Local Audits are detailed in section 1.4.

At Mazars we are passionate about audit quality, so the results of the independent reviews challenge us to revisit our technical training and tools to ensure they support our audit teams to deliver quality audits. We are committed to the continuous improvement of the quality of our audit work to address findings from external reviews as discussed above.



Inspiring stakeholder confidence in audit quality

1.4 Audit quality indicators

We have a set of six AQIs to help us view audit quality holistically.

We monitor a more extensive population of 16 AQIs for management information purposes, which are reported to the AExeco monthly, to assess risks to audit quality and take action when necessary. AQIs provide us with valuable insights and we have included their further development and integration as one of our strategic priorities for FY24.

The six AQIs listed in this section allow us to view audit quality holistically. We have established benchmarks for the AQIs and enhanced the granularity of the information where it was necessary. In our further development, we will establish processes for responding to outliers, ensure reporting is action-oriented, and broaden the range of AQIs. Not only will AQIs identify red flags to audit quality, but they will also be integrated into the strategic decision-making process.

We are actively engaging with the FRC's initiative to improve the reporting of the AQIs across the audit market.

Audit quality indicator 1 – Metrics on external investigations related to audit

Investigations concluded in the year with findings by the FRC

In the 12 months to 31 August the FRC has found against the firm or one of its members in the following number of cases:



The above includes an investigation that was concluded in August 2023, whereby the FRC's Enforcement Committee found that, Pursuant to the Crown Dependencies Recognised Auditor Sanctions Procedure, Mazars LLP failed to comply with the Regulatory Framework for Auditing in its audit of a Market Traded Company's financial statements ([Sanctions against Mazars \(frc.org.uk\)](#)).

Ongoing investigations

In October 2022, the FRC announced that it had commenced an investigation under the Audit Enforcement Procedure (AEP) in relation to the audit of the financial statements of Studio Retail Group plc for the period ended 26 March 2021 ([Investigation regarding the audit of Studio Retail Group plc by Mazars LLP \(frc.org.uk\)](#)).

Constructive Engagement (CE)

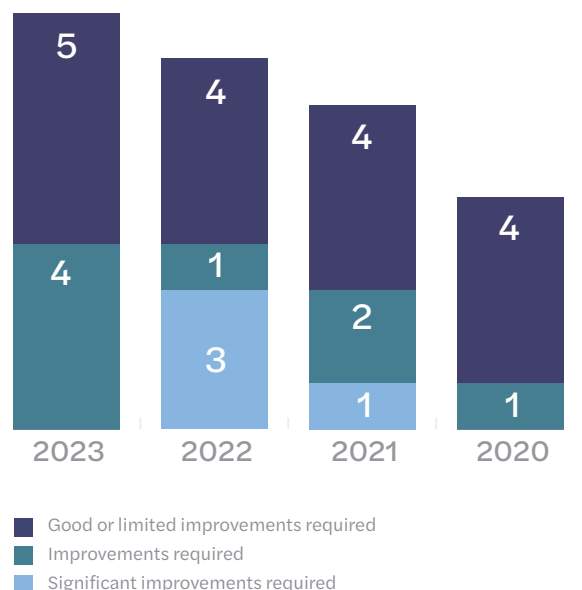
In the year we have also engaged with the FRC's CE team in respect of matters which were identified as being satisfactorily addressed without full enforcement action. As a result of that engagement, we have made commitments, including in respect of training and guidance. Details of these Accountancy Scheme and Audit Enforcement Procedures can be found at [Home \(frc.org.uk\)](#).

Inspiring stakeholder confidence in audit quality

1.4 Audit quality indicators

Audit quality indicator 2 – Metrics on audit quality reviews

All reviews (excluding Public Sector)



Results of external inspection (FRC reviews)

The FRC groups audits inspected in three categories in its annual public inspection firm specific reports as follows:

- Good or limited improvements required
- Improvements required
- Significant improvements required

The FRC published its report on its latest inspection of Mazars in July 2023. The full report is available on the [FRC's website](#).

The FRC inspected nine of our audits covering listed and public interest entities, of which 56% were assessed as requiring no more than limited improvements. We were disappointed with the number of audits requiring improvements. We are however encouraged that the actions we took in FY21 appear to have had a positive impact on our quality performance, notably with the FRC not identifying any audits requiring significant improvements in comparison to three in the previous inspection cycle.

Quality is a central pillar of Mazars' values and strategy, and the delivery of high-quality PIE audits is a strategic priority for Mazars in the UK and across the international organisation. As outlined in our overall response to the FRC's 2023 public report on the firm, we have made good progress on the measures and actions that we had committed to in last year's FRC's public report. We are hopeful that our heavy

investment in audit quality driven by the initiatives launched in the last months will sustainably improve audit quality.

We welcome the following examples of good practice identified by the FRC in some of the audits reviewed:

- **IFRS transition** – Extensive involvement of an specialist from the accounting technical team in the audit work particularly on the adoption of IFRS 16
- **Revenue audit approach** – Revision of the revenue audit approach following the planned automatic technique not producing appropriate audit evidence
- **Consultation** – Good evidence of detailed consultations with the central team regarding a material uncertainty over going concern and related disclosures

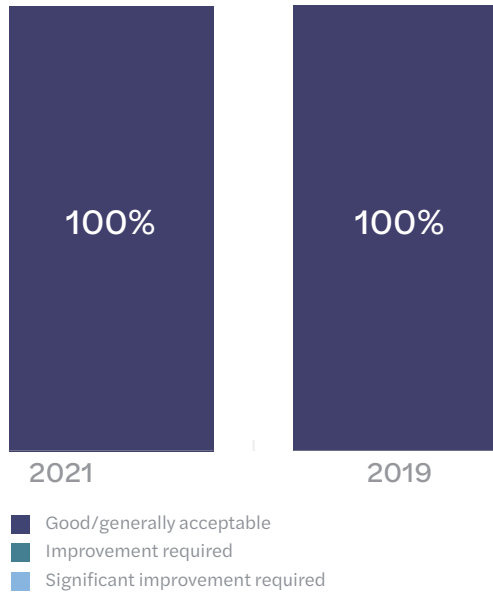
We have conducted root cause analysis across all FRC inspections including those assessed as good or requiring limited improvement to understand the cause of a positive or negative audit quality outcome.

We remain fully committed to achieving quality results that reflect our high standards whether measured by regulatory or internal assessments, in a sustainable manner.

Inspiring stakeholder confidence in audit quality

1.4 Audit quality indicators

Results of external inspections (ICAEW QAD reviews – excluding Public Sector audits)



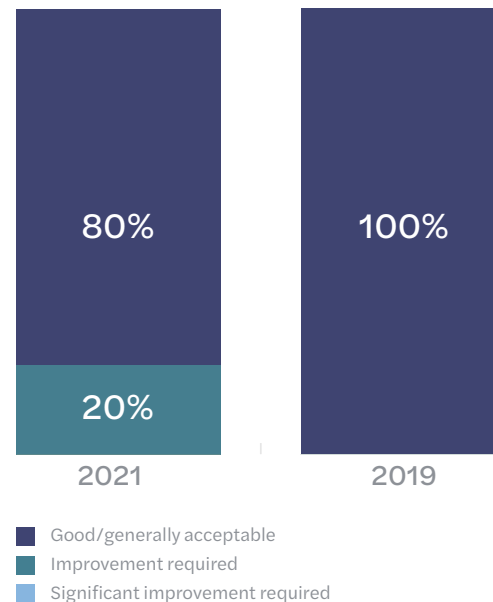
The QAD undertakes a full review of our audit files every two years. In their most recent report, following the 2021 inspections, the QAD concluded that the firm’s audit work was of a good standard and all files reviewed were found to be good or generally acceptable, which is consistent with the results of previous reviews by the QAD in 2019 and 2017. The QAD also identified and shared examples of good practice across each of the files reviewed.

The QAD is currently performing the 2023 review of a selection of our audit files and the final report from that review is expected in 2024.

Results of external inspections (ICAEW QAD reviews – Public Sector audits)

In their most recent review of public sector audit engagements, the QAD concluded that audit work continues to be of a good standard in most areas. Four of the five reviews were found to be either good or generally acceptable. The work to support the VFM arrangements conclusion was assessed as good, on all five reviews. The QAD also identified and shared examples of good practice across all files reviewed.

The QAD is currently finalising the 2023 review of a selection of public sector audit engagements and the report from that review is expected in 2024.



Results of external inspections (PCAOB reviews)

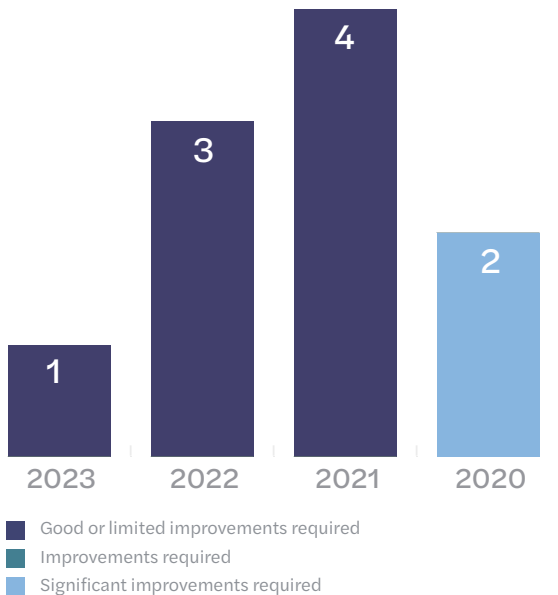
The PCAOB undertakes reviews of our audit files every three years. The most recent inspection on Mazars was completed in September 2022. The inspection covered three audit engagements – one in which the firm was the principal auditor and two in which the firm was not the principal auditor. The PCAOB report on the firm dated 16 October 2023, which can be found [here](#), describes the results of the PCAOB’s 2022 inspections. The report contained one audit in which the firm was not the principal auditor with Part 1.A deficiencies. The previous PCAOB report on the firm was issued on 25 November 2013 and contained no Part 1.A deficiencies.

We have thoroughly evaluated each Part 1.A deficiency identified by PCAOB and have taken actions as appropriate to address these findings across our audit clients. The actions we have taken are subject to review by the PCAOB. As is the case with all our regulators, we take the PCAOB findings seriously and use these to drive continuous improvement in our audit quality.

Inspiring stakeholder confidence in audit quality

1.4 Audit quality indicators

Results of regulator inspections of public sector appointments (FRC reviews)



The FRC is also responsible for monitoring the quality of major local audits as defined by the Local Audit (Professional Qualification and Major Local Audit) Regulations 2014. During FY23, the FRC inspected one of our March 2022 year-end public sector audits. The audit reviewed was assessed as requiring no more than limited improvements for both the audit of the financial statements and our work on the Value for Money arrangements. The report can be found [here](#).

This is the third consecutive year where the FRC has assessed our local audit work as meeting expected standards, and demonstrates the sustained quality of our work in this key sector.

Results of firm's Internal Quality Monitoring reviews (iQM)

Each year we review a sample of completed audit engagements through our internal quality monitoring programme. The details of the programme are set out in section 1.3.

Within the numbers presented, three files reviewed related to KAPs. The other 30 files reviewed related to RIs. In 2022/23, two engagements were rated as requiring significant improvement (rated D), this is an improvement from the prior year where six engagements were rated as requiring significant improvement. None of the audits that were signed by a KAP received a D rating.

RCA reviews are performed on deficiencies arising from audits graded as requiring limited improvements (rated B), requiring improvements (rated C) or significant improvements (rated D) to identify causes that led to the deficiencies. Actions to address these deficiencies are monitored through our Single Quality Plan. We continue to monitor and innovate our internal quality monitoring programme to ensure it remains robust and fit for purpose to respond to the needs of our internal and external stakeholders.

Number of engagements reviewed



% of files that achieved good or limited improvement required



Annualised % of RIs and KAPs subject to review

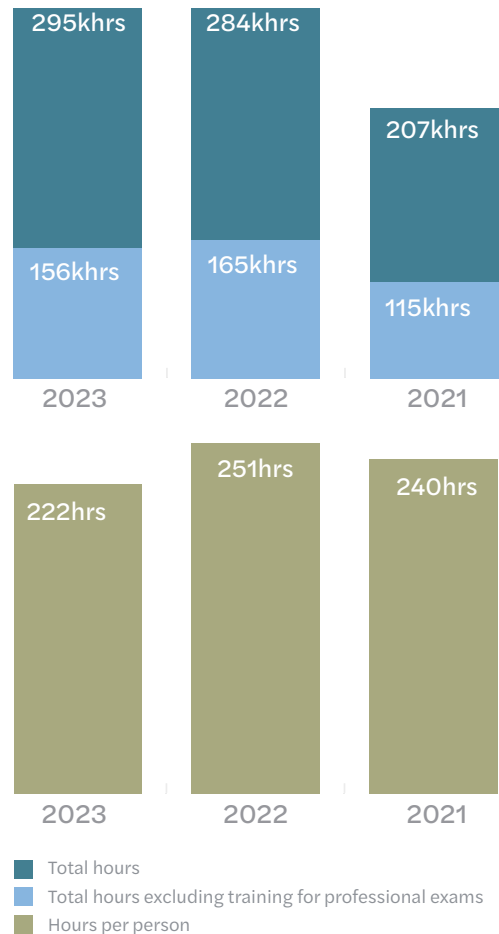


Inspiring stakeholder confidence in audit quality

1.4 Audit quality indicators

Audit quality indicator 3 – Metrics on investment

Investment in training



This year we have continued with a hybrid learning model with in- person training events and remote delivery. We have continued to refine the in-person training events by using case studies and practical application of technical developments, such as revised auditing standards and financial reporting updates. We have developed workshops that combine both audit and financial reporting aspects and continued to adapt these for certain key sectors to ensure that training is appropriately tailored for sector-specialists.

We have continued to deliver effective remote learning through a variety of different mediums, including eLearning, live and recorded webinars to improve learner engagement. Such learning improves accessibility as learners can select the most suitable sessions to meet their requirements and complete training at a suitable time. In addition, recorded sessions allow attendees to refresh their knowledge at the point of need. We store all recorded learning in U-Learn, our Learning Management System, for point-of-need access in the future.

We use mandatory technical assessments to ensure our teams fully understand changes in methodology, audit and accounting standards, as well as to embed learning into the process.

NOTE: This data is extracted from our timesheet system to which we have applied more stringent criteria to provide data for the current year and 2022 which we believe better reflects the time spent on training by our staff. As before, the data includes both formal training and time charged as “on the job coaching”. Effective from September 2023, a revised policy has been implemented to enhance the criteria for time charged to training codes. This policy adjustment aims to prioritise formal training programs exclusively.

Audit quality indicator 4 – Metrics on partner and staff tenure

The overall headcount in Audit continues to grow across the service line, increasing by 19% over the last 12 months. There has been a particular focus on investment in headcount in the audit support teams, which includes the audit quality support team and IT specialist team, which have grown by over 40% in the last 12 months.

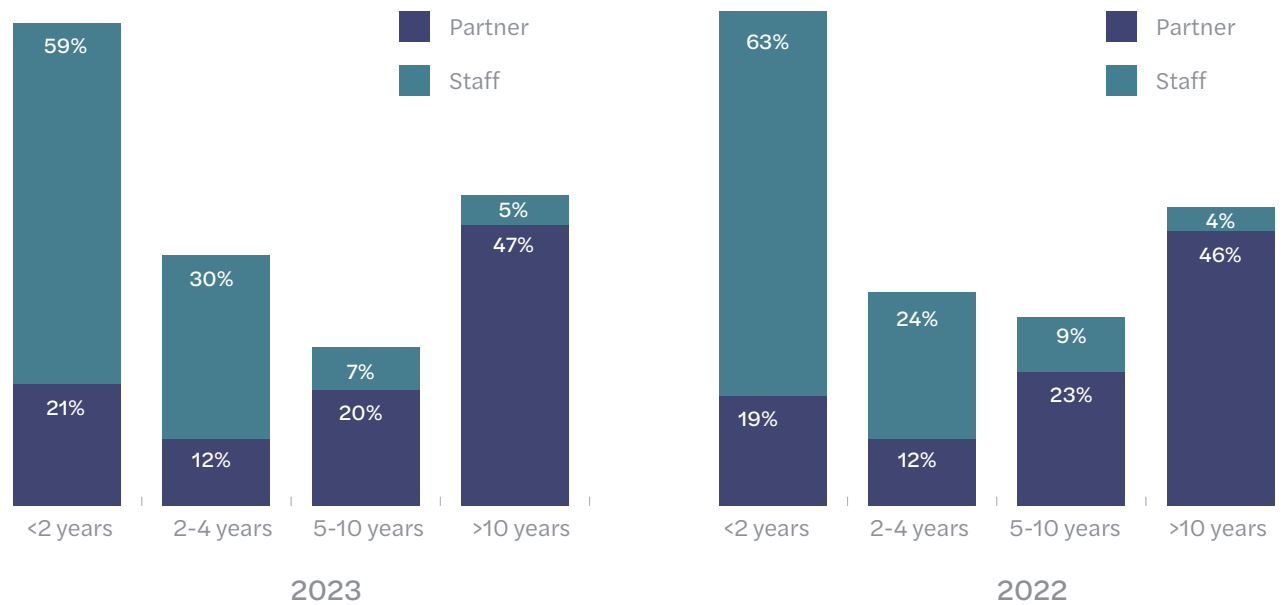
Attrition remains stable across Audit, in line with firmwide and market expectations. Some business units have seen reduced attrition in grades that are usually towards the higher end of expected levels, for example newly qualified level, but there has been no significant change or impact on attrition rates overall.

The tenure rate at partner level remains consistent with previous years, with 67% of our partner group having been with the firm for five or more years. The increase at partner level for less than two years tenure is a result of investment in lateral partner hires over the past 12 months.

The tenure rates at staff level continue the trend towards a reduction in team members having less than two years’ service at 59% this year compared to 63% in 2022 and 74% in 2021, which is positive. Our actions outlined in our audit strategy to proactively manage and improve retention of team members continue to show positive results, with some specific examples set out below:

Inspiring stakeholder confidence in audit quality

1.4 Audit quality indicators



- A dedicated programme focussed on upskilling and supporting people managers across the service line to enable people managers to engage with and develop their team members
- The development and launch of a revised Competency Framework (firmwide core, audit service line specific, and partner competencies). These competencies provide transparency and clarity on the requirements of roles and allow us to focus on what is needed to deliver high quality audits. We are embedding these competencies throughout our approach to performance, development, recruitment, reward and recognition

- The development and launch of a new Engagement Feedback mechanism, where team members are required to request feedback on any assignment lasting 70 hours or more. This is providing more regular and timely feedback for all team members, helping them understand their performance and focus on development areas highlighted by the feedback
- The launch of a strategic workforce planning tool in Audit, to better understand and analyse current and future workforce needs across the service line. The tool allows for longer term planning to enable quality delivery of future business, and more timely

recruitment decisions to ensure we have the right number of people with the right skills at the right time

- An improved on-boarding process, which includes relocation support for individuals joining from overseas, buddy allocation for all team members and improved national and audit induction (with the first two weeks dedicated to induction)

Our ratio of staff to each RI/KAP has grown in the year from 12 to 14. This is a consequence of the continued evolution of our client base towards a greater number of larger/PIE businesses. We remain satisfied that the balance and gearing of our team remain appropriate and we will utilise the output from the strategic workforce planning tool to drive informed and timely decisions on future resourcing requirements.

Number of staff to each RI/KAP



Audit quality indicator 5 – Metrics on investor liaison

This is discussed in Section 1.5: Investor and audit committee dialogue.

