



# Transparency Report 2023/2024

Forvis Mazars in the UK

**forvis**  
**mazars**

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# Introduction

## Foreword by Phil Verity, UK CEO

### An improving trend of quality indicators

I am delighted to share this Transparency Report, highlighting our focus on quality which is at the heart of our firm.

#### The FRC Public Report and our commitment to quality

In July 2024 the FRC reported on its AQR findings, which highlighted several improvement initiatives across the firm and reflected our strong focus on audit quality transformation.

However, the report showed that only four out of nine audit files reviewed (44%) were categorised as good or limited improvements required. We were very disappointed by these results, and this was an opportunity for us to reconfirm our commitment and determination to delivering high quality standards and to continue to make the necessary investments required to achieve this objective.

We take these findings seriously and continue to work very closely with the FRC on successful transformation. We are encouraged by the acknowledgement that improving audit quality takes time, as our plans and initiatives are well established. We believe are making a positive impact which is reflected in our internal quality monitoring results, and we expect this to lead to an improved AQR profile in the July 2025 report.

We are mindful that our 2024 AQR grades largely reflected the firm's December 2022 year-ends, which was, importantly, before we launched our Audit Quality Transformation Programme (AQTP).

Knowing that there is a time lag between implementation and outcome, we have been closely following the 2024 internal quality results as a more reliable barometer of the effect of the planned improvements in quality, as these results are based on more recent year-ends which begin to show some impact of the AQTP.

Looking at these results, we have seen a very positive increase in the scores from 61% in 2023 to 74% in 2024. While there is more to do, we are encouraged by this recent positive trend in our quality indicators.

Based on the evidence available at the date of this review we know that this improvement will also be reflected in the 2025 AQR scores, when published.



# Introduction

## Foreword by Phil Verity, UK CEO

### Maintaining focus on implementing the AQTP to achieve consistent and sustainable results

While we are encouraged by the improvements, we remain totally committed to implementing the AQTP and maintaining our focus on delivering high quality audits. We are continuing to work closely with the FRC to deliver the AQTP and our focus is on ensuring that the firm's results continue to improve and are then sustained at that level. We are fully committed to delivering excellence.

### Empowering our people to deliver excellence

At Forvis Mazars, our commitment to excellence is deeply rooted in the development and support of our people. We believe that by investing in our teams, we empower them to deliver their best work, fostering an environment where innovation and collaboration thrive. Our focus on continuous learning and professional growth ensures that every team member is equipped with the skills and resources needed to excel.

This dedication enhances our service delivery, strengthens our collective ability to meet the evolving needs of our clients and stakeholders and ensures full focus on our primary objectives of delivering high quality audits, without compromise.

### Forvis Mazars

The creation of the Forvis Mazars Global network in June 2024 was a major achievement in the firm's journey and history, and we know that it will enable the UK firm to fully prosper as part of a Top 10 global network. Formed by the coming together of Mazars and Forvis, the network is underpinned by shared values and a commitment to delivering quality. We have been very pleased by the positive reaction from our clients, our people and our stakeholders.

### Resilience in the face of emerging risks

We remain focused on being an agile and resilient organisation, well-equipped to react to emerging risks. This commitment drives our efforts to provide our teams with exceptional tools and technology, including our proprietary audit software, Atlas NextGen, which we are pleased is fully implemented across all our audit portfolio. All of our audits for this year will be delivered on the new platform.

### Passing the baton

This will be my final Transparency Report foreword as I hand over my responsibilities to James Gilbey, who will lead the UK firm from February 2025.

We are very pleased with the succession process, which reflects our dedication to stewardship; one of our core values. James has extensive experience, and together with his leadership team he will maintain the commitment to delivering exceptional quality.



For and on behalf of Forvis Mazars LLP



**Phil Verity**  
UK CEO  
December 2024



# Introduction

## Message from the Head of Audit

**We promote trust and share insights through our audit and assurance work. Fostering mutual trust and respect helps build confidence in corporate reporting, and high-quality audits benefit society, supporting sustainable businesses and economies.**

As I look back over the last twelve months, I want to extend my gratitude to our people for their dedication and hard work during a time where the audit profession is undergoing enormous change. Our team's resilience and commitment have been truly inspiring. As I look forward to what the next 12-months will bring, I am confident that it will open new and exciting opportunities for the team of Forvis Mazars. Together, through collective efforts and collaboration, Forvis Mazars will continue to drive value for our teams and the markets we serve.