Inspiring stakeholder confidence in audit quality

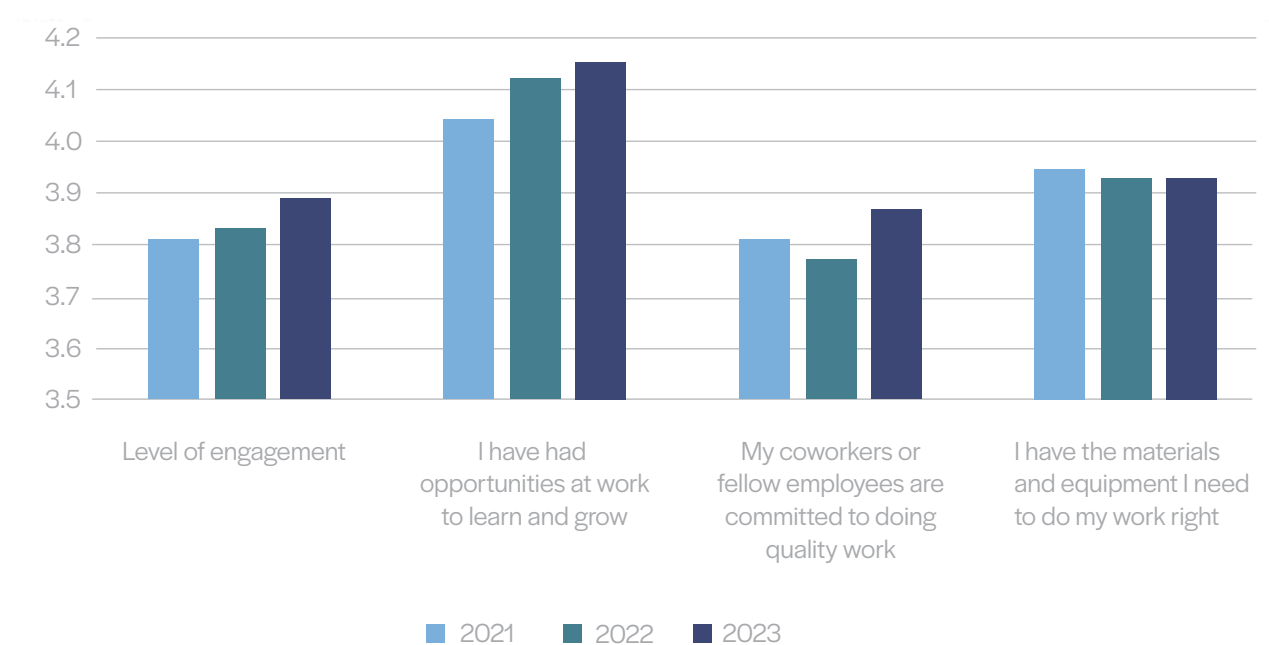
1.4 Audit quality indicators

Audit quality indicator 6 – Metrics from partner and staff surveys (Audit and assurance service line)

Over the last seven years, we have partnered with Gallup to conduct our annual ‘you matter’ survey to measure engagement levels of all team members and partners in the firm. The results from our first survey in 2017 showed that we sat in the 13th percentile, and we have since improved now sitting in the 34th percentile in our most recent survey. We have increased the percentage of engaged employees within the Audit team raising from 30% in 2022 to 33% for 2023.

We have seen an increase in our overall level of engagement, as well as improvement in two questions from 2022, ‘opportunities to learn and grow’ and ‘committed to doing quality work’. We have remained consistent in all other scores. We have introduced new opportunities for feedback to support the ongoing development for team members such as Engagement Feedback (for all Assistant Managers and below on any assignment lasting 70 hours or more) and 360 feedback (for managers to partners). Introducing these new feedback mechanisms has helped individual’s identify areas of improvement and learning, positively impacting quality and driving high performance as demonstrated by the scores. Continued implementation and use of feedback, along with the recently launched competency frameworks should see scores continue to improve in future surveys.

You Matter Engagement



We introduced specific questions to team members in Audit to ensure priority is given to resource, development and support where needed most. The feedback from these additional questions told us that team members are ‘encouraged and supported by audit engagement partners to deliver high quality

audits’. The audit service line continues to invest in resources, systems and technology to ensure engagements have the right levels of resource with the right skills and are able to work in the most efficient and effective ways.

Inspiring stakeholder confidence in audit quality

1.5 Investor and audit committee dialogue

Mazars is strongly committed to engaging with audit committees and investors and during the year participated in a number of initiatives to achieve this goal.

It held its annual meeting with audit committee Chairs of listed companies and other PIEs which it audits virtually in November 2022. It discussed developments at Mazars nationally and globally including an update on the audit practice in the UK and covered developments related to audit quality. INEs from the firm participated in the meeting.

The next meeting with audit committee Chairs is planned for the first quarter of 2024 and is expected to be an in person meeting with a guest speaker in addition to participants from the firm.

The firm also met with the Audit Committee Chairs Independent Forum (ACCIF) during the business year to discuss developments in the firm and at ACCIF and matters related to audit quality and related aspects of audit and governance reform.

In March 2023, the firm partnered with Board Agenda and Diligent in holding an event for PLC directors and others on 'Prevailing Against Uncertainty: The Board's Role in Building Resilience' at which Chris Fuggle, the firm's Global Head of Sustainability spoke.

There was further engagement during the business year by the firm's Centre for Audit Committee and Investor Dialogue (CACID) and there was some additional interaction with institutional investors.



Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

We work for the general interest and are convinced trustworthiness is the key to restoring public confidence in audit. Therefore the policies we have devised and implemented aim at ensuring all our staff and partners do comply with the strictest objectivity and independence requirements, wherever they operate. We are fully aware of what is at stake and are willing to go all the way to make sure we do abide by the most stringent rules.

Our Code of Conduct for objectivity and independence

Mazars Group has prepared a Code of Conduct for Objectivity and Independence (CCOI) which complies with the International Ethics Standards Board for Accountants (IESBA) code and introduces additional specific requirements for Mazars firms and staff.

This forms an integral part of all member entities' professional training programmes and is distributed to all partners and staff.

We also strongly promote ethical culture and values. A process has been defined to help people who face ethical dilemmas, and the consequences of breaching ethical rules and principles have been made clear to partners and staff in all member entities.

Our Code of Conduct clearly states who we are, what we expect from our people and how we deal with our clients, stakeholders and communities at large. In an intricate and fast-evolving environment, we use it as a moral compass for our daily activities, drawing the

line between what is recommended or acceptable and what would put our reputation and other people's trust at risk. We handle all breaches seriously and take appropriate action to uphold this code wherever necessary.

Responsibility for maintaining objectivity and independence

The Group Independence and Acceptance Committee (GIAC) is responsible for oversight of independence and acceptance for Mazars worldwide. It provides guidance for acceptance personnel in each country, approves first-time appointments for PIE audit clients, and manages the annual independence reporting process, reporting the results to the Group Executive Board. It adjudicates on any independence or acceptance issues brought to its attention, including any proposed departures from the CCOI by country, and ensures that all changes in international ethical standards are communicated to all countries in the organisation.



Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

Upholding ethical standards

As a multidisciplinary professional services firm, we are duty bound to act in the public interest and uphold relevant ethical standards. These include the applicable laws and regulations wherever we operate, the requirements of our regulators and the standards we set ourselves.

Safeguard	How this safeguards our objectivity and independence
Maintaining our independence	<p>We are trusted advisors. Maintaining our independence is vital for us to retain the trust of our stakeholders and to ensure that we can give unbiased and objective advice. We continuously strive to achieve the highest levels of objectivity and independence in all our assignments and have devised and implemented policies and procedures which aim to ensure all partners and staff comply with the relevant standards, wherever they operate.</p> <p>One key internal document supporting colleagues to uphold these standards is the Code of Conduct for Independence and Objectivity (CCOI). The CCOI complies with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (the IESBA Code) and introduces additional specific requirements for Mazars firms and staff. It was updated during the year to reflect the latest changes to the IESBA Code.</p>
Managing threats to our independence	<p>Our independence and acceptance work is overseen at the group level by the Group Independence and Acceptance Committee (GIAC).</p>
Identifying conflicts of interest	<p>Conflicts of interest, whether personal or professional, create threats to our independence and could undermine our judgements. The CCOI outlines the approach to be taken when potential conflicts of interest and threats to our independence are identified, including where appropriate safeguards must be implemented.</p>
Fees and other types of remuneration	<p>Through the negotiation of fees with clients, self-interest and intimidation threats may be created. The CCOI provides guidance to all staff on the relevant factors to consider in evaluating the threats to independence and ensuring appropriate safeguards are in place, including ensuring appropriate reviewers, disclosures to clients where applicable and thresholds for quality reviews in the case of high levels of fee dependency.</p>
Inducements, gifts and hospitality	<p>Gifts and hospitality can be an effective way of building professional relationships; however, care must be taken not to provide or receive inducements that are inappropriate or may improperly influence behaviour.</p> <p>Mazars firms set local limits for the giving and receiving of inducements, including gifts, hospitality and entertainment, which consider relevant laws and regulations. As a global rule, firms or audit team members must not accept any gifts or hospitality from an audit or assurance client unless the value is considered to be trivial and inconsequential.</p>

Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

Safeguard	How this safeguards our objectivity and independence
Financial interests	The CCOI provides clear guidance on who can and cannot hold what financial interests in clients. This includes both direct and indirect financial interests. When potential financial interests in clients arise, each occurrence must be analysed on a case-by-case basis by the local partner responsible for ethics, and appropriate safeguards put in place.
Business relationships	Business relationships with clients can have a material impact on our objectivity and can therefore also create threats to our independence. Our rules for member firms and members of assurance teams (and their immediate family members) are set out in the CCOI with regard to joint ventures, arrangements to combine services or products, distribution and marketing arrangements, and ownership interests. To manage and mitigate these potential threats, country executives must define the relevant local safeguards that need to be put in place.
Family and personal relationships	Family and personal relationships with clients can also create potential or perceived threats to our independence. Again, the CCOI sets out the rules that must be applied globally to ensure that individuals are not found to be in situations where personal interests may conflict with the interests of Mazars and the requirement to act in the public interest due to their personal or family relationships. Such relationships should be reported in our annual independence declaration (explained further below).
Employment and association with an audit/assurance client	<p>To preserve our independence, partners and professional staff must not serve as members of the audit or assurance team if they served as officers or directors of audit or assurance clients during the period covered by the audit report. Similarly, partners and professional staff are not permitted to serve as directors or officers of audit or assurance clients of Mazars.</p> <p>Compliance with these requirements is managed locally through policies and procedures which require audit team members to notify the firm if they enter into employment negotiations with an audit client.</p>
Temporary personnel assignments	The loan of Mazars personnel to audit clients can also create threats of self-review, advocacy or familiarity. We therefore have a number of prohibitions in place to prevent these practices. Such assignments are only permitted in rare circumstances and in these cases, safeguards must be in place to mitigate the identified threats.
Long association of personnel (including partner rotation) with an audit/assurance client	Using the same personnel on engagements over prolonged periods can create familiarity and self-interest threats to our independence. We have clear rules in place at the global level to ensure that prolonged ‘time on’ periods are followed by sufficient ‘cooling off’ periods, in line with our global requirements and best practices. Many countries have stricter rules in place locally, which must be applied where applicable.

Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

Safeguard	How this safeguards our objectivity and independence
Provision of non-assurance services to audit/assurance clients	<p>Provision of non-assurance services to audit or assurance clients can also create threats to our independence. Accordingly, such services are prohibited particularly for public interest entities (PIEs). Where non-assurance services are permitted, we have clear guidance in place to facilitate informed decision-making, which covers a number of different factors which may be relevant. In the case of the provision of multiple non-assurance services, assessments must be conducted at both an individual and combined level.</p>
Ensuring confidentiality	<p>Our clients and stakeholders trust us with large amounts of information, much of which is confidential. We have ethical, legal and professional obligations to ensure that data is treated carefully and confidentially, and only used for its intended purposes. The Group Chief Information Security Officer (CISO) is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters.</p>
Associating with third parties and clients who share our values	<p>We are committed to ensuring that we only associate with third parties and clients who share our values. Our decisions as to whether to initiate or continue with pre-existing client relationships are based on making an informed judgement on the integrity and ethical values of the third party. This includes ensuring that financial and operational priorities do not lead to inappropriate judgements.</p> <p>We have implemented global know your client (KYC) and client due diligence (CDD) tools and processes, which cover a variety of topics, including anti-money laundering (AML), fraud, corruption, economic and trade sanctions, and tax offences, as well as independence checks and identification of beneficial owners. Where politically exposed persons are identified through our CDD processes, additional safeguards are in place to ensure the appropriateness of the relationship and any engagements, including conducting enhanced due diligence (EDD).</p> <p>The decision to continue client relationships is reviewed at regular intervals. As a general rule, this must be reviewed annually but is also required whenever major triggering events occur (such as restructuring, mergers or acquisitions, or other events that substantially change the risk profile of the client).</p>
Conflict checks	<p>Before accepting any professional engagements, we ensure that potential conflicts of interest are identified, and engagement teams are asked to apply a ‘reasonable person’ test to consider whether a reasonable and informed observer with knowledge of all the facts could perceive that our objectivity in the matter may be impaired.</p> <p>Our global independence check tool, WeCheck, is available to assist with conflict checks on both potential and existing clients and protect the independence of Mazars.</p>

Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

Safeguard	How this safeguards our objectivity and independence
Annual independence declarations	<p>All partners and staff complete a declaration of independence questionnaire on an annual basis. The questionnaire is based on the requirements of the CCOI and any additional locally applicable rules and regulations. Results are reported to the GIAC and the GEB to ensure global oversight.</p> <p>All newly hired staff and partners complete an independence declaration as part of their onboarding. Partners and staff working on audit engagements are also required to complete additional personal confirmations of independence for prospective clients and at the commencement of any new engagements.</p>
Integrating new countries into Mazars SC	<p>All new countries entering Mazars SC have rigorous onboarding programmes, which include dedicated training on independence and acceptance to ensure complete integration into our culture, systems and processes.</p>
Breaches of ethical standards	<p>If breaches of ethical standards are identified, clear global processes are in place to ensure that action to satisfactorily address the matter is taken as soon as possible. Documentation must be prepared to summarise the issue and the conclusions reached.</p> <p>On an annual basis, countries are required to produce a summary of any reported breaches and send it to the Group Acceptance team. Results are reported to the GIAC and the GEB to ensure global oversight.</p>



Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

The procedures outlined above are applied, where relevant, to our local audit work. Our systems are designed so as to ensure compliance with the National Audit Office Code of Audit Practice (and associated Auditor Guidance Notes), and Public Sector Audit Appointments (PSAAs) Terms of Appointment, each of which place additional requirements for objectivity and independence on local auditors.

In Appendix 7 we provide a statement on the effectiveness of the systems to safeguard our objectivity and independence.

Rotation to strengthen both independence and quality

Within Mazars, rotation is applied to PIE audit engagements on which key audit partners rotate, in compliance with country-specific laws and regulations (being driven by the Ethical Standard 2019 in the UK), including for EU countries, the European Directive on Statutory Audit or the IESBA Code of Ethics. This rotation reduces the risk of “closeness” to the audited company which may impair independence.

It enables the auditor to have greater independence of mind in dealing with client issues and in expressing an opinion on financial statements. The allocation of partner responsibilities on recurring audit engagements and major special engagements is carefully considered to ensure that partners can effectively conduct and supervise engagements under their responsibility. This allocation is reviewed annually as well as when there are any changes in the

partner’s situation or when any difficulties have been encountered.

In the rare case of a disagreement with the Audit Quality Support (AQS) team’s position, the Head of Audit Quality would convene a risk review panel to arbitrate. The RI in charge remains the final decision maker within the context of the organisation’s quality assurance and procedures. This point is of paramount importance in preserving each RI’s personal commitment and sense of responsibility as well as in responding effectively to each client’s specificities.

Partner compensation policy

Profits are divided amongst partners according to the number of “base points” they are allocated. Two criteria are used to calculate the value of the base points: the overall performance of the Mazars Group and the performance of the national entity to which the partner contributes.

Several countries, including the United Kingdom, have opted to add a bonus system founded on individual performance. Partners receive a portion of a global envelope based on their country’s performance. Under the supervision of the Group Governance Council (GGC) and based on the recommendation received from the country Executive and overseen by the Remuneration Committee, base points are allocated to partners according to the overall performance of the country and the individual performance of each partner. This performance is assessed against various criteria, including:

- Quality, professionalism, technical contributions and adherence to business-practice norms
- Partnership spirit
- Importance and complexity of assignments
- Contribution to the general development of local entities and the Group
- Level of managerial responsibility

Partner remuneration

The firm’s partner assessment framework assists in providing clarity to each partner as to what is expected of them and also the UK Executive as a body in approaching quality issues in a consistent manner.

In determining the variable bonus element of partners’ remuneration in the UK we make adjustments for quality, compliance and risk management matters, such as complaints, claims, or failure to comply with the firm’s policies and procedures. One of the ways we demonstrate our commitment to quality is by ensuring all partners have performance objectives set for quality. In this way, we can reward partners who meet our expectations of high quality, by using evidence from internal and external quality monitoring reviews.

Partners who are not shareholders in Mazars SC are allocated a fixed profit share and may be allocated a further profit share based on particular performance criteria. The compensation of the UK CEO is entirely determined by the GGC in accordance with Mazars Group bylaws.

Inspiring stakeholder confidence in audit quality

1.6 Ensuring our objectivity and independence

The firm's partner assessment framework assists in providing clarity to each partner as to what is expected of them and also the UK Executive as a body in approaching quality issues in a consistent manner.

Independence and objectivity

Mazars has an internal audit function, which as part of its Annual Plan provides for internal audit reviews around our ethical policies.

All new joiners and existing staff, whatever their level, are required to complete an annual mandatory Ethics training course to reinforce their role in complying with our ethical policies. All staff have access to specialist helpdesks, which provide advice around various issues including those relating to possible threats to independence or objectivity.

Whistleblowing procedures

Our values set a platform for what we believe will build long-term sustainable success for the organisation. We want to work in a way that promotes our values and ensures we provide the best possible service for our clients, and best possible environment for our team. Mazars is committed to dealing responsibly, openly and professionally with:

- Concerns, raised internally, that partners or team members may have about possible malpractice within Mazars firms
- Concerns raised by persons external to Mazars (clients and other stakeholders) on the services provided by Mazars

These group-wide whistleblowing procedures for our staff, our clients and our stakeholders reflect our zero-tolerance policy for unethical behaviours and have been deployed since 2014.

In the UK we employ a third party to provide an independent external reporting line, giving assurance that concerns raised are fully addressed. Whistleblowing is reported to the AExeco, Public Interest Committee (PIC) and UK Executive.

For the rest of the Group, both external and employee complaint forms are available on our Mazars websites (on the Group website: <https://www.mazars.com/Whistleblowing-and-complaint-forms>).

All claims are directly processed through the Group's Chief Compliance Officer (GCO) except when required otherwise by local regulation.

Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings and may also adversely impact our reputation.

The Group's Chief Information Security Officer (CISO) is responsible for providing oversight, policy and strategic direction on information risk and cyber security matters, supported in the UK by a Director of Information Governance and Data Protection. The Group CISO directly reports to the Group GCO and to the Group Executive Board (GEB).

In the UK, staff and partners have undertaken specific training on information security to enhance their understanding and help ensure that our policies are embedded within how our teams approach their work.

Chapter 2
Our risks



Our risks

2.1 Our approach to risk management

Risk management processes are fundamental to the success of Mazars. Given the nature of risk, we seek to protect the interests of stakeholders and develop opportunities through appropriate risk management practices and controls.

Mazars is committed to promoting a positive risk culture throughout the firm and ensuring that risk management practices are established across the business to drive consistent, effective, and accountable decision-making. Having both a positive risk culture and a consistent approach to risk management plays a significant role in the enhancement of the client experience and delivery of good client outcomes, meeting our stakeholder expectations, which are central to the firm's values.

Effective risk management is a means for achieving a competitive advantage and is pivotal to the ongoing and long-term growth and success of the firm.

The revised Risk Management Framework (RMF) shown here is aligned with the firm's strategy and ensures that key risk processes and procedures are defined and accessible. The RMF sets the objectives and accountabilities for the management of risks in the internal and external environment of the firm.



Our risks

2.1 Our approach to risk management

Risk Management process

All team members who identify an issue which they believe may pose a risk to Mazars report the matter to their Line Manager, Service Line Leader, or the Enterprise Risk Management team as appropriate.

The following factors should be considered as part of the risk identification process:

- Causes and events
- Threats and opportunities
- Vulnerabilities and capabilities
- Changes in the internal and external context
- Indicators of emerging risks
- Limitations of knowledge and reliability of information

All new risks identified shall be reported to the relevant governance forum for approval and subsequently added to the corresponding risk register subject to this approval.

Risks added to the relevant risk register are scored based on their likelihood and impact for both the inherent and residual severity for the firm. These are recorded within the firm's Governance, Risk and Compliance tool and monitored against their agreed appetite. Where risks are outside of appetite, target scores and suitable risk treatment plans are agreed.

Risk management is an iterative process of continuous monitoring and oversight which includes practices such as horizon scanning, governance reporting, and risk reviews with key risk owners.

Responsibilities for risk management are spread across the business as per the 'Three Lines of Defence' model, which Mazars adopts.

Three Lines of Defence

There continues to be active development around aligning with the principles of the Three Lines of Defence model (3LOD) within Mazars, with the following key responsibilities:

First Line of Defence (1LOD)

- Identify, assess, own, and manage risks
- Design, implement and maintain effective systems, internal control measures, and monitor adherence
- Responsibility for implementing corrective actions to address deficiencies and monitor adherence

Second Line of Defence (2LOD)

- Contribute to the firm's risk management strategies, including providing education and training on risk management
- Set the boundaries for delivery through the definition of standards, policies, procedures, and guidance
- Providing expertise, support, monitoring and challenge on risk related matters
- Identify and alert senior management and, where appropriate, governing bodies, to emerging issues and changing risk scenarios

Third Line of Defence (3LOD)

- Provide objective evaluation of the adequacy and effectiveness of the framework of governance, risk management and control
- Provide proactive evaluation of controls proposed by management
- Advise on potential control strategies and the design of controls

ERM training

The ERM team has been involved in developing risk training which was shared with the whole firm in the FY23 financial year. This training aims to enhance our risk culture and our people's awareness and technical knowledge of risk. Further, bespoke risk training is provided to senior management as required.

We provide all team members with information on enterprise-wide risk management and their individual responsibilities via a mandatory training programme. This training is held annually for all individuals, and for any new starts, it is provided as part of their induction programme.

Risk owners and administrators have been given specific ongoing training to assist them in fulfilling their roles effectively.

Our risks

2.1 Our approach to risk management

Categorisation of risk

Our risks are managed under eight categories (Risk Pillars)

Quality – Matters that impact the quality of our work, or the experience or expectation of our clients.

People – People sit at the core of our business. Any matters likely to directly impact individuals or our business as a result of their activities are categorised as people risks.

Reputation – Where potential issues could significantly and adversely affect our reputation over and above the impact associated within our other risk categories.

Regulatory – Where changes in legal and/or regulatory requirements may affect our services, reputation, or financial position.

Financial – Matters which have the potential to affect the financial performance or resilience of the firm.

Operational – Where operations are not suitably resilient to maintain effective business outcomes.

Technology – A business enabler, technology underpins a wide range of our activities, exposing us to a number of threats.

Strategy – Firm failure could result from an inappropriately developed or implemented strategy.



These Risk Pillars are the areas which the firm is materially exposed to risk and are defined to provide clarity and consistency in the identification, measurement, and assessment of risk.

Given the firm’s operating structure, and Service Lines, Mazars have adopted a parent-child risk model. Key ‘Level 1’ risks (children) have been identified under the eight Risk Pillars (parents). This allows an overview of how each group of risks is controlled and ensures that they are managed within risk appetite to support the business strategy. The model allows identification of material risks, both at a firmwide and Service Line level.

Each Level 1 risk has been allocated to a particular Risk Pillar and subsequently each risk is assigned a Risk Appetite definition.



Our risks

2.1 Our approach to risk management

Key risks and uncertainties

We have recorded the following key risks and uncertainties within our business:

Principal risks	Description	Key mitigating controls
People		
Governance and leadership	Failure to adopt an appropriate culture and leadership, resulting in poor quality work, reducing reputation, and potentially causing loss of staff.	<ul style="list-style-type: none"> Updated Members' Agreement and constitutional documents Formal terms of references across key governance bodies Mazars adopts appropriate governance and leadership through the formal governance structures
People development	Failure to develop sufficiently the skills of our teams to achieve the firm's strategy.	<ul style="list-style-type: none"> There is mandatory CPD requirements as part of professional accreditations Formalised technical and non-technical training programmes to enhance career pathways, including Service Line specific The Employee Value Proposition supports employee experience
Recruitment and attraction (Team & Culture)	Failure to recruit sufficiently skilled resources to achieve the firm's strategy whilst maintaining our values-based culture.	<ul style="list-style-type: none"> Executives ensure there is Inclusion and Diversity Governance Executive resource planning Formalised recruitment procedures
Retention (Team & Culture)	Failure to retain and develop sufficiently skilled resource to achieve the firm's strategy whilst maintaining our values-based culture.	<ul style="list-style-type: none"> Technical training for staff Implementation of Competency Framework Executives ensure there is Inclusion and Diversity Governance

Our risks

2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
Quality		
Quality failure	Failure to deliver quality service to our clients.	<ul style="list-style-type: none"> Quality Assurance Frameworks and technical resource implemented for service lines Technical training for staff Licensing of principal activities Internal Quality Control Reviews External Reviews Root Cause Analysis (RCA)
Client expectation and experience	Failure to monitor and manage client expectations leading to poor client experience and loss of existing, or failure to attract new, clients.	<ul style="list-style-type: none"> Formalised complaints process with a direct link to the Head of Quality Client feedback and Client Centricity programmes and surveys
Strategy		
Business strategy	The firm fails to adapt its business strategy to both external and internal factors, resulting in loss of market share, insufficient growth, or inability to capitalise on new opportunities.	<ul style="list-style-type: none"> Executive ownership of strategy, four-year plan and targeted priorities and actions Monitoring of market and regulatory changes to support identification of changes required to strategy Development of global initiatives to standardise our delivery model internationally

Our risks

2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
Technological		
Information governance	Information and data are not effectively governed in line with appropriate regulations and specific client requests, resulting in data loss, reputational damage, and non-compliance with appropriate regulations, e.g. GDPR.	<ul style="list-style-type: none"> Adherence to national and international regulations and legislation including information security accreditation ISO 27001 Information governance policies with ongoing testing and training to support adherence Monitoring and reporting of risk events to the Executive
Cyber security	Failure to detect, prevent, or stop a malicious cyber-attack, resulting in service unavailability, data loss and reputational damage.	<ul style="list-style-type: none"> IT technical solutions including monitoring of networks, usage of systems, and a formalised reporting process IT security policies with ongoing testing. Mandatory cyber training alongside test campaigns Reporting and MI produced to relevant fora Cyber Insurance
IT infrastructure and development	IT infrastructure does not meet our client requirements or offer sufficient resiliency for the level of traffic utilising it; including the development of suitable and innovative technologies to maintain quality, efficiency, or keep up with market capabilities.	<ul style="list-style-type: none"> Governance in place to align IT to business plans Monitoring of IT systems and providers to identify and resolve issues, as well as further improvement areas IT disaster recovery plans implemented Testing of IT infrastructure against industry standards
Operational		
Business continuity and operational resilience	Failure to recover efficiently in the event of a disaster, or operations are not suitably resilient to maintain effective business outcomes.	<ul style="list-style-type: none"> Implementation of the business continuity and crisis management plans, including mass notification system Ongoing assessment of enterprise-wide risks and mitigating controls Annual testing of disaster recovery and continuity plans Resiliency inbuilt into operations, including through remote working capabilities Business Continuity playbooks in place

Our risks

2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
Operational		
Project change	Mazars are unable to deliver effective and efficient project change, this may lead to a failure to adapt to market and business requirements, as well as clients' needs. This may result in opportunity loss and Mazars' inability to sufficiently grow.	<ul style="list-style-type: none"> A documented project methodology is in place and there is a software solution for project monitoring Reporting through the COO report Establishment of Change Management Office (CMO) Project and transformational change reported to relevant Operations Committee
Support structures	Failure to invest in a robust infrastructure to support the wider firm in meeting its overall strategy.	<ul style="list-style-type: none"> On-going review of and continuing investments in systems and resources Governance structure includes fora to provide further strategic focus in key areas Chief Operating Officer and UK Head of Quality are members of the UK Executive Remuneration Committee and Nomination Committee are in place
Financial		
Solvency and liquidity (financial distress)	The firm is unable to maintain an appropriate level of solvency and liquidity (working capital) to continue to operate effectively in line with appetite.	<ul style="list-style-type: none"> Regular reviews of financial performance against targets at Executive level Management information to guide business decisions, with lead and lag KPIs Service Line engagement with markets to maintain knowledge of current trends affecting services Annual scenario planning exercise as part of the budget and reforecasting activities
Core income and expenditure	Mazars fails to deliver on budget for its core income, and expenditure to maintain a steady flow of revenue for business operations.	<ul style="list-style-type: none"> Executive have the budget reassessed regularly through the financial year Executive reviews of progress against budget Assessment and review of predictions on monthly outcomes
New income and expenditure	Failure to achieve Mazars' long-term strategic ambition to continue to grow and diversify income streams.	<ul style="list-style-type: none"> Financial reporting provided to appropriate fora Executives and Service Line leaders are accountable for managing income and expenditure

Our risks

2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
Financial		
Macroeconomic environment	Failure to adapt to the changes in the macroeconomic environment and regulatory developments on the economy and firm.	<ul style="list-style-type: none"> Established means of ongoing forecasting, performance review and associated mitigation planning Business continuity plans at service lines and firm level On-going assessment of emerging risks via Horizon Scanning
Profitability	The pursuit of ambitious strategic goals can require significant change and demanding financial targets. Failure to monitor effectively risks the profitability of the firm, and retention of the partner team and key staff.	<ul style="list-style-type: none"> Executives reassess budgets on a regular basis Public statements and annual reports document profitability
Regulatory		
Regulatory environment	Failure to adapt to the impact of changing legislative and regulatory environment across the whole firm, including the sustainability of the UK audit practice.	<ul style="list-style-type: none"> Monitoring of changing regulatory requirements Enhanced governance in respect of client approval, including Executive Board oversight and Group Independence and Acceptance Committee (GIAC) Non-Executives provide relevant challenge and objectivity Established Executive Risk & Quality Committee
Independence and ethics	Failure to ensure we comply with ethical and independence rules.	<ul style="list-style-type: none"> Client and engagement acceptance processes, including conflict checking procedures GIAC approvals for specific assignments Firm-wide independence training and mandatory annual independence certification for relevant staff Monitoring of partner financial interests Ethics Partner and team providing guidance and support throughout the firm

Our risks

2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
Reputational		
Culture and values	The firm fails to promote, or maintain, a positive culture and consistent values, including with the clients we choose to engage with, resulting in loss of staff, clients, or confidence in our ability to achieve our objectives.	<ul style="list-style-type: none"> Code of Conduct policy Mazars conduct appropriate checks on employees Availability of governance committees across the firm to monitor culture & behaviour, and approach to quality and risk Wellbeing and colleague welfare is supported. Speak up campaign is promoted Formalised training programmes, awareness, and executive communication Firm-wide webinars/townhall meetings
Client acceptance and continuance	Pressure on resources, availability of appropriate IT solutions, training and education standards may adversely impact quality, exposing Mazars to risk of claims, reputational damage, and liability of non-compliance with legal and regulatory obligations.	<ul style="list-style-type: none"> UK client acceptance and continuance procedures including Acceptance Committee and ethical considerations Systems and processes to ensure appropriate due diligence, Anti-Money laundering (AML), and Know Your Client (KYC) procedures GIAC and Group Executive Board involvement where appropriate
External reputation	The firm is unable to promote, or maintain, a positive brand image as a result of external or internal factors (global activities, market facing decisions, etc), resulting in loss of business, stagnant growth, or financial impact.	<ul style="list-style-type: none"> Development of global initiatives to standardise our delivery model internationally Executive responsibility for culture and enhancing a firmwide approach to quality and risk Crisis communications playbook Quality Assurance Frameworks are in place

Our risks

2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
Reputational		
Claims and non-compliance with obligations	Pressure on resources, availability of appropriate IT solutions, training and education standards may adversely impact quality, exposing Mazars to the risk of claims, reputational damage, and liability of non-compliance with legal and regulatory obligations.	<ul style="list-style-type: none"> ▪ Appropriate governance and oversight ▪ Monitoring of claims and potential liabilities including at UK Executive level ▪ Investment plans in respect of team and technology ▪ Improvements in supporting team engagements and wellbeing
Sustainability (ESG)	Mazars fails to adopt sustainability into its business as usual activities and therefore not delivering on our ability to manage our firm for the benefit of future generations.	<ul style="list-style-type: none"> ▪ Monitoring and disclosure of Key Performance Indicators and Key Risk Indicators ▪ Group sponsored sustainability training across the UK firm ▪ Executive sponsored targets on sustainability ▪ Alignment with Global and industry standards
Tax compliance	There is a risk of tax compliance, of indirect taxes and partner taxes having a financial and particularly reputational negative impact on the firm.	<ul style="list-style-type: none"> ▪ There is a Senior Accounting Office (SAO) Regime to ensure tax compliance ▪ All partner tax returns completed by in-house tax team (in-house quality review process) ▪ There is the Partnership Tax Group with oversight and control of tax position meeting on a regular basis



Chapter 3

Our structure, leadership and governance



Our structure, leadership and governance

3.1 Our unique business structure

A global, integrated partnership

Since 1995, Mazars Group has been organised as a global integrated partnership. Today, this partnership is comprised of more than 1,200 partners and 33,000 professionals in more than 100 countries and territories of the world. We share the same values and work ethics and share a common goal of providing the highest level of quality in our work.

All member firms of the integrated partnership are member entities of Mazars SC, a Limited Responsibility Cooperative Company incorporated in Brussels, Belgium, through a cooperation agreement setting out the terms of the relationship.

The role of Mazars SC is to define the strategic objectives of the organisation and coordinate the implementation of these objectives at the country level, and to promote and defend the Mazars brand. Mazars' integrated international partnership was established with the principal objective of seeking to ensure consistent quality in our service to our clients.

The integrated partnership allows us to provide a quality service to our clients through the quality and diversity of our talent, the robustness of our values, our determination to fully embrace the digital revolution, and our commitment to creating shared value across territories, whilst remaining aware of the challenges that both our organisation and our stakeholders face. Discerning, knowledge-intensive, agile, sustainable: these are the attributes of the modern firm that

we strive for in order to better serve our clients. We are not simply a collection of national firms, but an integrated organisation of professionals.

Each country of our unique integrated partnership has one or more separate legal entities that are member entities of the Mazars Group. All shareholders of the Mazars Group are partners or shareholders (collectively 'partners') in the member entities.

As part of being a shareholder of Mazars SC, each partner acknowledges the Charter of Association, which governs the operation and governance of the Mazars Group. In certain countries, there are partners or shareholders of their local member entity who are not shareholders of the Mazars Group. As a shareholder of Mazars SC, each partner acknowledges the internal rules (Charter of Association) and other institutional documents and policies that govern our organisation. This allows them to vote at the General Assembly of Partners, which drives key decision-making processes in Mazars' leadership and governance bodies. Mazars' governance structure is thus based on a democratic and transparent model, where each partner has a say on strategic decisions about the future of the partnership.

The financial statements of the Mazars Group are consolidated with the results of the member entities and are prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements are jointly audited by two independent

audit firms. New member firms are admitted into the integrated partnership based on criteria of quality of service and team resources, reputation and shared values. All new admissions must be approved by the General Assembly of Partners.

In 2019, Mazars created a North America Alliance enhancing the on-the-ground coverage in North America. At 31 August 2023 this gave international clients access to an additional 17,000 professionals from five leading accounting and consulting firms in the U.S. and Canada. Geographically, these Alliance firms complement Mazars USA and Mazars Canada, enabling Mazars to achieve full national coverage across North America. Including this Alliance, Mazars now has over 50,000 professionals serving clients around the globe: 33,000 professionals across over 100 countries and territories in Mazars' unique integrated partnership, and 17,000 professionals in the U.S. and Canada via Mazars North America Alliance. With this scale and breadth of talent, Mazars offers tailored, consistent and high-quality services to its clients wherever they are in the world.

As explained on page 9, next year will be a transformational year for Mazars with the formation of Forvis Mazars in June 2024.