We work hard to execute our AQTP to deliver high-quality audits and are making progress towards becoming the challenger firm of choice in the United Kingdom audit market.

### **Our commitment to quality**

Quality is what makes audit relevant. We actively develop our methodology, review quality recommendations and findings of regulatory inspections, and improve the skills and knowledge of our teams. We are continually raising our expectations of audit quality, as this is something that is constantly evolving in line with societal changes.

We are pleased that our recent internal and external inspections are showing strong signs of improved results indicating that our focus to sustainably transform audit quality is having the desired impact.

This dedication to quality fosters an environment where every audit team member is empowered to contribute to our collective success, driving us forward with confidence and integrity.

During 2023/2024 we have made significant progress in relation to technology and tools, talent management and quality. The highlights for the year are summarised below:

### **Technology and tools**

We fully implemented Atlas NextGen as the core audit platform providing a complete audit solution for all Forvis Mazars staff. Throughout 2023/2024 there has been continued improvements and enhancements to our audit platform, including ensuring ISA220R and ISA600R compliance, introducing tools with the Group Reinventing Audit team to improve the efficiency and quality of the audit process, whilst ensuring stability and platform security.

Global Reinventing Audit is our innovation and research and development programme exclusively for audit. This program involves quality, risk, and methodology experts to develop digital audit solutions. It not only ensures a reinvented audit experience for our teams and clients but also guarantees quality across all our procedures, internationally, wherever we operate.

Additionally, this innovation program provides security for the data entrusted to us by our clients, by centralising all information in a single location and applying the highest security standards.

### **Talent management**

We have continued to embed within our teams a greater culture of learning and feedback. The training curriculum is constantly reviewed for effectiveness, and we have now completed the first full year of a more structured approach to providing feedback to our teams. In addition, we are working on revamping international mobility. The Flyer Program is a new international mobility programme developed to allow resource and expertise sharing between all offices globally to ensure teams can deliver high quality audits to our clients.

# Introduction

## Message from the Head of Audit

### Audit quality

The AQTP is a pivotal initiative designed to sustainably enhance audit quality across Forvis Mazars in the United Kingdom. This programme provides a clear and uncompromising roadmap to consistently elevate audit quality across all our engagements.

The AQTP encompasses our seven desired outcomes, as depicted in our Desired Outcome Wheel (as included in section 1.2), which we believe are crucial for transforming audit quality without compromise. It details how we intend to achieve these goals by empowering everyone to contribute to the next phase of our journey.

### Our position in the United Kingdom audit market

We stand at a pivotal juncture in the United Kingdom (UK) audit market, prepared to become the firm of choice outside of the Big 4. The recent emphasis on audit market reform, highlighted as a priority in the King's Speech for the new government, presents a unique and timely opportunity for us to establish our presence and influence.

The legislative push for reform aims to enhance transparency, accountability, and competition within the audit sector, creating a fertile ground for firms that are agile, innovative, and committed to excellence.

We have committed ourselves to serving the public interest by providing competition and choice. Our determination to continue this journey and transform audit quality remains unwavering.

We support and encourage the government to intervene strategically in the audit market to enhance resilience and promote sustainable growth among a wider range of firms.

### Further market developments

We welcome the work performed by the International Sustainability Standards Board (ISSB) and by the European Union with the European Sustainability Reporting Standards (ESRS) to promote sustainability reporting. This in turn will demand new forms of assurance, which is crucial for investors and stakeholders seeking reliable information on an entity's environmental impact and sustainability practices.

We encourage regulatory alignment on sustainability reporting and assurance requirements to ensure consistency, transparency and accountability across all sectors internationally. As businesses increasingly and rightly prioritise sustainability, we have a unique opportunity to further contribute to a more sustainable and responsible global economy.