Our structure, leadership and governance

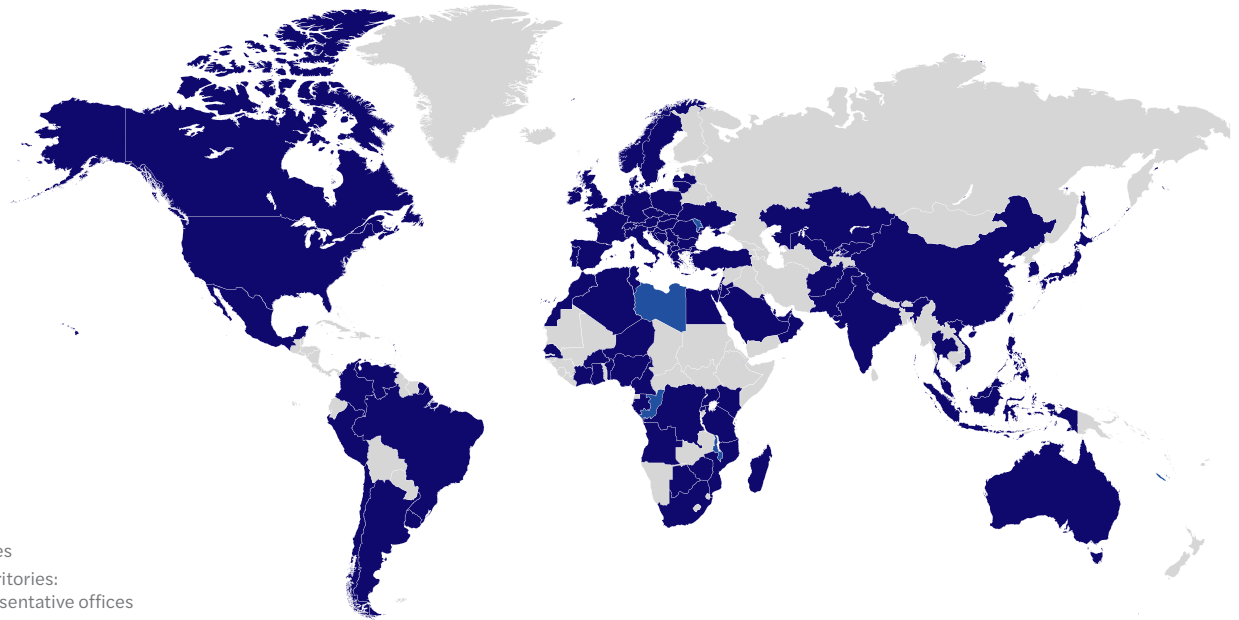
3.1 Our unique business structure

100

countries and territories

300+

offices



Valid as of 31 August 2023

- Integrated countries and territories
- Non-integrated countries and territories:
Mazars correspondents and representative offices

- | | | | | | | |
|--------------------------|--|--------------|--------------|-------------------|----------------|------------------------|
| ■ Afghanistan | ■ Burkina Faso | ■ France | ■ Kenya | ■ Mexico | ■ Poland | ■ Taiwan |
| ■ Albania | ■ Cameroon | ■ Gabon | ■ Korea | ■ Moldova | ■ Portugal | ■ Tanzania |
| ■ Algeria | ■ Canada | ■ Germany | ■ Kosovo | ■ Morocco | ■ Qatar | ■ Thailand |
| ■ Angola | ■ Cayman Islands | ■ Ghana | ■ Kuwait | ■ Mozambique | ■ Romania | ■ Tunisia |
| ■ Argentina | ■ Chile | ■ Greece | ■ Kyrgyzstan | ■ Netherlands | ■ Rwanda | ■ Turkiye |
| ■ Australia | ■ China | ■ Hong Kong | ■ Latvia | ■ New Caledonia | ■ Saudi Arabia | ■ Uganda |
| ■ Austria | ■ Colombia | ■ Hungary | ■ Lebanon | ■ Niger | ■ Senegal | ■ Ukraine |
| ■ Bahrain | ■ Congo | ■ India | ■ Libya | ■ Nigeria | ■ Serbia | ■ United Arab Emirates |
| ■ Belgium | ■ Côte d'Ivoire | ■ Indonesia | ■ Lithuania | ■ North Macedonia | ■ Singapore | ■ United Kingdom |
| ■ Benin | ■ Croatia | ■ Ireland | ■ Luxembourg | ■ Norway | ■ Slovakia | ■ United States |
| ■ Bermuda | ■ Cyprus | ■ Israel | ■ Madagascar | ■ Oman | ■ Slovenia | ■ Uruguay |
| ■ Bosnia and Herzegovina | ■ Czech Republic | ■ Italy | ■ Malawi | ■ Pakistan | ■ South Africa | ■ Uzbekistan |
| ■ Botswana | ■ Democratic Republic of the Congo (DRC) | ■ Japan | ■ Malaysia | ■ Palestine | ■ Spain | ■ Venezuela |
| ■ Brazil | ■ Denmark | ■ Jordan | ■ Malta | ■ Peru | ■ Sweden | ■ Vietnam |
| ■ Bulgaria | ■ Egypt | ■ Kazakhstan | ■ Mauritius | ■ Philippines | ■ Switzerland | ■ Zimbabwe |

Our structure, leadership and governance

3.1 Our unique business structure

Our global business organisation

The GEB was elected in December 2020 on the basis of a four-year strategic plan entitled One24. The business organisation described below is aimed at fully implementing this strategy. In order to deliver the best services to our clients, our international structure focuses on sectors and service lines.

The four primary sectors we have identified are:

- Financial services
- Industry & services
- Privately-owned business
- Public sector

To organisations of all sizes in each of these sectors, we deliver high-quality services via our seven service lines:

- Accounting and outsourcing services (AOS)
- Audit and assurance services (AAS)
- Consulting
- Financial advisory services (FAS)
- Legal
- Tax services (TAX)
- Sustainability

Global Sector leaders, Global Service Line leaders, Regional leaders and Global Functional Support leaders make up the Group Leadership Team of Mazars Group whose objective is to implement the One24 strategic plan. The Global Leadership Team (GLT) is led by the GEB.

This structure ensures coordination of member entities within Mazars. The integrated international structure permeates every aspect of our operations:

- Partners and their member entities are linked by a series of agreements that achieve maximum consistency and standardisation within the Mazars Group
- Sectors and service lines are represented in member entities, enabling coordination of assignments and cross-border relations between countries
- Each assignment requiring an international team is managed and carried out by an integrated team sharing common standards and procedures
- Each global or international assignment is managed and carried out by an integrated team and coordinated by an engagement partner in charge who takes final responsibility for reporting to clients
- Partners and the national member entities in which they work are linked by a series of agreements intended to achieve consistency across the Group. They all report to the elected representatives of the Group

All the entities of the Mazars integrated international partnership are thus committed to enhancing the quality of services provided to large, cross-border groups in a complex and global environment.

Breakdown of global turnover by service line

2%

Legal

12%

Consulting

43%

Audit

17%

AOS

8%

FAS

17.5%

Tax

0.5%

Sustainability

Our structure, leadership and governance

3.1 Our unique business structure

Ownership

Incorporated in England and Wales under the Limited Liability Partnership Act 2000 (registered number CO308299), the firm is owned by its members (who are often referred to as “partners”).

As at 31 August 2023, there were 171 members (2022: 157) and 120 partners who are shareholders in Mazars SC (2022: 108).

The operational structure of Mazars in the UK

At 31 August 2023, our business operated across 15 offices nationwide (2022: 15), with 3,273 professionals (2022: 2,915). Our staff held the roles below:

Partners

171 **157**
in 2022

Directors

199 **174**
in 2022

Senior Managers

338 **303**
in 2022

Managers / Assistant Managers

1,032 **860***
in 2022

Other staff

1,533 **1,421***
in 2022

Total

3,273 **2,915***
in 2022

* Comparative information restated to align with job titles rather than job grades.

Our structure, leadership and governance

3.1 Our unique business structure



For the year ended 31 August 2023, Mazars was structured through service lines and strategic markets, each responsible for managing results, developing growth strategies, and supporting our staff. As at 31 August 2023, there were six client service lines; Audit & Assurance (AAS), Tax, Accounting & Outsourcing (AOS), Financial Planning (FPL), Advisory & Consulting (A&C), and Sustainability. All are supported by a central Business Services Team (BST).

Fuller details of our service lines may be found on our website, but each is responsible for:

- Quality, standards and risk management
- Setting the service line strategy
- Talent management and development
- Technical training
- Business model definition and implementation
- Innovation

Our four strategic markets are Financial services, Industry & services, Privately owned business (including private clients), and Public & social sector.

Each physical location has a local Office Managing Partner (OMP) responsible for local execution of our national growth and client-centricity strategies.

Our structure, leadership and governance

3.1 Our unique business structure

Principal subsidiaries

The principal trading subsidiary undertakings of Mazars LLP and their activities are set out below.

Principal subsidiary undertakings	Country of incorporation	% held directly	% held via subsidiary	Principal activities
Companies				
ARX Investments Limited	UK		100	Holding company
CompetitionRX Ltd	UK		100	Monitoring Trustee Services
Hall Liddy Limited	UK	100		Professional Services
Mazars Corporate Finance Limited	UK		100	Corporate Finance
Mazars Financial Planning Limited	UK		100	Financial Planning
Mazars Holdings (Australia) Limited	UK	100		Holding company
Mazars Holdings (US) Limited	UK	100		Holding company
Mazars Limited	UK	100		Service Company
Mazars MR Limited	UK		100	Professional Services
Mazars Public Sector Internal Audit Limited	UK		100	Internal Audit
Mazars UK Limited	UK		100	Professional Services
Rowanmoor Consultancy Limited	UK		100	Financial Planning
Sarah Butler Associates Limited	UK		100	Immigration Services
Mazars Global Infrastructure Finance (Australia) PTY Ltd	Australia		100	Financial Modelling & Training
Mazars Global Infrastructure (US) LLC	USA		100	Financial Modelling & Training
Mazars Global Infrastructure Canada Inc.	Canada		100	Financial Modelling & Training

Our structure, leadership and governance

3.1 Our unique business structure

Principal subsidiary undertakings	Country of incorporation	% held directly	% held via subsidiary	Principal activities
Companies				
Mazars CYB Services Limited ¹	UK		100	Trustee administration services
Mazars Solutions Limited ¹	UK		100	Non trading
Mazars (Gibraltar) Limited	Gibraltar		100	Non trading
Cartwright House Licencing Limited	UK		100	Non trading
Mazars Company Secretaries Limited	UK		100	Non trading
Mazars GB Limited	UK		100	Dormant
Mazars Trust Corporation Limited	UK		100	Trustee
Mazars Trustee Company Limited	UK		100	Trustee
Mazars Trustee Company (London) Limited	UK		100	Trustee
Neville Russell Nominees	UK	100		Nominee
Wool Quay Nominees Limited	UK		100	Nominee
Independent Women Limited	UK		100	Dormant
Wool Quay Nominees Limited	UK		100	Nominee
Independent Women Limited	UK		100	Dormant

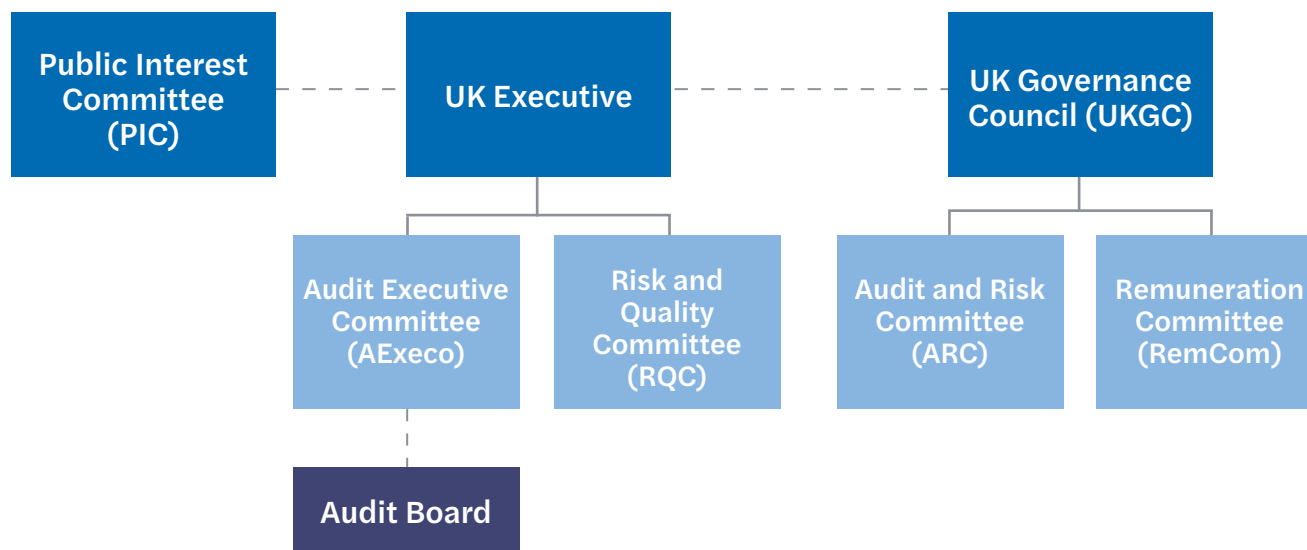
¹Each company incorporated in the United Kingdom is registered in England and Wales, except Mazars CYB Services Limited and Mazars Solutions Limited which are registered in Scotland.

Our structure, leadership and governance

3.2 Leadership and governance

One of our guiding principles is that we work together as a team with the aims of providing our clients with exceptional service and of creating a stronger firm on which future generations can build.

Leadership in the UK



The diagram sets out the leadership and governance structure for the period covered by this transparency report, the year to 31 August 2023. The terms of reference for the UK Executive, UKGC, PIC and Audit Board can be found on the firm’s website.

Mazars is led by the UK CEO, who is elected every four years. The last election was held in January 2021, with the next due in January 2025. Any partner of the UK firm can stand for this position if they have been nominated by at least ten partners.

After the candidates have been submitted for consideration by the UK Nomination Committee, the UK CEO is decided upon by a vote among the partners of the UK firm.

The members of the UK Nomination Committee are determined by the Mazars Members’ Agreement, and they include representatives from the UKGC, the UK Executive, and the GEB.

Once elected, the UK CEO, after appropriate consultation (including with the GEB and UKGC), nominates up to eight other partners and up to two non-partners to become members of the UK Executive.

Our structure, leadership and governance

3.2 Leadership and governance

The UK Executive

The Executive and the UK CEO are responsible for the general day-to-day conduct and management of the firm (and, to the extent relevant, that of each Associated Firm). This responsibility includes establishing an executive management structure under which:

- The members of the Executive are accountable to the partners in the exercise of their functions and powers
- No individual member of the Executive has unfettered decision-making powers
- Effective oversight of both the firm's Audit practice and the wider business is ensured
- Powers and responsibilities are exercised, and values of integrity, professionalism and good governance are upheld, in a way that properly considers the public interest

The Executive must obtain the approval of the UKGC before taking or implementing any decision in respect of matters which, either under the terms of the Members' Agreement and associated handbooks and policies or the partners may from time to time determine, require such approval.

The Executive works closely with its sub-committees to support and ensure the fulfilment of their responsibilities and objectives.

Together with the UKGC (and, to the extent relevant, the PIC and the sub-committees of the Executive and

the UKGC), the Executive is responsible for reviewing the terms of the Members' Agreement and associated handbooks and policies and ensuring that each is up to date and fit for purpose.

Strategy and budget

The Executive is responsible for setting and delivering the firm's strategy (and, to the extent relevant, that of each associated firm). It is required to present its strategy to the partners no later than 100 days after its election, and it provides an annual update after that.

The Executive's strategy and annual updates set out, among other matters, the key assumptions, and investments for the firm (and, to the extent relevant, the associated firms). If there are events or projects which significantly impact the strategy, the Executive reports to the UKGC and the partners as soon as reasonably practicable and as frequently as may be reasonably required.

The Executive prepares and proposes an annual budget to the UKGC (which assesses and approves the process the Executive applied in setting the budget). The Executive communicates the budget to the partners. If there are events or projects which might significantly impact the achievement of the budgeted results, the Executive reports to the UKGC and the partners as soon as reasonably practicable and as frequently as may be reasonably required. In any event, the Executive reports to the partners on financial performance against the annual budget regularly.

The Executive develops and leads UK service line and market strategies, and it sets a management structure within the international framework and is aligned with CARL strategies and functions.

The Executive oversees support services functions, including the setting and monitoring of objectives, approving budgets and expenditures, and ensuring efficiency between local, national and international support functions.

People and Culture

The Executive works to ensure:

- There is a cohesive partnership with a positive partner culture aligned with the Code of Conduct
- The firm (and, to the extent relevant, each Associated Firm) recruits, develops, retains and rewards partners and employees appropriately

The Executive is also responsible for promoting inclusion and diversity wherever appropriate (see section 1.1.).

Terms of appointment

The duration of appointments of Executive Members shall be for four years.

Audit Executive Committee (AExeco)

The AExeco is responsible for the governance and leadership of the Audit and assurance service line.

It reports to and is overseen by the Executive. AExeco is led by the Head of Audit and supported by leaders nominated by the Head of Audit.

Our structure, leadership and governance

3.2 Leadership and governance

The principal objectives of the AExeco are to:

- Deliver the strategic objectives of the UK firm insofar as they relate to audit
- Work to develop and support an audit culture in line with the firm's values which support:
 - the delivery of quality work
 - the development and growth of the firm's people
 - the current and future sustainability, profitability, and growth of the business
- Identify and manage risks that may impact the wider firm, the Audit service line, its people and clients, concerning the activities and environment of audit

The AExeco had four groups each with a leader from within the AExeco nominated by the Head of Audit. These groups, with an overview of their main objectives and responsibilities, are:

- **Operations** – Objectives and responsibilities include:
 - delivery of quality work – to ensure the sufficiency of an appropriately skilled and experienced resource for quality client delivery across the book of business
 - developing people and culture – to ensure people are hired, developed, engaged, retained, and have the competence and capabilities to consistently perform quality engagements
 - current and future sustainability, profitability, and enabling the growth of the business – to

actively manage and monitor the operational and financial performance of the business against targets, objectives and key performance indicators

- **Audit Quality Support (AQS)** – Responsible for ensuring client-facing audit teams have the appropriate training, resources (such as tools and templates) and technical support to deliver high-quality audits. The AQS designs and provides relevant, reliable and timely information to the AExeco and the Executive to monitor and evaluate audit quality.
- **Audit Transformation** – Responsible for supporting the Audit service line with innovations, tools, and technologies to enhance quality, culture, and efficiency.
- **Quality Monitoring** – Responsible for designing and providing relevant, reliable, and timely information to monitor and evaluate the quality of services and opinions provided by the Audit & assurance service line. This includes developing and delivering strategies for cold audit file review (QM file review), RCA and monitoring agreed AQIs.

Risk and Quality Committee (RQC)

The Risk and Quality Committee (RQC) comprises of members of the UK Executive with the Head of Audit Quality and ERM Director as attendees. The RQC has provided a forum for additional Executive oversight of key aspects of quality and risk management across the firm, with particular focus on Audit quality.

Governance in the UK

One of our guiding principles is that we work together as a team with the aim of providing our clients with exceptional service and creating a stronger firm on which future generations can build.

Our governance structure is designed to create a culture of openness and accountability.

UK Governance Council (UKGC)

The UKGC is independent of the UK Executive and currently comprises of eight members, elected by the partners of Mazars.

The UKGC:

- Approves the appointment of new partners and for the determination of new partner remuneration
- Has power to require the UK Executive to report on its strategy and budget and on the implementation of its strategy and the financial status and performance of Mazars
- Approves the annual budgeting process and will report to the partners in the event the UKGC considers the process deficient
- Reviews the process for setting the firm strategy and management structure and reports to the partners in the event that the UK Executive has not presented its strategy and management structure to the partners 100 days after the election of the UK Executive or has not provided annual updates or that it considers the process for setting the firm's strategies deficient

Our structure, leadership and governance

3.2 Leadership and governance

- Ensures that the UK Executive has appropriate management structures in place
- Shows that the UK Executive has identified and is managing the major risks to the partners and the partnership
- Appoints the members of the UKARC
- Appoints the members of UKRemCom
- Approves or declines various defined matters including proposals for the merger, disposal, acquisition or reconstruction of Mazars and its associated companies where the transaction exceeds a specified threshold
- Has power to require the CEO or any member of the UK Executive to report to it or to the partners on any matter
- Has power to call a meeting of the partners which shall be convened by the UK Executive
- Ensures that its activities are aligned with those of the GGC
- With the UK Executive, discharge the responsibility of the partners in relation to the maintenance of proper accounting records and the preparation of accounts
- With the UK Executive, keeps the Members' Agreement fit for purpose

A review of the effectiveness of the UKGC was performed during the year.

Minimum meetings and terms of appointment

The members of the UKGC as at 31 August 2023, their biographies and meeting attendance throughout the year are provided in Appendix 3.

The minimum number of meetings that should be held is six per annum.

Each partner elected to the GC shall serve for a term of four years. They may hold the position for three consecutive terms.

Our governance structure is designed to create a culture of openness and accountability.

The UK Audit and Risk Committee (ARC)

The ARC and its Chair are appointed by the UKGC from among the partners who have no direct executive responsibility for the management of the firm.

The ARC has no fewer than three members and a quorum is half the number of members rounded up to the next whole number.

As at 31 August 2023 the ARC consists of four members. Refer to Appendix 3 for the list of names.

The ARC has the power to seek any information it requires from any partner or employee and all partners and employees are directed to co-operate with any request made by the ARC. The ARC also has

the power to seek outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the UK CEO.

The UKGC ensures that there is a report to the partners at least annually summarising the activity of the ARC and any significant issues which arose.

Minimum meetings and terms of appointment

Each partner elected to the ARC shall serve for a term of four years.

A minimum of four ARC meetings, per annum, is required. Additional meetings may be called upon by the ARC Chair.

The members of the UKARC as at 31 August 2023, their biographies and formal meeting attendance throughout the year are provided in Appendix 3.

Duties and responsibilities

- Monitors the integrity of the Annual Report and Financial Statements of the UK firm, including the non-financial elements, and reviews and reports to the UKGC on significant financial and non-financial issues and judgements including matters communicated to it by the UK firm's external auditor
- Considers the appointment, re-appointment, or removal of the UK firm's external auditor
- Together with the UK Ethics Partner, establishes and maintains an Auditor Independence Policy

Our structure, leadership and governance

3.2 Leadership and governance

- Challenges and assesses the performance, independence, and objectivity of the UK firm's external auditor, on an annual basis, and discusses the issues raised by the external auditor. This includes reviewing their quality control procedures and steps taken to respond to regulatory, professional and other changes
- Approves the terms of engagement in respect of the statutory audit
- Develops and implement policies on engaging the UK firm's external auditor for non-audit services and approving in advance the fees for both audit and non-audit services
- Discuss and approves the nature and scope of the audit with the external auditors before the audit begins. The ARC reviews the findings of the audit as well as management's response on completion
- Reviews management representation letters in relation to financial reporting requested by the UK firm's external auditor prior to signature by the Executive
- Monitors the effectiveness of the relationship between the UK firm's external auditor and the internal audit function
- Resolves disagreements between management and the UK firm's external auditor regarding financial reporting
- Reviews the following:
 - UK firm's QRM framework and its linkage to the ERM strategy
 - the robustness of the UK firm's risk management policies and processes
 - assurance reports from relevant parties over matters relating to risk management and internal control
 - the timeliness and effectiveness of corrective actions taken
- Performs deep-dive reviews into significant ERM risks at the request of the UKGC or where, in the ARC's view, further scrutiny is required
- Considers the major findings of any relevant internal investigations into control weaknesses, fraud, or misconduct and management's responses
- Provides input and recommendations to the Executive on the firm's strategy for ERM, including appropriate mitigations and risk appetite
- Approves the internal audit programme, budget and resource plan, requesting where appropriate that the UK firm's internal audit function undertake specific work, and monitor the significant internal audit findings, including management's response to them
- Reviews the effectiveness and performance of the service provided by the UK firm's internal audit function, including annual review
- Ensures that the UK firm's internal audit function is adequately resourced and free from constraint and has the appropriate standing within the UK firm

Remuneration Committee (RemCom)

The Remuneration Committee operates as a sub-committee of the UKGC and has delegated responsibility from the UKGC.

The purpose of the RemCom is to provide oversight and governance of processes and decision-making related to partner appraisals, objective setting, and remuneration.

The responsibilities of the RemCom include:

For a CARL partner who is also a member of the GEB:

- Providing independent UK-focussed input and feedback to the GGC on the performance of that CARL partner, as part of that CARL partner's performance appraisal and remuneration assessment administered and determined by the GGC

For partners who are Executive Members (excluding any CARL partner who is also a member of the GEB), alongside the UK CEO:

- Assessing and setting performance objectives
- Administering the performance appraisal process and the process for setting remuneration
- Providing development feedback
- Provisionally determining and recommending for approval by the UKGC the remuneration of Executive Members (including, as relevant, Base Points allocations, DRS Assessments and Local Partner Shares)

Our structure, leadership and governance

3.2 Leadership and governance

For all other partners:

- Assessing the process applied by the Executive for setting Base Points and remuneration and ensuring that a fair and robust process has been applied
- Reporting to the UKGC (including in respect of any recommendations) on the process applied for setting remuneration

This includes any other responsibilities at the request of the Executive and/or the UKGC.

Meetings and composition

As at 31 August 2023, the RemCom consisted of five members. Refer to Appendix 3 for information on the composition and number of meetings attended during the year.

There is no minimum number of meetings. Meetings are called at such frequency as determined by the GC Chair, acting in consultation with the RemCom Chair.

Terms of appointment

The duration of appointments of RemCom Members shall be for a period of four years.

Public Interest Committee (PIC)

The principal role of the PIC is to enhance confidence in the public interest aspects of the firm's activities, with particular reference to high-level general oversight of the firm's decision making, stakeholder dialogue, risk management, quality control, remuneration policy and the issue of selected annual reports to stakeholders.

During the year this role has been primarily exercised through reports by the UK and Global Head of Audit and the Ethics Partner in addition to other key management, supplemented when necessary through information obtained through membership at the GGC.

Terms of reference

The PIC is constituted in order to meet the requirements of the AFGC. In particular this includes:

- Helping promote audit quality
- Helping the firm secure its reputation more broadly, including in its non-audit businesses
- Using best efforts to help in reducing the risk of firm failure

During the year the PIC endeavoured to provide oversight of Mazars in the UK in the following areas:

- Decision making by management based upon meetings and discussions with UK management
- The systems for quality control, based upon the reports of the UK Head of Audit, the UK Head of Quality and the UK Executive
- Risk management, including consideration of potential or actual reputational risks, based upon the reports of the relevant UK Executive members
- The firm's process for monitoring complaints related to the firm's work, including issues raised under whistleblowing policies and procedures, based upon reports to the PIC pertaining to reporting and monitoring

As well as the above, the PIC:

- Exchanges annually with those holding relevant positions in the UK governance structure
- Meets, if required, with appropriate stakeholders of the firm on an annual basis
- Is responsible for reviewing and commenting upon annual reports required under the relevant governance codes in the UK (being the transparency report) and along with the UK CEO, is responsible for reviewing, commenting upon, and confirming the accuracy and completeness of the transparency report

Other matters covered in the terms of reference are:

- The members of the PIC are at least three INEs, the UK CEO and the Head of Quality
- The Chair will be an INE
- On resigning, an INE shall offer their reason for resigning which may be made public if this is expected by the AFGC
- INEs have a right to report a fundamental disagreement regarding the firm to the GGC and if not satisfactorily resolved in a timely manner to the Mazars Group General Assembly and where ultimately this cannot be resolved and the INE resigns, to report such resignation publicly
- The PIC is quorate when at least the Chair, one other INE and one other PIC member is present
- The relevant responsible partners make themselves available to the PIC on a timely basis as required

Our structure, leadership and governance

3.2 Leadership and governance

- The PIC agrees on procedures for dealing with any disagreements between itself and the Executive. The PIC uses its best endeavours to comply with the AFGC in the United Kingdom
- The relevant partners in the UK provide the PIC with updates of the key elements of the governance codes, including actual or expected changes or amendments
- The PIC forms part of the firm's performance assessment regime under the AFGC. Aiding this oversight, the terms of reference of the PIC provide for one of the INEs to attend selected meetings of the RemCom, ARC and GC

Membership

Procedures are in place to ensure that members of the PIC are independent from the firm and its audit clients. The INE members of the PIC must satisfy the following independence criteria:

- They are unrelated to any Mazars member firm
- They are not and will not become an executive director or member of the audit committee in any of Mazars' audit clients, and they have not got significant share holdings or other interests in Mazars' audit clients unless approved by both parties
- They are not and will not be in any executive officer position or the member of an advisory board, governance board or council of a competing organisation

New members of the PIC are selected after consultation with the continuing INEs.

Denise Fletcher, Professor Guy Jubb and Lord Amyas Morse were reappointed for a term of two years which commenced on 1 May 2021. Terms for all INEs go to 30 April 2023 and shall automatically continue another two years until 30 April 2025 unless terminated at any time earlier by either party given three months' written notice or such lesser period as may be agreed.

The date of first appointment for each INE is set out in Appendix 2; all three INEs have had continuous appointment since those dates.

Meetings

The PIC determines its frequency of meetings as required. The terms of reference provide that there should be at least six meetings in a year.

The members of the PIC may at their discretion invite partners or staff of Mazars to attend part or all of a meeting, but for an appropriate part of their meetings, the PIC meets on their own.

In addition, there are INE-only meetings, the number of which is determined, as required, by the INEs themselves.

Independence

The firm's Ethics Partner attends PIC meetings. The firm considers that this is critical to provide a direct dialogue with the INEs to ensure an appropriate understanding of relevant ethical matters, to receive their challenge and to address any fundamental disagreements.

The INEs have confirmed their independence in respect of the firm's PIE audit clients.

Other matters

Appropriate indemnity insurance is in place to cover any legal action against any member of the PIC, and sufficient resources are provided to enable each member to perform their duties.

The global governance structure in place combined with the UK governance structure is appropriate for the firm and its operations. On this basis, three INEs were in place during the year.

The AExeco recognised that an important element of its role is to enable the PIC to have the necessary information and assurance on matters relating to the Audit practice to enable it to fulfil its duties in line with the expectation of the AFGC.

As of 31 August 2023 the PIC consists of three INEs, Phil Verity as UK CEO and Jac Berry as the UK Head of Quality. The biographies of the independent members of the PIC are provided in Appendix 2.

Mazars Group

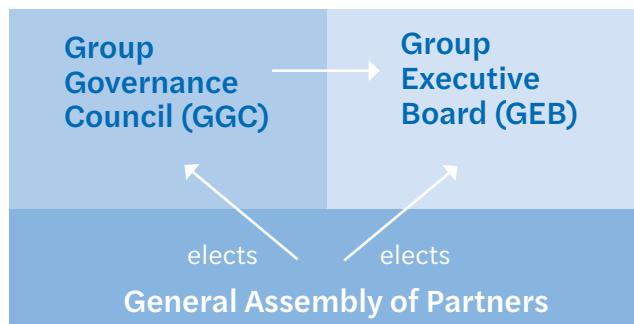
Our global leadership and governance framework is clearly defined in the Charter of Association.

Together with the Country, Regional and Functional leaders across the Mazars Group, the Group Executive Board and Group Governance Council operate together to ensure the sustainable development of the global partnership and firm.

Our structure, leadership and governance

3.2 Leadership and governance

Our strategic leadership ecosystem



The general assembly of partners

International CARL partners meet at least once a year at the General Assembly of Partners, which occurs within six months of the end of the financial year.

The General Assembly of Partners is a key element in the governance and decision-making processes of the Mazars Group.

The General Assembly elects the GEB and the GGC, approves major strategic and operational decisions, ratifies the admission of new partners, and approves the Group's audited financial statements.

During the year we held a General Assembly remotely in December 2022, followed by a physical one in June 2023.

Group Executive Board (GEB)

The GEB is Mazars' executive body. It is responsible for the operational management of the partnership with regard to collectively defined strategic objectives, under the supervision of the GGC. The GEB focuses on pursuing and accelerating growth while ensuring the quality and sustainability of our activities. It is elected every four years. The mandate of the current GEB started in December 2020, with the next GEB elections due in December 2024.

The Chair and their team, forming the GEB, are elected by the General Assembly of Partners for a four-year term. As of 31 August 2023, Mazars' GEB comprised 11 members.

The GEB meets at least monthly. It also meets twice a year with country managing partners or senior partners at 'country forums' and once a year with all regional partners. Each GEB member is entrusted with specific geographical responsibilities, functional roles and/or the oversight of strategic projects, such as innovation, quality and risk management, business development or corporate sustainability.

The current GEB was elected in 2020. The next GEB elections are due in December 2024. As of 31 August 2023, the GEB comprised 11 members.

Further details of the GEB members are shown in Appendix 3.

Group Governance Council (GGC)

The GGC is the Group's supervisory body. Since December 2011, it has included independent external members elected by the partners at the General Assembly of Partners. Elected for the same four-year term as the GEB, the GGC exercises a general supervisory function over the risk and operational management actions of the GEB. As set out in the partnership's charter of association, the GGC has specific responsibilities, which include:

- Monitoring and updating the legal obligations of partners and member firms
- Approving partnership candidates and external growth operations
- Assessing GEB members and determining their compensation
- Approving disciplinary action decided by the GEB

The GGC meets once every two months, two or three times a year physically and otherwise virtually. To improve the efficiency and focus of the GGC's oversight, it is organised into risk, partnership development and remuneration subcommittees.

The current GGC was elected in 2020. The next GGC elections are due in December 2024. As of 31 August 2023, the GGC comprised 12 members, including two external independent members.

Our structure, leadership and governance

3.2 Leadership and governance

Performance of the governance system

	Governance KPI	FY23 Performance
1	Board composition	
	<p>The members of the significant governance bodies should be diverse, with a broad range of skills and experience being represented and each committee should achieve an appropriate gender diversity.</p>	<p>Mazars in the UK currently has the following significant bodies: the Executive, Governance Council (GC), Audit and Risk Committee (ARC), Remuneration Committee (RemCom) and Public Interest Committee (PIC) and Audit Board (AB).</p> <p>As of 31 August 2023, the composition of these bodies was as follows:</p> <ul style="list-style-type: none"> • Executive – of the eight members, five were male and three were female: (37.5%) • GC – of the eight members, six were male and two were female: (25%) • ARC – one out of four members is female: (25%) • RemCom – one out of five members is female: (20%) • PIC – two out of the five members are female: (40%) • AB – one out of the five members is female: (20%)
	<p>The Governance Council (GC), which is the Board established to oversee the activities of management, is made up of elected partners who do not have significant management responsibilities within the firm.</p>	<p>The Governance Council comprises of eight partners, including the Chair, who have been elected by the wider partnership and do not hold significant responsibilities in managing the UK firm.</p>
2	Board and committee meetings	
	<p>There should be an adequate amount of meetings and attendance of members of each governance body.</p>	<p>The GC met six times between 1 Sept 2022 to 31 August 2023 with an average attendance of 92%.</p> <p>The Public Interest Committee met seven times within the same period with an average attendance of 91%.</p> <p>The Executive met 22 times within the period with an average attendance of 89%.</p>

Our structure, leadership and governance

3.2 Leadership and governance

	Governance KPI	FY23 Performance
3	Board effectiveness and reviews	
	Formal board effectiveness reviews shall be carried out annually on the Executive, GC, PIC with the relevant body acting upon the findings.	A formal review of the Executive, Audit Executive Committee, GC and PIC was performed. Recommendations around the effectiveness of these bodies were collated for subsequent action.
	The Executive performs an annual review of the transparency report and approves its public release once it is satisfied that it complies with all relevant regulatory requirements, such as the AFGC, Article 13 of the EU regulation (537/2014) and the Local auditors (Transparency) Regulations 2020.	The Executive approved the Mazars in the UK transparency report and were satisfied that it complies with the relevant regulatory requirements. See Appendix 8.
	Improved meeting effectiveness and transparency through: <ul style="list-style-type: none"> - timely sharing of Executive minutes and actions with Governance Council; and - actions arising from Governance Council and Executive meetings are recorded, monitored, and responded to. 	<p>UK Secretariat share Executive minutes and actions with Governance Council following Executive approval.</p> <p>UK Secretariat document actions arising from both Governance Council and Executive meetings, follow up outstanding actions and seek formal approval to close completed actions.</p>
	Governance KPI	FY23 Performance
4	Independent Non-Executives	
	There should be at least three INEs appointed to the PIC and three ANEs appointed to the Audit Board, which should outweigh the number of executive members on each body.	Three out of the five PIC members are INEs and three of the five Audit Board members are ANEs. Refer to Appendix 2 for biographies of INEs and ANEs.
	The firm must satisfy itself of the INEs' and ANEs' independence from Mazars on an annual basis.	The firm is satisfied that the INEs remained independent from Mazars in the UK throughout the year.
	Meetings of GC, ARC and RemCom shall be attended by the relevant INE at least once during the year.	INEs attended a number of meetings during the year – refer to Appendix 3 for an overview of the number of meetings attended by each INE.

Our structure, leadership and governance

3.2 Leadership and governance

	Governance KPI	FY23 Performance
5	Values and culture	
	<p>On an annual basis, the firm should hold all-staff surveys to assess the culture within Mazars, with the Executive acting upon the findings.</p>	<p>Mazars continues to run the annual employee survey using the Gallup platform and use this as a measure of our culture and an assessment of engagement.</p> <p>We have also implemented a pulse approach as a firm.</p> <p>To track progress on our culture we set KPIs which are closely linked to our engagement You matter questions. Our 2023 survey had a response rate of 79% and an engagement index of 4.0 (out of 5).</p> <p>Our first pulse survey ran in June 2023 and saw a completion rate of 55% across the firm.</p> <p>These touch points will give us timely insights into our progress on our cultural aims. All results are presented to and considered by the Executive.</p>
	<p>On an annual basis, the INEs should meet with a range of partners and staff to discuss the firm’s culture and feedback to the Executive.</p>	<p>These meetings took place in November 2022, with communication of findings presented to the Executive.</p>
6	Systems and operations	
	<p>A review of the effectiveness of the firm’s internal control systems shall be performed annually.</p>	<p>The annual review of the effectiveness of the firm’s systems of internal control was considered by the Executive during the year.</p> <p>On an ongoing basis, the Executive and relevant sub-committee continues to monitor the risks that the firm is exposed to and can implement remediation activities to address significant risks.</p>

Our structure, leadership and governance

3.2 Leadership and governance

	Governance KPI	FY23 Performance
7	Dialogue	
	The firm including INEs shall meet with investors and other key stakeholders on at least an annual basis.	The firm engaged during the year as set out in section 1.5 and invited stakeholders, including the INEs, to attend to discuss various matters that currently impact the industry.
	The Executive reviews the firm’s Sustainability KPIs on an annual basis.	The Executive considered Sustainability at four stages during the year with relevant KPIs being considered in at two stages.

During FY23 we have focussed on improving the quality of support provided to governance bodies, ensuring that our Constitutional documents are being adhered to and streamlining governance requirements.