### Stewardship in action

In conclusion, just as Phil Verity will transition the CEO role to James Gilbey, I will be passing the baton of Head of Audit to Greg Simpson on 15 February 2025. Greg is a talented leader within our firm, and I am confident he will elevate our audit business to new heights, maintaining the same commitment to high-quality audits that I have strived for during my tenure.



For and on behalf of Forvis Mazars LLP



**David Herbinet**  
Head of Audit  
December 2024







# Introduction

## Forvis Mazars in the UK at a glance

### UK turnover 2023/2024

**£362.4m\***

43% in respect of audit services

**8%**

Turnover increase on prior year

14% in respect of audit services

**Top 10**

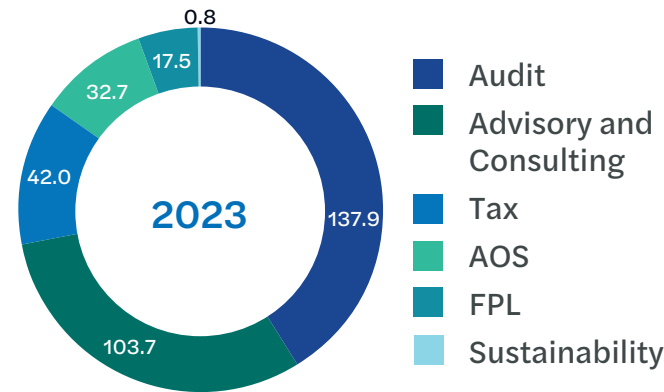
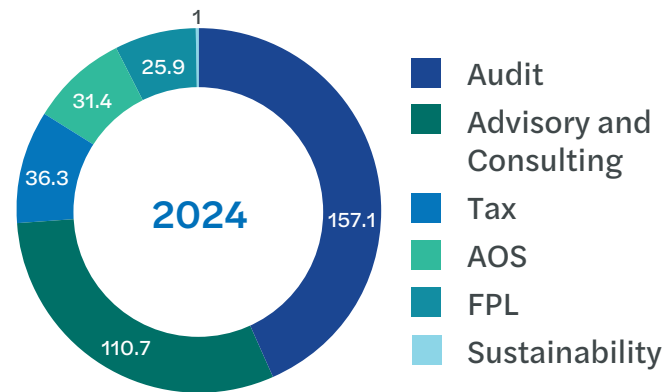
UK partnership

by audit fee income

These figures are valid as of 31 August 2024.

\* Unaudited results

Income by service line (£m)\*



### UK coverage

**14**  
offices



# Introduction

## Forvis Mazars in the UK at a glance

### Continued commitment to quality transformation

#### Investment in Audit Quality Support



**30%**

increase in the Audit Quality Support headcount

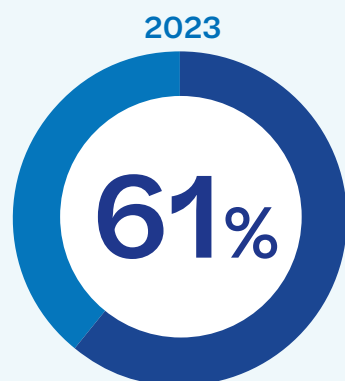
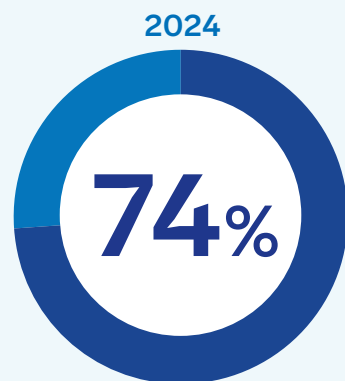
We are committed and focused on delivering high quality; supported by significant and continuous investment in our teams, tools and culture. In our response to the FRC's July 2024 report we noted our disappointment on the AQR file reviews and reconfirmed our commitment and drive to improve audit quality. We have made substantial investments across the firm to ensure quality is at the forefront. We launched our AQTP in October 2023 and we are encouraged by the improvements in our quality indicators as a result of the initiatives that were designed to positively impact frontline audit quality. This is noted in the improved internal quality monitoring results and we know that these enhancements will be reflected in the 2025 Audit Quality Review (AQR) scores.