Appendices



Appendix 1

Mazars Group statutory audit firms

Africa and Middle East

Country	Legal name
Algeria	Mazars Audit Algérie
Angola	Mazars Angola - Auditores & Consultores, Lda.
Bahrain	Mazars Chartered Accountants (Bahrain)
Benin	MAZARS BENIN
Botswana	MAZARS PARTNERSHIP(BOTSWANA)
Burkina Faso	Mazars au Burkina Faso
Cameroon	MAZARS CAMEROUN
Congo (Kinshasa)	Mazars République Démocratique du Congo SARL
Egypt	Mazars Mostafa Shawki & Co Mostafa Shawki Consulting For Corporate Finance & Securities SAE
Gabon	Mazars Gabon
Ghana	Mazars Ghana
Ivory Coast	MAZARS COTE IVOIRE
Jordan	International Professional Bureau Consulting & Audit Co.
Kenya	Mazars Kenya Emu Registrars
Kuwait	Accounting Center Certified Public Accountants
Lebanon	MAZARS SAADE SAL
Madagascar	CABINET MAZARS FIVOARANA
Mauritius	MAZARS LIMITED
Morocco	MAZARS AUDIT ET CONSEIL

Africa and Middle East

Country	Legal name
Mozambique	Mazars, Lda
Niger	International Audit & Consulting, I.A&C Niger
Nigeria	MAZARS OJIKE AND PARTNERS
Oman	Mazars For Consultancy And Audit SPC
Palestinian Territory	Mazars Chartered Accountants and Consultants
Qatar	Mazars Consultants Auditors and Partners Mazars LLC (Qatar)
Rwanda	Mazars Rwanda
Saudi Arabia	AL KHARASHI CERTIFIED ACCOUNTANTS & AUDITORS
Senegal	MAZARS SENEGAL
	Mazars Port Elizabeth
	Mazars Services Trust
	Mazars Cape Town
	Mazars Central Inc
	Mazars Durban
South Africa	Mazars Gauteng
	Mazars Empowerment Investments (Pty) Ltd
	Mazars Financial Services Africa (Pty) Ltd
	Mazars International Services Pty Ltd
	Mazars Gauteng Inc

Africa and Middle East

Country	Legal name
Tanzania	Mazars Tanzania ECC MAZARS
Tunisia	STRATEGY AND BUSINESS CONSULTING INTERNATIONAL
Uganda	Mazars BRJ Mazars Chartered Accountants
United Arab Emirates	Mazars Tax Consultants MAZARS CHARTERED ACCOUNTANTS LLC MAZARS ADVISORY LIMITED-000005585
Zimbabwe	KLM Chartered Accountants KLMCA Advisory Services

Appendix 1

Mazars Group statutory audit firms

Americas

Country	Legal name
Argentina	ESTUDIO URIEN & ASOCIADOS
	ESTUDIO URIEN S.R.L.
Bermuda	Mazars Limited, Bermuda
Brazil	MAZARS AUDITORES INDEPENDENTES - SOCIEDADE SIMPLES
	MAZARS AUDITORES LTDA.
Canada	Mazars, s.e.n.c.r.l.
	9089-1060 Québec inc.
	Mazars Canada inc.
Cayman Islands	Mazars Cayman
Chile	Mazars Chile Ltda
	Mazars Auditores Consultores Spa
Colombia	Mazars Colombia S.A.S
	MAZARS AUDITORES, S. DE R.L. DE C.V.
Mexico	MAZARS GUADALAJARA, S. DE R.L. DE C.V.
	MAZARS MEXICALI S. DE R.L. DE C.V.
	Contreras y Asociados Sociedad Civil de Responsabilidad Limitada
United States	Mazars USA LLP
Uruguay	MARTINEZ BERNIE LUIS Y GONZALEZ COLMAN PATRICIA ROSMARI SOCIEDAD CIVIL
	ADRIANZA RODRIGUEZ CEFALO & ASOCIADOS
Venezuela	Mazars Venezuela

Asia-Pacific

Country	Legal name
Afghanistan	Mazars Afghanistan Limited
Australia	MAZARS RISK & ASSURANCE PTY LIMITED
	Mazars Melbourne Pty Ltd
	Mazars Assurance Pty Ltd
China	MAZARS CERTIFIED PUBLIC ACCOUNTANTS.
	Mazars (Beijing) Certified Public Accountants
	Hong Kong S.A.R., China
India	Mazars CPA Limited
	Kalyaniwalla Mistry and Associates
	Kalyaniwalla & Mistry LLP
Indonesia	Mazars Advisory LLP
	S. N. DHAWAN & CO LLP
Japan	KAP Aria Kanaka & Rekan
Malaysia	Mazars Audit LLC
	Mazars PLT
Pakistan	Mazars Risk Management Sdn Bhd
Philippines	MAZARS M.F. & CO.
Singapore	YU VILLAR TADEJA AND CO
South Korea	MAZARS LLP (SINGAPORE)
Taiwan	Mazars Sebit Korea
Taiwan	Mazars Taiwan CPA
	(瑪澤會計師事務所)

Asia-Pacific

Country	Legal name
Thailand	Mazars Limited (Based in Thailand)
	MZT Partners Ltd
	Mazars Holding (Thailand) Ltd
Uzbekistan	Limited Liability Company 'Mazars Advisory'
Vietnam	Mazars Vietnam Co Ltd

Appendix 1

Mazars Group statutory audit firms

Europe		Europe		Europe	
Country	Legal name	Country	Legal name	Country	Legal name
Albania	Mazars Shpk Mazars Tax Advisory GmbH		Mazars Data Mazars Dijon	Israel	Bri Rotbart Raz Mazars Israel FS AUDIT SERVICES
Austria	Mazars Austria GmbH Mazars IT Services GmbH		Mazars Pontarlier Mazars Lons	Italy	Professionisti Associati Società Semplice Mazars Italia S.p.A
Belgium	Mazars Bedrijfsrevisoren - Réviseurs d'Entreprises		Pluris Audit MAZARS & SEFCO	Kazakhstan	'Mazars' Limited Liability Partnership
Bosnia and Herzegovina	Mazars d.o.o		Mazars Valence Experts & Conseils	Kosovo	MAZARS KOSOVA SH.P.K
Bulgaria	MAZARS OOD		Mazars Gourgue	Kyrgyzstan	Mazars Limited Liability Company 'Mazars Audit' Limited Liability Company
Croatia	Mazars Cinotti Audit d.o.o.	France	Mazars experts-on-line Mazars Entrepreneurs (Villeurbanne) Mazars Développement Mazars Thomas D.D.A Mazars CPA Mazars Inreco AGEC	Latvia	Mazars Audits Persense
Cyprus	Mazars Limited (Cyprus)			Lithuania	Mazars Lithuania Audit
Czech Republic	Mazars Audit s.r.o.			Luxembourg	MAZARS Luxembourg
Denmark	MAZARS statsautoriseret revisionspartnerselskab Mazars SA Mazars & Associés Mazars Uniconseils CBA Mazars Experts et Conseils Mazars (Villeurbanne)	Germany	“Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft”	Macedonia	Mazars Revizija DOO
France	Mazars aCéa Mazars (Rouen) Mazars (Bezannes) Mazars (Labège) Mazars (Strasbourg) Mazars Bourgogne Franche-Comté Mazars Figeor	Gibraltar (Subsidiary of Mazars UK)	Mazars (Gibraltar) Limited	Malta	Mazars Malta
		Greece	MAZARS CERTIFIED PUBLIC ACCOUNTANTS BUSINESS ADVISORS SA	Netherlands	Mazars Accountants N.V.
		Hungary	MAZARS Könyvszakértő és Tanácsadó Korlátolt Felelősségű Társaság	Norway	Mazars AS
		Ireland	Mazars	Poland	Mazars Audyt Sp. z o.o. MAZARS & ASSOCIADOS, SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, S.A.
				Portugal	
				Romania	Mazars Romania SRL
				Serbia	MAZARS d.o.o. Beograd
				Slovakia	Mazars Slovensko, s.r.o.
				Slovenia	MAZARS, družba za revizijo, d.o.o.
				Spain	Mazars Auditores S.L.P.

Appendix 1

Mazars Group statutory audit firms

Europe

Country	Legal name
	BSM Revisionsbyrå AB
	KlöverRevision i Limhamn AB
	Körö Revisionsbyrå AB
	Dagermark Revision AB
	Grebneke Advisory AB
	Anders SportsMan AB
	MBO Revision AB
	SPA Revisionsbyrå AB
	Anders Persson Revisionsbyrå Ystad AB
	Stenskottet AB
	Saltsjökvärns Revision AB
	Norrhagens Revision AB
Sweden	Optimus Ekonomikonsult AB
	Flora Revision AB
	Ö Rev i Hbg AB
	Himmelsblå Revision AB
	MBR Revision AB
	Helleklint Revisionsbyrå AB
	Revisio Jan Håkansson AB
	Mak Revision AB
	Persson Audit AB
	eMeMeM AB
	Mazars AB
	Mazars KB
	Endeavour Auditing AB
	HMAB Konsult AB

Europe

Country	Legal name
	Mazars Ekonomi AB
	Den vita valen AB
Sweden	M F Revision i Stockholm AB
	Lilla Ego Revision AB
	Mazarinen AB
	Mazars Redovisning Holding AB
Switzerland	MAZARS SA (Suisse)
	Aunexis AG
Turkey	Denge Bağımsız Denetim Serbest Muhasebeci Mali Müşavirlik A.Ş.
Ukraine	'Audit Firm 'Mazars Ukraine' LLC
United Kingdom	Mazars LLP

Appendix 2

Biographies of the Independent Non-Executives and Audit Non-Executives



Denise Fletcher, Independent Member of the Public Interest Committee (PIC)

Date of first PIC appointment – 2013

Denise Fletcher is a member of the Group Governance Council of Mazars Group. She is the Chair of the Remuneration Committee and a member of its quality and risk committee and audit committees. She served as Chief Financial Officer of MasterCard, Bowne, DaVita and Vulcan.

She Chairs the Public Interest Committee of Mazars in the UK and the Public Interest Committee of Mazars in Ireland. She is also a member of the Quality Advisory Board for Mazars France. She has served on the Board of Directors of Inovalon, Orbitz, Unisys, Sempra Energy, EHL Ltd (Golder), Software Etc. Stores and the Hospital Group. She has Chaired the audit committees of Mazars Group, Unisys, Orbitz, Inovalon and EHL (Golder). She Chaired the Nominating and Governance Committee of Unisys and served on the Security and Risk Committee of Unisys. She also served on the Security and Compensation Committees of Inovalon. She was recognised by the National Association of Corporate Directors for exemplary board leadership. Denise is a member of the US Council on Foreign Relations, the Economic Club of New York, the Harvard Club of New York, and the Academy of Women Achievers.

Denise's annual remuneration for the UK PIC is £90,000. In addition, Denise receives remuneration in respect of her roles on the Group Governance Council, the Public Interest Committee of Mazars Ireland and the Quality Advisory Board of Mazars France.



Professor Guy Jubb, Independent Member of the Public Interest Committee (PIC) and the Audit Board

Date of first PIC appointment – 2017. Date of first Audit Board appointment – 2023

Professor Guy Jubb is a Chartered Accountant and an Honorary Professor at the University of Edinburgh. He was Global Head of Governance and Stewardship at Standard Life Investments, a role he fulfilled for over 20 years.

During this time, he played a leading role in developing and implementing good practice in corporate governance and stewardship and was the recipient of an Outstanding Achievement Award from ICSA, the Governance Institute. Guy is a Director of the ECGI, the European Corporate Governance Institute, and Co-Director of the Conference Board's European Corporate Governance Council. He served for two terms as a member of the Standing Advisory Group of the PCAOB, the US audit regulator, and as a member of the Council of ICAS, the Institute of Chartered Accountants of Scotland, whose Research Panel he Chaired.

He is a member of the Public Interest Committee and the Audit Board.

Guy's annual remuneration for the UK PIC is £64,050 and £38,500 for the Audit Board.

Appendix 2

Biographies of the Independent Non-Executives and Audit Non-Executives



Lord Amyas Morse, Independent Member of the Public Interest Committee (PIC) and the Audit Board

Date of first PIC appointment – 2019. Date of first Audit Board appointment – 2023

Lord Amyas Morse spent a large part of his career as a partner at PwC and predecessor firms. First in Scotland, becoming a regional managing partner, then in London becoming a UK Executive partner, and then in global roles, as global audit leader and then as global managing partner, Operations. He subsequently spent three years as Defence Commercial Director at the Ministry of Defence before becoming Controller and Auditor General and CEO of the National Audit Office (NAO). He fulfilled this role for the 10-year term set down by parliament and published approximately 60 reports each year focusing on value for money.

The NAO also carried out the audit of all central Government. During that time, he also served on the board of audit of the United Nations, including a spell of three years as Chair. More recently he acted as Independent reviewer of the Loan Charge, his report was published by the Chancellor of the Exchequer in December 2019, and all but one of the far-reaching recommendations were accepted. Amyas had recently become Chair of two NHS foundation trusts and became a member of the House of Lords in May 2021.

Member of the UK Public Interest Committee and Chair of the Audit Board.

Amyas' annual remuneration for the UK PIC is £64,050 and £64,000 for the Audit Board.



Devyani Vaishampayan, Independent Member of the Audit Board

Date of first Audit Board appointment – 2023

Devyani is currently Remco Chair & NED at Saietta Group Plc, Remco Chair & NED at Norman Broadbent Plc, and on the REMCO Committee at The England & Wales Law Society.

During her career, Devyani has been an international and multi-sector FTSE 30 CHRO and board member effectively leading large, diverse, and multi-billion complex organizations through transformational change. She has had global roles in successful organisations across various industries such as Citibank, AT&T, British Gas, Rolls Royce, and BSI. Having lived and worked in China, Singapore, and Europe (and managed teams in the Americas & Middle East) she is very international in her outlook.

In addition, Devyani has been a successful entrepreneur using Digital/AI solutions around leadership, culture, and talent management.

Devyani has received several international accolades including 2021 – Top 100 Digital Influencer around the Future of Work, 2020 – Finalist-Asian Woman of Achievement, Technology & Digital, 2017- Financial Times Ethnic Leaders List and 2015 – 100 Women to Watch, Cranfield Business School.

Member of the Audit Board.

Devyani's annual remuneration for the UK Audit Board is £38,500.

Appendix 3

UK and Group leadership

As at 31 August 2023 the UK Executive was comprised of:



Phil Verity, UK CEO

Date of first appointment 2009

Phil started his career as an audit graduate of Mazars and became an Audit partner in 1999. He has held a number of leadership roles across the UK and international firm. Phil was first elected as Senior Partner/CEO in 2012 and was re-elected at the start of 2021.

Phil was elected to the Group Executive Board in 2011 and continues to be a member of the GEB.



Jac Berry, Head of Quality

Date of first appointment 2017

As UK Head of Quality, Jac is responsible for leading compliance and risk management across all service lines in the UK. Prior to being appointed Head of Quality in 2016, she was responsible for leading the UK audit methodology team and a member of the Mazars global audit methodology development team.

From an international perspective, Jac sits on the Mazars Global Quality and Risk Management Board.



David Herbinet, Head of Audit

Date of first appointment 2021

David is a member of the UK Executive and Head of Audit. He is also the Global Leader of Audit and Assurance for the Mazars Group.

David began his career with Mazars in 1992 and became a partner in 2001. He is a lead audit partner for some of Mazars' largest international and Public Interest clients with significant expertise in group audits notably in the media, construction and retail sectors.

David plays several other key roles in and outside Mazars, notably in connection with the future of audit and acts as the Chair of the Audit and Assurance Policy Group of Accountancy Europe. David is also passionate about the issue of competition and choice in the audit market.

Appendix 3

UK and Group leadership



James Gilbey, Head of Advisory & Consulting

Date of first appointment 2020

James specialises in forensic accounting and valuation services and also leads the Advisory and Consulting service line at Mazars.

As a forensic accountant, James has a wide and varied caseload, which includes advising on some of the most high-profile and widely publicised disputes. He has provided expert evidence in various dispute-resolution arenas in Europe and Asia.

As the leader of the Advisory and Consulting service line, James continues to provide support to the development of Mazars' services in Consulting, Technology, Deals and Financing, Global Infrastructure Finance, and Crisis and Disputes.



Elisabeth Maxwell, Deputy CEO

Date of first appointment 2017

Elisabeth moved from her native country France to the UK, being transferred from the Mazars Paris office. She specialises in advising foreign companies on setting up UK subsidiaries, providing general accounting services and consolidation procedure advice. She oversees many international audit assignments. Her portfolio includes companies in the manufacturing, publishing, media, software, construction, pharmaceutical and retail sectors.

Elisabeth is a regular speaker at conferences in Europe about issues faced by inward investments in the UK. She has been a "Conseiller du Commerce Extérieur de la France" since 2007.



Toby Stanbrook, COO

Date of first appointment 2019

Toby is the firm's Chief Operating Officer. Toby trained with the firm and has been a partner since 2011. He continues to work with clients as an Accounting and Outsourcing partner, specialising in providing part or full back-office solutions to both international and UK-based clients.

Toby became COO in June 2019.

Appendix 3

UK and Group leadership



Margaret Laidlaw, UK Executive Member and Lead on UK Privately Owned Business and Diversity, Inclusion and Wellbeing

Date of first appointment 2021

Margaret (Mags) is the lead in the UK on privately owned businesses and has spent the past 30 years working with entrepreneurial businesses from start-ups to fast-growing SMEs, family businesses and established businesses on the key areas for their business and personally. As well as being a Chartered Accountant, Mags is a STEP-qualified family business advisor.

In addition to her UK role, she sits on the international Privately Owned Business Board, a role that provides great insight into entrepreneurial and privately-owned businesses globally.

Mags is also the UK Executive sponsor for inclusion, diversity and wellbeing working with teams throughout the UK to build an inclusive culture and workplace which is core to our firm's strategic approach.



Mark Kennedy, Head of Sector Development
Date of first appointment 2021

Mark Kennedy leads our large and listed Industry and Services market team and takes responsibility for the development of both our audit and non-audit services for clients in the segment. He joined Mazars Ireland in 1995, and has been a partner since 2005 working with a range of large and listed clients in both audit and non-statutory assurance roles. He was Managing Partner of Mazars in Ireland until 2021, having first been appointed to that role in 2013.

Mark is also a member of our Group Executive Board, appointed in 2020.

Appendix 3

UK and Group leadership

As at 31 August 2023 the UK Governance Council was comprised of:



Peter Cudlip, Chair of UKGC (4/23)

Date of first appointment

1 November 2021

(Appointment as Chair April 2023)

Peter is a Risk Consulting partner with over 30 years of experience in the Public and Social Sector. Peter has expertise in governance, risk, and internal control.

Peter is the UK Head of the Public and Social Sector.

Peter is also the Global Head of Risk Consulting and a member of the Global Consulting Advisory Board.



Tim Hudson

Date of first appointment 2002

Tim is an audit partner, and his clients include UK-listed entities as well as subsidiaries of international groups, most of which are listed on overseas exchanges. He has worked in several sectors including manufacturing, distribution, and transport and has long-standing experience in financial services.

He has been a partner for more than 25 years and is currently a senior partner of the Manchester office.

Tim sits on the UK Remuneration Committee (RemCom). At the international level, Tim is the Chair of the Group Governance Council which is a body elected by the international partners as the oversight board which included two non-partner international members.



Richard Metcalfe

Date of first appointment 2016

Richard is an audit partner in our Industry and Services strategic market and the Chair of Audit and Risk Committee (ARC). He joined Mazars in 2001 and since then has acted as lead engagement partner for numerous listed and international audit clients, and as Reporting Accountant for Initial Public Offerings (IPOs).

Appendix 3

UK and Group leadership



Stephen Lewis

Date of first appointment 2020

Stephen specialises in forensic accounting and investigation services. He has specialised in forensic accounting for over twenty years and is routinely appointed as an expert witness or advisor in a range of complex disputes in the UK and internationally. Stephen has a particular focus on the financial services sector.

Stephen is also the Birmingham Office Managing Partner.



Stephen Skeels

Date of first appointment 2021

Stephen is the global Head of our valuations practice. He has over 30 years of advisory experience and specialises in advising on international and complex valuation matters. He has particular experience in the insurance and financial services sectors and in valuation issues affecting listed companies.

Stephen serves as the CEO of Mazars Corporate Finance Ltd (MCFL) which is an FCA-regulated subsidiary of the partnership. He is a member of the UK Remuneration Committee (RemCom).



Amy Reynolds

Date of first appointment 2020

Amy has over 18 years of experience supporting and advising businesses, their owners, and stakeholders on their equity reward incentive plans. Amy leads our Equity reward team in the UK, where she advises a wide variety of entrepreneurial and large, multi-national businesses on structuring appropriate equity reward plans to incentivise their employees, along with performing fiscal valuations to support said equity.

Amy is also the Office Managing Partner for Bristol, building a thriving, friendly, and social office.

Amy is the Chair of the UK Remuneration Committee (RemCom).

Appendix 3

UK and Group leadership



Charlene Lancaster

Date of first appointment 2023

Charlene is an Audit partner, and a PIE Registered Auditor, and leads audits of Large and Listed businesses within the Consumer/ Retail sector. Whilst Charlene is based in Manchester, she services clients across the UK.

Charlene holds non-executive roles on Charity boards and has served on the ICAEW Manchester board.

Charlene is a Chartered Accountant, a member of the ICAEW, a dyslexic thinker, and a passionate supporter and ally of diversity across the firm.



Alex Baskeyfield

Date of first appointment 2023

Alex is an award-winning deal advisory partner in the Leeds office.

He specialises in lead advisory and project management and has more than 12 years of experience in advising owner-managed businesses on strategy, due diligence, and M&A. Alex has extensive experience in a wide range of sell and buy-side Deal Advisory transactions, including corporate acquisitions, disposals, and MBOs

Members of the UK Audit and Risk Committee (UKARC)

The UKARC is a sub-committee of the UKGC and its members as at 31 August 2023 are set out below:

- Richard Metcalfe (Chair)
- Stephen Lewis
- Alex Baskeyfield (Appointed April 2023)
- Charlene Lancaster (Appointed April 2023)

Members of the UK Remuneration Committee (UKRemCom)

The UK Remuneration Committee is a sub-committee of the UKGC and its members as at 31 August 2023 are set out below:

- Amy Reynolds (Chair)
- Tim Hudson
- Stephen Skeels
- Phil Verity
- Peter Cudlip (Appointed April 2023)

Appendix 3

UK and Group leadership

Members of the UK Public Interest Committee (PIC)

Members as at 31 August 2023:

- Denise Fletcher (Chair) – INE
- Lord Amyas Morse – INE
- Professor Guy Jubb – INE
- Phil Verity – UK CEO
- Jac Berry – UK Head of Quality

Members of the UK Audit Board

Members as at 31 August 2023:

- Lord Amyas Morse (Chair) – ANE
- Devyani Vaishampayan – DIANE
- Professor Guy Jubb – ANE
- David Herbinet – Head of Audit
- Christos Vernardos – Head of Audit Quality

* This was the maximum number of meetings the person was eligible to attend due to the change in membership.

** Ian Wrightson stood down from the Executive as a member on 14th February 2023. Ian continues to attend the Executive meetings as an attendee.

*** Meetings of GC, ARC and RemCom shall be attended by the relevant INE at least once during the year.

Meeting attendance

Below is a summary of the meetings attended during the financial year:

Name	UK Executive	UKGC	UKARC	UKRemCom	UKPIC	Audit Board
Meetings held	22	6	4	7	7	4
Phil Verity	21/22	n/a	n/a	3/7	6/7	n/a
David Herbinet	21/22	n/a	n/a	n/a	n/a	4/4
Jac Berry	19/22	n/a	n/a	n/a	7/7	n/a
James Gilbey	17/22	n/a	n/a	n/a	n/a	n/a
Elisabeth Maxwell	19/22	n/a	n/a	n/a	n/a	n/a
Toby Stanbrook	21/22	n/a	n/a	n/a	n/a	n/a
Ian Wrightson	12/12**	n/a	n/a	n/a	n/a	n/a
Margaret Laidlaw	18/22	n/a	n/a	n/a	n/a	n/a
Mark Kennedy	19/22	n/a	n/a	n/a	n/a	n/a
Greg Hall	n/a	3/3*	n/a	5/5*	n/a	n/a
Tim Hudson	n/a	5/6	n/a	3/7	n/a	n/a
Richard Metcalfe	n/a	6/6	4/4	n/a	n/a	n/a
Ann Nilsson	n/a	3/3*	2/2*	n/a	n/a	n/a
Amy Reynolds	n/a	4/6	n/a	7/7	n/a	n/a
Stephen Skeels	n/a	6/6	n/a	7/7	n/a	n/a
Stephen Lewis	n/a	4/6	4/4	n/a	n/a	n/a
Peter Cudlip	n/a	6/6	2/2	1/1*	n/a	n/a
Charlene Lancaster	n/a	3/3*	2/2*	n/a	n/a	n/a
Alex Baskeyfield	n/a	3/3*	2/2*	N/A	n/a	n/a
Denise Fletcher	n/a	1***	n/a	3***	7/7	n/a
Professor Guy Jubb	n/a	1***	3***	n/a	7/7	4/4
Lord Amyas Morse	n/a	2***	n/a	n/a	5/7	4/4
Devyani Vaishampayan	n/a	n/a	n/a	n/a	n/a	4/4
Christos Vernardos	n/a	n/a	n/a	n/a	n/a	4/4

Appendix 3

UK and Group leadership

Our Group Executive Board (GEB)

On 31 August 2023, the GEB comprised:



Based in France
Hervé Hélias
CEO and Chairman



Based in Switzerland
Pascal Jauffret



Based in Ireland
Marc Kennedy



Based in the United Kingdom
Rudi Lang



Based in the Netherlands
Ton Tuinier



Based in the United Kingdom
Phil Verity



Based in China
Julie Laulusa



Based in Senegal
Taïbou M'Baye



Based in Germany
Dr Christoph Regierer



Based in Belgium
Véronique Ryckaert



Based in the United States
Victor Wahba

Appendix 3

UK and Group leadership

Our Group Governance Council (GGC)

On 31 August 2023, the GGC comprised:



Based in the
United Kingdom
Tim Hudson, Chair



Based in France
Juliette Decoux
Vice-Chair



Based in Germany
Gertrud Bergmann



Based in China
Frank Bournois
Independent member



Based in the
United States
Denise Fletcher
Independent member



Based in the
United Kingdom
Chris Fuggle



Based in France
Fabrice Demarigny



Based in Sweden
Åsa Andersson



Based in Spain
Maria Cabodevilla



Based in the
United Kingdom
Michelle Olckers



Based in China
Liwen Zhang



Based in the
United States
Wendy Stevens

Appendix 4

Public Interest Entities (PIEs) and Major Local Audits

PIE audit clients of Mazars in the UK

A list of UK public interest entities for the year ended 31 August 2023, as required by Article 13.2(f) of the EU Audit Regulation as retained in UK law, is set out below.

As set out in UK law, the definition of a PIE includes:

- a) An issuer whose transferable securities are admitted to trading on a UK regulated market;
 - b) A credit institution within the meaning of Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council¹⁷, which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation; and
 - c) A person who would be an insurance undertaking as defined in Article 2(1) of Council Directive 91/674/EEC of 19 December 1991 of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertaking as that Article had effect immediately before exit day, were the United Kingdom a Member State. For the purposes of this appendix, we have disclosed PIEs in two categories, UK PIEs and EU PIEs.
- UK PIE – A UK entity that is a public interest entity as defined in the Financial Reporting Council’s Glossary of Terms (Auditing and Ethics) – December 2019
 - EU PIE – A UK issuer whose transferable securities are admitted to trading on an EU regulated market

UK PIE

An issuer whose transferable securities are admitted to trading on a UK regulated market (Main Market of the London Stock Exchange)

Allianz Technology Trust plc
Bridgepoint Group plc
CAB Payments Holdings plc
Capital & Regional plc
Carclo plc
Card Factory plc
Castings Public Limited Company
Creightons plc
Esken Limited
Henderson Diversified Income Trust PLC
Highcroft Investments Plc
JPMorgan Asia Growth & Income plc
JPMorgan Global Emerging Markets Income Trust PLC
Kingston upon Hull City Council
Literacy Capital Plc
ME Group International plc
Manchester City Council
Menhaden Resource Efficiency plc
Nanoco Group plc

Northern 2 VCT PLC
Northern 3 VCT PLC
Northern Venture Trust PLC
Oldham Metropolitan Borough Council
ProCook Group plc
S&U plc
TClarke plc
The Henderson Smaller Companies Investment Trust plc
The Quarto Group Inc
Topps Tiles plc
Unifund Plc

A credit institution within the meaning of Article 4(1) (1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council, which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation

Arbuthnot Latham and Co., Limited
Bank of Baroda (UK) Limited
Bank of the Philippine Islands (Europe) plc
British Arab Commercial Bank plc
Buckinghamshire Building Society
Cambridge Building Society
Chorley Building Society

Appendix 4

Public Interest Entities (PIEs) and Major Local Audits

Crown Agents Bank Ltd
Furness Building Society
Goldman Sachs International Bank
Guaranty Trust Bank (UK) Limited
Habib Bank Zurich plc
Hanley Economic Building Society
Harpenden Building Society
Hinckley and Rugby Building Society
JN Bank UK Limited
Loughborough Building Society
Mansfield Building Society
Penrith Building Society
Perenna Bank plc
Punjab National Bank (International) Limited
RCI Bank UK Limited
Redwood Bank Limited
State Bank of India (UK) Limited
Swansea Building Society
Turkish Bank (UK) Limited
Union Bank of India (UK) Limited
United National Bank Limited
Vernon Building Society
Wyelands Bank plc

A person who would be an insurance undertaking as defined in Article 2(1) of Council Directive 91/674/EEC of 19 December 1991 of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertaking as that Article had effect immediately before exit day, were the United Kingdom a Member State.

American International Group UK Ltd
Baltic PCC Limited
Bar Mutual Indemnity Fund Limited
British Reserve Insurance Company Limited
Covea Life Limited
Exeter Friendly Society Limited
Liverpool Victoria Financial Services Limited
Liverpool Victoria Life Company Limited
LV Protection Limited
Marco International Insurance Company Limited
Metropolitan Police Friendly Society Limited
Mitsui Sumitomo Insurance Company (Europe) Ltd
QBE UK Limited
River Re Limited
Samsung Fire & Marine Insurance Company of Europe Limited
Scor UK Company Limited

Teachers Assurance Company Limited
The Exeter Cash Plan
The Griffin Insurance Association Limited
The Wren Insurance Association Limited
Travelers Insurance Company Ltd
Uzbekinvest International Insurance Company Limited

Appendix 4

Public Interest Entities (PIEs) and Major Local Audits

EU PIE

An issuer whose transferable securities are admitted to trading on an EU-regulated market

Esken Finance plc - Borse Frankfurt

TC Dudgeon OFTO Plc - Euronext Dublin MSM

Cars Alliance UK Master PLC - Euronext Dublin MSM

Major local audits signed off from 1 September 2022 to 31 August 2023

Below is a list of Major Local Audits (as defined by The Local Audit (Professional Qualifications and Major Local Audit) regulations 2014) for which we signed an audit report during the year ended 31 August 2023.

Barts NHS Health Trust

East Lancashire Hospitals NHS Trust

Hull University Teaching Hospitals NHS Trust

Leeds Teaching Hospitals NHS Trust

Mid Yorkshire Hospitals NHS Trust

United Lincolnshire Hospitals NHS Trust

NHS Humber and North Yorkshire Integrated Care Board

NHS North East and Cumbria Integrated Care Board

Chief Constable for West Yorkshire

Durham County Council

Durham County Council Pension Fund

Knowsley Metropolitan Borough Council

Cheshire East Council

Hounslow London Borough Council

Kingston upon Hull City Council

London Borough of Hackney

Manchester City Council

Tameside Metropolitan Borough Council

Appendix 5

UK financial performance

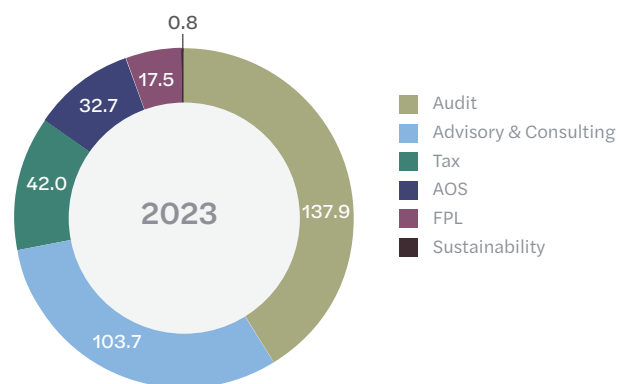
The following has been extracted from the unaudited financial information for the year ended 31 August 2023 demonstrating the importance of statutory audit work to the overall results of the firm.

Turnover by type	2023 £'m	2022 £'m
Revenues from the statutory audit of annual and consolidated financial statements of PIE ¹	31.3	26.4
Revenues from the statutory audit of annual and consolidated financial statements entities whose parent is a PIE	19.4	16.8
Revenues from the statutory audit of annual and consolidated financial statements of other entities	82.1	66.6
Total Audit Services*	132.8	109.8
Non-audit services to audit clients**	24.9	25.5
Non-audit services to non-audit clients	176.9	152.5
Total	334.6	287.8
* Of which turnover relating to Local Audit work	10.1	9.7
** Of which turnover relating to Local Audit work	0.6	0.7

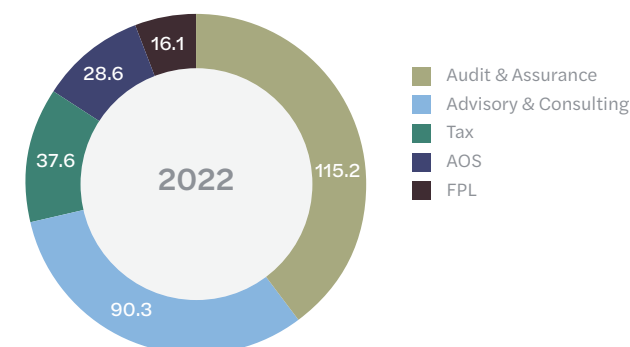
A list of PIEs in respect of which Mazars in the UK expressed an audit opinion in 2022-2023 is set out in Appendix 4.

The combined turnover from statutory auditors of Mazars LLP EEA member state audit firms was €499.5m. UK turnover amounts to €389.3m. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 31 August 2023.

Income by service line (£m)²



Income by service line (£m)²



¹ Includes revenue from other listed entities that are technically not UK PIEs

² Audit income in pie charts includes £5.1m (FY23) and £5.4m (FY22) relating to additional activities within the Audit service line

Appendix 6

Effectiveness of the system of internal controls

Overall control environment

Mazars in the UK has conducted an annual review of the effectiveness of the overall internal control system, which considered all material areas of the control environment, including financial, operational and compliance controls and risk management systems, as well as the promotion of an appropriate culture underpinned by sound values and behaviour within the firm.

This review included a consideration of:

- The firm's structures and boards
- The enterprise risk management framework
- Internal and external reviews, including:
 - compliance with International Standard on Quality Control (ISQC1) in the period from 1 September 2022 to 14 December 2022;
 - internal audit reviews; and
 - reporting from our external auditor
- Crisis management and business continuity arrangements
- The control environment in operation in our finance and other selected central functions
- Regulatory compliance
- Oversight of the UK at a Mazars Group level

As a result of these reviews, we identified improvements which either have been actioned already or are being actioned by the firm. It is not considered that any of the areas for improvement highlighted by these reviews represent a significant failure or weakness, either which requires disclosure under ISQC1 or which undermines the current overall control environment.

The International Standard on Quality Management (UK) 1 (ISQM1)

Context

ISQM1 became effective during the financial year, replacing ISQC1 and requiring firms to have systems of quality management (SoQM) designed and implemented by 15 December 2022.

ISQM1 introduces a new risk assessment process for quality management and has the objectives that the firm designs, implements and operates a SoQM for audits or reviews of financial statements, or other assurance or related services engagements performed by Mazars, that provides the firm with 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

- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances

While a number of processes and controls already existed under the preceding ISQC1, implementing the new standard and applying this new risk assessment process has resulted in enhancements to those existing controls, processes and related policies and the introduction of new controls, alongside clear accountability for the SoQM and greater documentation overall.

In addition to the enhancements already implemented by the firm during the year to 31 August 2023, the ISQM1 implementation and testing thereof has identified further enhancements that should be made, and these will be embedded in the year ending 31 August 2024.

To align with the new ISQM1 requirements, the firm has continued to invest significant resources in the ongoing development of quality, key elements of which are set out in section 1.2. The firm has updated its testing of the effectiveness of the control environment, in addition to refining its monitoring and remediation processes, including the root cause analysis of deficiencies.

Appendix 6

Effectiveness of the system of internal controls

First ISQM1 evaluation

Mazars LLP performed its first evaluation as of 31 August 2023. This evaluation was determined by the Executive and considered a number of areas, including the results of the testing of operating effectiveness of relevant controls for the period since implementation to 31 August 2023 as well as both internal and external engagement reviews.

This first annual evaluation conclusion for the firm is that the SoQM provides reasonable assurance that the objectives of the SoQM are being achieved as of 31 August 2023, with the exception of a limited number of deficiencies related to non-audit assurance engagements that are considered severe but not pervasive.

No severe deficiencies were identified in respect of the SoQM as applied to external audits.

Non-audit assurance engagements

The firm performs a relatively limited number and range of non-audit assurance engagements. These engagements do not form a significant part of the firm's activities within the scope of ISQM1 nor of our overall SoQM, however the deficiencies referred to in the above are in connection with some of these services.

The firm has taken action during the year to 31 August 2023 to improve the quality control environment in respect of these activities and has appointed a partner to lead that.

The implementation plan is well underway and further actions are taking place during the current financial year to ensure that the SoQM will be appropriately enhanced in respect of these remaining aspects of the firm's activities.

Appendix 7

Group and UK statements of compliance

Statement of Compliance with the Audit Firm Governance Code (AFGC) 2016

We have adopted a 'comply or explain' policy in respect of our compliance with this code, details of which can be found in Appendix 8. We fully support the principles and aims of the AFGC 2016 and are transitioning to AFGC 2022 effective September 2023.

Statement on the effectiveness of the quality control system

Mazars Group's and Mazars in the UK's Quality Control System is designed to provide reasonable assurance that the firm, its partners and its staff comply with professional standards and regulatory and legal requirements, work is performed to a consistently high standard and that reports issued by the firm are appropriate.

Based on its quality control monitoring conclusions, Mazars positively confirms that it met the membership obligations of the FoF, in all material respects, for the 2022-2023 year.

The management of Mazars Group and Mazars in the UK are content that the system is effective in the maintenance and improvement of audit quality, including work carried out as a local auditor.

They considered the results of the relevant regulatory inspections in reaching this opinion.

Further detail in respect of the UK firm's evaluation in respect of ISQM1 is provided in Appendix 6.

Statement on the effectiveness of our systems to safeguard our objectivity and independence

The operation and effectiveness of Mazars Group's and Mazars in the UK's systems to safeguard our objectivity and independence form part of the review of the Quality Control System. Furthermore, management confirms that the practices have been subjected to internal review. Based on the evidence obtained in these reviews, the management of Mazars Group and Mazars in the UK confirms, with a reasonable level of assurance, that the independence procedures and practices, including those relevant to our work as a local auditor, have been implemented and the system is effective in maintaining independence.

Statement of compliance with professional training obligations

Mazars Group has established a professional education program that includes the organisation and delivery of technical in-house and external seminars, the active involvement of professional staff in major national and international professional accounting and auditing organisations, and the development of extensive opportunities for staff to attend technical seminars and conferences.

Each year, member entities of the Mazars Group must compile an inventory of training attended by their professionals, and membership of professional bodies/institutes, to ensure compliance with the above-mentioned requirements on a multi-year basis.

Mazars in the UK complies with the Continuing Professional Development policies of the ICAEW, Institute of Chartered Accountants of Scotland ICAS, and ACCA which are, in turn, compliant with IES 7 and IES 8. Mazars in the UK also confirms that its Key Audit partners and other staff working on local audits are competent and suitably trained to deliver audit work within this sector.

Partners and all audit personnel are required to provide an annual declaration that they have complied with the relevant requirements.