We recognise that further efforts are necessary. Our objective is to ensure the continuation and sustainability of these quality improvements.

We remain fully committed to delivering excellence, and transforming quality, sustainably and without compromise.

#### Internal inspections

##### Internal quality monitoring

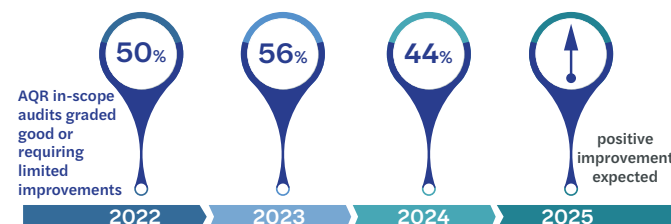


\* From 46 internal monitoring file reviews

\*\* From 33 internal monitoring file reviews

#### External inspections

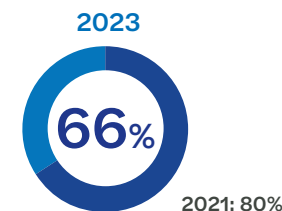
##### AQR



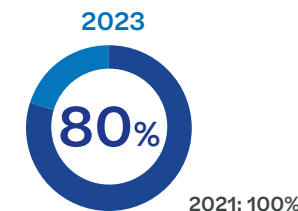
##### AQR - Public Sector audits

From 2021 to 2024 we only had one major local audit graded as 'improvements required'. We are committed to the public interest and we are actively contributing in the solution for public sector audits, working with the FRC and other system stakeholders. Please refer to section 1.4 for further details.

##### QAD\*\*\*



of Public Sector audits were good or generally acceptable



of audits (excluding Public Sector) were good or generally acceptable

\*\*\* QAD inspections are on a rotational basis and are not annually performed. The last inspection was performed in 2021

# Introduction

## Forvis Mazars in the UK at a glance

### Our conduct

#### Corporate sustainability



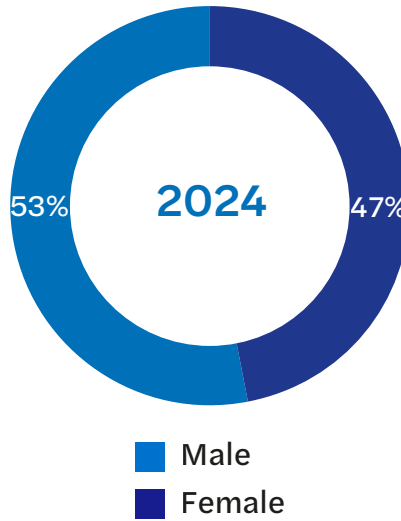
Sustainability Report published, with key emphasis on setting our pathway to net zero as well as driving social mobility and igniting young ambitions.

We've made several commitments as part of our Inclusion & Diversity strategy, including:

- The Women in Finance Charter;
- Disability Confident Employer Scheme; and
- Social Mobility Pledge.

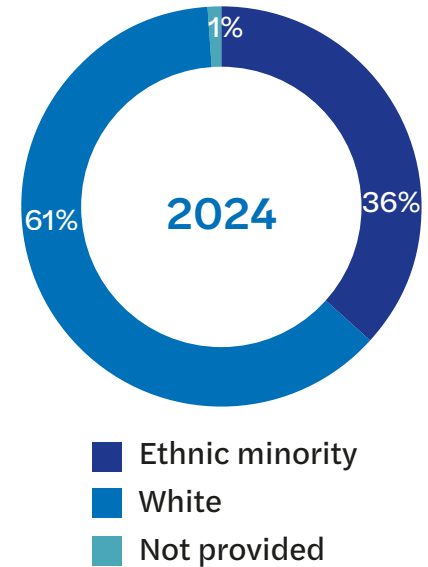
### Gender

#### UK firm



### Ethnicity

#### UK firm



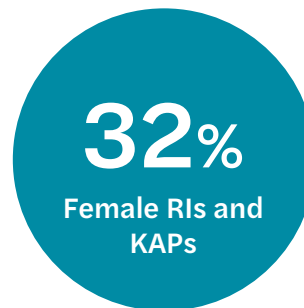
### Our people



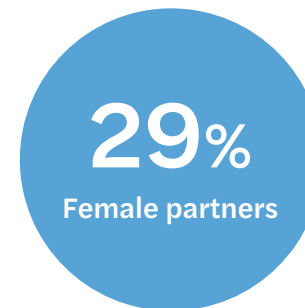
2023: 3,273



2023: 171



2023: 28%



2023: 28%



2023: 11



# Introduction

## Forvis Mazars Global at a glance

On 1 June 2024 Forvis Mazars launched as a new global network. We are a leading provider of audit and assurance, tax, advisory and consulting services worldwide, and the largest new entrant into the global rankings in decades.

With a global outlook to see the big picture and the local knowledge to understand it, we combine scale, capacity and coverage with agility, deep insight and a personal approach. We are committed to building our clients' confidence to prepare for what's next by putting quality, integrity and technical excellence at the core of what we do.

### Key facts and figures

**Top 10\***  
global network

**\$5bn\*\***  
combined revenue

**1,800+**  
combined partners

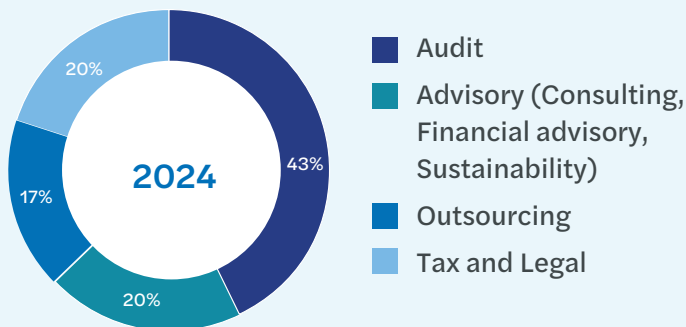
**40,000+**  
combined professionals

### Our global footprint

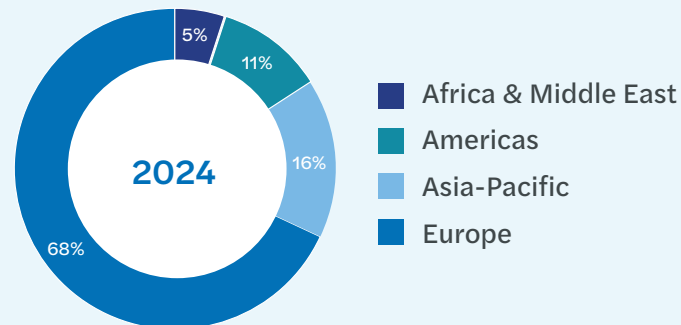
**400+**  
combined offices

**100+**  
combined countries and territories

Global turnover by service lines (%)



Global turnover by regions (%)



Figures are valid as of 31 August 2024.

\* Source: IAB World Network rankings 2023

\*\* Forvis Mazars Group: \$3.251bn, Forvis Mazars LLP \$1.939bn.



# Introduction

## Report of the Independent Non-Executives

**The Public Interest Committee has experienced a busy year, marked by significant challenges for the United Kingdom economy. Despite these difficulties, we remain confident in the firm's commitment to entities in delivering high-quality audits, with a strong emphasis on public interest considerations.**

As the new Chair of the Public Interest Committee (PIC), I would like to express my gratitude to Denise Fletcher, who stepped down as Chair from the PIC, in August 2024, for her support and guidance over the past few years. Her leadership has been pivotal in the work we have done to enhance confidence in the public interest aspect of the firm's activities. Her dedication and commitment have significantly contributed to our success. Denise, thank you for your invaluable service and contributions.

I am pleased to reflect on our progress this year. Our oversight role encompasses a broad range of issues, with a particular focus:

- to promote audit quality;
- to ensure the firm takes account of the public interest in its decision-making, particularly in audit; and
- to safeguard the sustainability and resilience of the audit practice and of the firm as a whole.