Appendix 8

Audit Firm Governance Code and other disclosure requirements

The revised Audit Firm Governance Code 2016, published by the FRC in July 2016, is applicable for financial years beginning on or after 1 September 2016 and is referenced in the table below:

Disclosure required by the Audit Firm Governance Code		How Mazars LLP complies with the code
A	Leadership	
A.1	Owner accountability principle The management of a firm should be accountable to the firm's owners and no individual should have unfettered powers of decision.	See section 3.2
A.1.1	The firm should establish a board or equivalent governance structure, with matters specifically reserved for its decision, to oversee the activities of the management team.	See section 3.2
A.1.2	The firm should state in its transparency report how its governance structures and management operate, their duties and the types of decisions they take. In doing so, the firm should explain how its governance structure provides oversight of both the audit practice and the firm as a whole with a focus on ensuring the Code's purpose, is achieved. If the management and/or governance of the firm rests at an international level it should specifically set out how management and oversight of audit, is undertaken and the Code's purpose achieved in the UK.	See section 3.2
A.1.3	The firm should state in its transparency report the names and job titles of all members of the firm's governance structures and its management, how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details.	See Appendices 2 and 3
A.1.4	The members of a firm's governance structures and management should be subject to formal, rigorous and ongoing performance evaluation and, at regular intervals, members should be subject to re-election or re-selection.	Section 3.2
A.2	Management principle A firm should have effective management which has responsibility and clear authority for running the firm.	See section 3.2 and the "Our Managing Team" pages of our website
A.2.1	Management should have terms of reference that include clear authority over the whole firm including its non-audit businesses and these should be disclosed on the firm's website.	See section 3.2 and the "Our Managing Team" pages of our website
B	Values	
B.1	Professionalism principle A firm should perform quality work by exercising judgement and upholding values of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour in a way that properly takes the public interest into consideration and meets auditing and ethical standards.	See section 1.6

Appendix 8

Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		How Mazars LLP complies with the code
B.1.1	The firm's governance structures and management should establish and promote throughout the firm an appropriate culture, supportive of the firm's public interest role and long term sustainability. This should be achieved in particular through the right tone from the top, through the firm's policies and practices and by management publicly committing themselves and the whole firm to quality work, the public interest and professional judgement and values.	See section 1.6 for our Code of Conduct which embeds a culture of quality See sections 3 and 1.2 for the tone at the top from the leadership
B.1.2	Firms should introduce KPIs on the performance of their governance system, and report on performance against these in their transparency reports.	See section 3
B.1.3	The firm should have a Code of Conduct which it discloses on its website and requires everyone in the firm to apply. The board and Independent Non-Executives should oversee compliance with it.	See section 1.6 for the Code of Conduct, the "Our Values and Culture" pages of the website and the Report of the Independent Non-Executives
B.2	Governance principle A firm should publicly commit itself to this Audit Firm Governance Code.	We support the principles and aims of this Code, as demonstrated by our commitment to the disclosure of the level of compliance with all aspects of the Code
B.2.1	The firm should incorporate the principles of this Audit Firm Governance Code into an internal Code of Conduct.	See section 1.6 for the Code of Conduct and the "Our Values and Culture" pages of the website
B.3	Openness principle A firm should maintain a culture of openness which encourages people to consult and share problems, knowledge and experience in order to achieve quality work in a way that properly takes the public interest into consideration.	See section 1.6
C	Independent Non-Executives	
C.1	Involvement of Independent Non-Executives principle A firm should appoint Independent Non-Executives to the governance structure who, through their involvement, collectively enhance the firm's performance in meeting the purpose of the Code.	See Report from the Independent Non-Executives and section 3.2

Appendix 8

Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code	How Mazars LLP complies with the code
<p>C.1.1 Independent Non-Executives should number at least three and be in the majority on a body that oversees public interest matters; and/or be members of other relevant governance structures within the firm. They should also meet as a separate group to discuss matters relating to their remit. They should have full visibility of the entirety of the business but should pay particular attention to and report on risks to audit quality and how they are addressed. If a firm considers that having three INEs is inappropriate given its size or number of public company clients, it should explain this in its transparency report and ensure a minimum of two at all times. Where the firm adopts an international approach to its management it should have at least three INEs with specific responsibility and relevant experience to focus on the UK business and to take part in governance arrangements for this market; or explain why it regards a smaller number to be more appropriate, in which event there should be a minimum of two.</p>	<p>See Report from the Independent Non-Executives and section 3.2</p>
<p>C.1.2 The firm should disclose on its website and in its transparency report information about the appointment, retirement and resignation of Independent Non-Executives; their remuneration; their duties and the arrangements by which they discharge those duties; and the obligations of the firm to support them. The firm should report on why it has chosen to position its Independent Non-Executives in the way it has (for example, as members of the main board or on a Public Interest Committee). The firm should also disclose on its website the terms of reference and composition of any governance structures whose membership includes Independent Non-Executives.</p>	<p>See section 3.2, Appendix 2 and “Our Managing Team” pages of our website</p>
<p>C.1.3 The Independent Non-Executives should report in the firm’s transparency report on how they have worked to meet the purpose of the Code defined as: Audit Firm Governance Code – Revised 2016 (July 2016)</p> <p>Promoting audit quality. Helping the firm secure its reputation more broadly, including in its non-audit businesses. Reducing the risk of firm failure.</p>	<p>See Report of the Independent Non-Executives</p>
<p>C.1.4 Independent Non-Executives should have regular contact with the Ethics Partner, who should under the ethical standards have a reporting line to them.</p>	<p>See Report of the Independent Non-Executives</p>
<p>C.2 Characteristics of Independent Non-Executives principle</p> <p>The Independent Non-Executives’ duty of care is to the firm. They should command the respect of the firm’s owners and collectively enhance shareholder confidence by virtue of their independence, number, stature, experience and expertise. They should have a balance of relevant skills and experience including of audit and a regulated sector. At least one Independent Non-Executive should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company’s finance function, as an investor or at an audit firm.</p>	<p>See section 3.2 and Appendix 2</p>
<p>C.2.1 The firm should state in its transparency report its criteria for assessing the impact of Independent Non-Executives on the firm’s independence as auditors and their independence from the firm and its owners.</p>	<p>See section 3.2</p>

Appendix 8

Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		How Mazars LLP complies with the code
C.3	<p>Rights and responsibilities of Independent Non-Executives principle</p> <p>Independent Non-Executives of a firm should have rights consistent with their role including a right of access to relevant information and people to the extent permitted by law or regulation, and a right to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the Independent Non-Executive resigns, to report this resignation publicly.</p>	See section 3.2 and “Our Managing Team” pages of our website
C.3.1	Each Independent Non-Executive should have a contract for services setting out their rights and duties.	Each INE has an appropriate contract in place
C.3.2	Independent Non-Executives should be appointed for specific terms and any term beyond nine years should be subject to particularly rigorous review and explanation.	See section 3.2 and Appendix 2
C.3.3	<p>The responsibilities of an Independent Non-Executive should include, but not be limited to, oversight of the firm’s policies and processes for:</p> <ul style="list-style-type: none"> • Promoting audit quality • Helping the firm secure its reputation more broadly, including in its non-audit businesses • Reducing the risk of firm failure 	See section 3.2
C.3.4	The firm should ensure that appropriate indemnity insurance is in place in respect of legal action against any Independent Non-Executive in respect of their work in that role.	See section 3.2
C.3.5	The firm should provide each Independent Non-Executive with sufficient resources to undertake their duties including having access to independent professional advice at the firm’s expense where an Independent Non-Executive judges such advice necessary to discharge their duties.	See section 3.2
C.3.6	The firm should establish, and disclose on its website, procedures for dealing with any fundamental disagreement that cannot otherwise be resolved between the Independent Non-Executives and members of the firm’s management team and/or governance structures.	See section 3.2
D	Operations	
D.1	<p>Compliance principle</p> <p>A firm should comply with professional standards and applicable legal and regulatory requirements. Operations should be conducted in a way that promotes audit quality and the reputation of the firm. The Independent Non-Executives should be involved in the oversight of operations.</p>	See section 1.2 and section 1.6
D.1.1	The firm should establish policies and procedures for complying with applicable legal and regulatory requirements and international and national standards on auditing, quality control and ethics, including auditor independence.	See sections 1.2 and 1.3

Appendix 8

Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		How Mazars LLP complies with the code
D.1.2	The firm should establish policies and procedures for individuals signing group audit reports to comply with applicable standards on auditing dealing with group audits including reliance on other auditors whether from the same network or otherwise.	See section 1.2
D.1.3	The firm should state in its transparency report how it applies policies and procedures for managing potential and actual conflicts of interest.	See section 1.6
D.1.4	The firm should take action to address areas of concern identified by audit regulators in relation to the firm's audit work.	See section 1.4
D.2	Risk management principle A firm should maintain a sound system of internal control and risk management over the operations of the firm as a whole to safeguard the firm and reassure stakeholders.	See section 3.2
D.2.1	The firm should, at least annually, conduct a review of the effectiveness of the firm's system of internal control. Independent Non-Executives should be involved in the review which should cover all material controls, including financial, operational and compliance controls and risk management systems as well as the promotion of an appropriate culture underpinned by sound values and behaviour within the firm.	See section 3.2, and Appendix 6
D.2.2	The firm should state in its transparency report that it has performed a review of the effectiveness of the system of internal control, summarise the process it has applied and confirm that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from that review. It should also disclose the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary.	See section 3.2, and Appendix 6
D.2.3	The firm should carry out a robust assessment of the principal risks facing it, including those that would threaten its business model, future performance, solvency or liquidity. This should reference specifically the sustainability of the audit practice within the UK.	See section 3.2
D.3	People management principle A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code.	See sections 1.1 and 1.6
D.3.1	The firm should disclose on its website how it supports its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code through recruitment, development activities, objective setting, performance evaluation, remuneration, progression, other forms of recognition, representation and involvement.	See sections 1.1 and 1.6 and the website where this transparency report sits
D.3.2	Independent Non-Executives should be involved in reviewing people management policies and procedures, including remuneration and incentive structures, to ensure that the public interest is protected.	See Report of the Independent Non-Executives

Appendix 8

Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		How Mazars LLP complies with the code
D.4	<p>Whistleblowing principle</p> <p>A firm should establish and apply confidential whistleblowing policies and procedures across the firm which enable people to report, without fear, concerns about the firm’s commitment to quality work and professional judgement and values in a way that properly takes the public interest into consideration. The Independent Non-Executives should be satisfied that there is an effective whistleblowing process in place.</p>	See section 1.6
D.4.1	The firm should report to Independent Non-Executives on issues raised under its whistleblowing policies and procedures and disclose those policies and procedures on its website.	See sections 1.6 and 3.2
E	Reporting	
E.1	<p>Internal reporting principle</p> <p>The management of a firm should ensure that members of its governance structures, including owners and Independent Non-Executives, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties.</p>	See Report of the Independent Non-Executives
E.2	<p>Governance reporting principle</p> <p>A firm should publicly report how it has applied in practice each of the principles of the Audit Firm Governance Code and make a statement on its compliance with the Code’s provisions or give a considered explanation for any non-compliance.</p>	Appendix 7
E.2.1	The firm should publish on its website an annual transparency report containing the disclosures required by Code Provisions A.1.2, A.1.3, B1.2, C.2.1, D.1.3, D.2.2, E.2.2 and E.3.1.	See this report on the “Corporate Publications” pages of our website

Appendix 8

Audit Firm Governance Code and other disclosure requirements

The Local Auditors (Transparency) Regulations 2020

We have prepared this transparency report in accordance with the requirements of the Local Auditors (Transparency) Regulations 2020 as issued by the Financial Reporting Council's Professional Oversight Board, as referenced in the table below:

The Local Auditors (Transparency) Regulations 2020	How Mazars LLP complies with the instrument
1. A description of the legal structure, governance and ownership of the transparency reporting Local Auditor.	See section 3.1
2. Where the transparency reporting Local Auditor belongs to a network, a description of the network and the legal and structural arrangements of the network.	See section 3.1
3. A description of the internal quality control system of the transparency reporting Local Auditor and a statement by the administrative or management body on the effectiveness of its functioning in relation to Local Audit work.	See Appendix 6
4. A description of the transparency reporting Local Auditor's independence procedures and practices including a conformation that an internal review of independence practices has been conducted.	See Appendix 6
5. Confirmation that all engagement leads are competent to undertake Local Audit work and staff working on such assignments are suitably trained.	See Appendix 7
6. A statement of when the last monitoring of the performance by the transparency reporting Local Auditor of Local Audit functions within the meaning of paragraph 23 of Schedule 10 to the Companies Act 2006, as applied in relation to Local Audits by Section 17 and paragraphs 1, 2 and 28(7) of Schedule 5 to the Act, to place.	See section 1.3 and 1.4
7. A list of major Local Audits in respect of which an audit report has been made by transparency reporting Local Auditor in the financial year of the auditor; and any such list may be made available elsewhere on the website specified in regulation 4 provided that a clear link is established between the transparency report and such a list.	See Appendix 4
8. A statement on the policies and practices of the transparency reporting Local Auditor designed to ensure that persons eligible for appointment as a Local Auditor continue to maintain their theoretical knowledge, professional skills and values at a sufficiently high level.	See Appendix 7
9. Turnover for the financial year of the transparency reporting Local Auditor to which the report relates, including the showing of the importance of the transparency reporting Local Auditor's Local Audit work.	See Appendix 5
10. Information about the basis for remuneration to partners.	See section 1.6

Appendix 8

Audit Firm Governance Code and other disclosure requirements

EU Audit Regulation 537/2014 Article 13

Article 13 of the EU audit regulation 537/2014 Article 13 on statutory audits of annual accounts and consolidated accounts consists of requirements for inclusion in the transparency reports for the Statutory Auditors of PIE, as referenced in the table below:

Disclosure required by EU audit regulation 537/2014 Article 13	How Mazars LLP complies with the directive
1 A statutory auditor or an audit firm that carries out statutory audits of public-interest entities shall make public an annual transparency report at the latest four months after the end of each financial year. That transparency report shall be published on the website of the statutory auditor or the audit firm and shall remain available on that website for at least five years from the day of its publication on the website. If the statutory auditor is employed by an audit firm, the obligations under this Article shall be incumbent on the audit firm.	See this report on the “Corporate Publications” pages of our website.
2 The annual transparency report shall include at least the following:	
(a) a description of the legal structure and ownership of the audit firm;	See section 3.1
(b) where the statutory auditor or the audit firm is a member of a network:	See section 3.1
(i) a description of the network and the legal and structural arrangements in the network;	See section 3.1
(ii) the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of the network;	See Appendix 1
(iii) the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of the network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business; and	See Appendix 1
(iv) the total turnover achieved by the statutory auditors operating as sole practitioners and audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements.	See Appendix 5 and ‘Mazars Group at a Glance’
(c) a description of the governance structure of the audit firm;	See section 3.2
(d) a description of the internal quality control system of the statutory auditor or of the audit firm and a statement by the administrative or management body on the effectiveness of its functioning;	See Appendices 6 and 7
(e) an indication of when the last quality assurance review referred to in Article 26 was carried out;	See section 1.2 and 1.4 Audit quality indicator 2 - Metrics on audit quality reviews

Appendix 8

Audit Firm Governance Code and other disclosure requirements

Disclosure required by EU audit regulation 537/2014 Article 13	How Mazars LLP complies with the directive
(f) a list of public-interest entities for which the statutory auditor or the audit firm carried out statutory audits during the preceding financial year;	See Appendix 4
(g) a statement concerning the statutory auditor's or the audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted;	See Appendix 7
(h) a statement on the policy followed by the statutory auditor or the audit firm concerning the continuing education of statutory auditors referred to in Article 13 of Directive 2006/43/EC;	See Appendix 7
(i) Information concerning the basis for the remuneration of members of the management body of the statutory auditor, where that statutory auditor is a firm;	See section 1.6
(j) a description of the statutory auditor's or the audit firm's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7);	See section 1.6
(k) where not disclosed in its financial statements within the meaning of Article 4(2) of Directive 2013/34/EU, information about the total turnover of the statutory auditor or the audit firm, divided into the following categories:	See Appendix 5
(i) revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity;	See Appendix 5
(ii) revenues from the statutory audit of annual and consolidated financial statements of other entities;	See Appendix 5
(iii) revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; and	See Appendix 5
(iv) revenues from non-audit services to other entities.	See Appendix 5
3 The transparency report shall be signed by the statutory auditor or the audit firm.	See Foreword

Appendix 9

Glossary

AAS	Audit and Assurance Service	FRC	Financial Reporting Council	LLP	Limited Liability Partnership
AB	Audit Board	GAB	Global Audit Board	MAM	Mazars Audit Methodology
ACCA	Association of Chartered Certified Accountants	GIAC	Group Independence and Acceptance Committee	Mazars Group	The member entities of Mazars SC
AExeco	Audit Executive Committee	GEB	Group Executive Board	Mazars in the UK	Mazars LLP
AFGC	Audit Firm Governance Code (Revised 2016)	GGC	Group Governance Council	OMP	Office Managing Partner
ANE	Audit Non-Executive	GLT	Global Leadership Team	Partners	Partners and shareholders of Mazars entities in the Mazars Group
AOS	Accounting and Outsourcing Services	GPM	Global Policy Manual	PIC	Public Interest Committee
AQI	Audit Quality Indicator	IAASB	International Auditing and Assurance Standards Board	PIE	Public Interest Entity
AQR	FRC's Audit Quality Review Team	ICAEW	Institute of Chartered Accountants in England and Wales	POB	Privately Owned Business
AQS	Audit Quality Support	ICAS	Institute of Chartered Accountants of Scotland	PSAA	Public Sector Audit Appointments
AQTP	Audit Quality Transformation Program	IES	International Education Standards	QAD	Quality Assurance Department
BST	Business Services Team	IESBA	International Ethics Standards Board for Accountants	Q&RM	Quality and Risk Management Board
CARL	Mazars Equity Partners	IESBA Code	IESBA Code of Ethics for Professional Accountants	UKRemCom	United Kingdom Remuneration Committee
CCOI	Code of Conduct for Objectivity and Independence	IFAC	International Federation of Accountants	RI	Responsible Individual
CEO	Chief Executive Officer	IFRS	International Financial Reporting Standards	RMM	Risk Management Manual
COO	Chief Operating Officer	INE	Independent Non-Executive	RQC	Risk and Quality Committee
CPD	Continued Professional Development	IQCC	International Quality Control Committee	SoQM	System of Quality Management
CSR	Corporate Social Responsibility	ISA	International Standard on Auditing	SQP	Single Quality Plan
CSU	Central Support Unit	ISQC1	International Standards on Quality Control 1	TAX	Tax services
DIANE	Doubly Independent Audit Non-Executive	ISQM1	International Standards on Quality Management (UK) 1	The Charter	Charter of Association
Ethnic Minority	Black, Asian and Minority Ethnic	IT	Information Technology	The firm	Mazars LLP
ERM	Enterprise Risk Management	KAP	Key Audit Partner	The Group	The member entities of Mazars SC UK United Kingdom
ESG	Environmental, Social and Governance	KPI	Key Performance Indicator	UKARC	United Kingdom Audit and Risk Committee
EQCR	Engagement Quality Control Review	KRI	Key Risk Indicator	UK Executive	United Kingdom Executive Board
EU	European Union	LGBTQ+	Lesbian, Gay, Bi, Trans, Queer, Questioning and Ace	UKGC	United Kingdom Governance Council
FAS	Financial Advisory Services			Us/we	Mazars LLP
FoF	Forum of Firms				
FPL	Financial Planning				



Contact

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 100 countries and territories around the world, we draw on the expertise of more than 50,000 professionals – 33,000+ in Mazars' integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws

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