The composition of the Public Interest Committee (PIC) remains unchanged from the previous year. It comprises three Independent Non-Executives (INEs) – Denise Fletcher, Professor Guy Jubb, Lord Amyas Morse, as well as Phil Verity, the UK CEO, and Jac Berry, the UK Head of Quality.

We are actively involved in the firm's governance processes. Guy attends a number of the Audit and Risk Committee meetings; I similarly attend selected Governance Council meetings and certain Remuneration Committee meetings.

The PIC meetings held and attended throughout the year are detailed in Appendix 3. As INEs, we convene privately before each PIC meeting to ensure thorough preparation and, where appropriate, to collectively agree on key areas for constructive management challenge. Additionally, we have conducted ad hoc INE-only meetings and informal discussions with management as necessary during the year.

We continued to have regular engagement meetings with the FRC during the year and found these to be greatly informative, constructive and open, enabling us to give clear feedback and challenge to the firm's leadership.

### Quality

#### Audit quality

The regular updates that we received during the year have been important to support us in discharging our responsibility to promote audit quality. We are pleased to observe the significant progress made by the Audit

and Assurance business over the past year, as it has adeptly embraced the evolving opportunities within the audit market.

While the results of the individual AQR inspections published in July 2024 showed that only four out of nine audit files reviewed (44%) were placed in the top category, we see this as an opportunity. Although this represents a slight decline compared to last year's report, which highlighted an improving trend we remain optimistic. As INEs, we are actively engaging with the firm's audit leadership and their AQTP, and we are committed to closely monitoring the implementation of this plan to drive future improvements.

Quality remains our top priority as INEs. In October 2024, INEs participated as panel guests at the firm's second Audit Quality Convention, where they effectively communicated key messages regarding audit quality and the management of public interest audits to the broader team.

The firm has maintained a significant market share in local audit across both local government and NHS sectors. The FRC published its annual report for 2023/2024 inspection cycle on the eight firms carrying out major local audit work, in November 2024. This report sets out the challenges faced by all firms



# Introduction

## Report of the Independent Non-Executives

and the legislative measures that the government has recently introduced to support a return to a normal cycle of financial reporting and audit in local government. We will continue to challenge the Public Sector audit leadership to ensure that Forvis Mazars maintains and improves audit quality in this crucial sector.

### Quality across all areas of the firm

Although there is a strong emphasis on audit services, it is crucial for the firm to achieve overall success to maintain its reputation as a firm of choice outside the Big4. We have enhanced our visibility by consistently engaging with the firm's non-audit Quality and Risk Leadership team, who oversee key activities and priorities aimed at fostering a culture of quality and effective risk management.

### Leadership and governance

The Public Interest Committee remains committed to the principles outlined in the Audit Firm Governance Code (AFGC). Over the past year, we have engaged in individual dialogues with institutional investors on topics covered by the AFGC. Additionally, we have participated in multi-firm meetings with these investors. In collaboration with several of these investors, we also contribute to the initiatives of the Centre for Audit Committee and Investor Dialogue.

We maintained consistent communication with the firm's Ethics Partner and the newly appointed Deputy Ethics Partner, both of whom have an independent and confidential reporting line. Appropriate indemnity

insurance is in place in respect of legal action against INEs and sufficient resources are provided by the firm to enable us to perform our duties.

We acknowledge that the new government's priorities for the upcoming year include measures to strengthen the audit sector, improve corporate governance and enhance the overall transparency and reliability of financial reporting in the United Kingdom. As INEs, we remain committed to challenging the firm to deliver work of the highest quality and supporting its development in response to market changes.

### Working with the Audit Board

The Audit Board was established in January 2023, in alignment with the provisions and principles of the AFGC 2022, to provide advice and challenge to the audit leadership team. It is not part of the LLP's formal governance structure and holds advisory responsibilities rather than formal powers. The financial year ended 31 August 2024 marks the first full annual cycle for the Audit Board, during which the PIC has received regular updates. Further details on the key matters considered by the Audit Board throughout the year are outlined in the Report from of the Chair of the Audit Board.

### Risk management and internal controls

The firm's reputation for quality is of utmost importance. As members of the PIC, we oversee and monitor the firm's reputational risk, engaging in

regular dialogue with the firm's leadership. This enables us to assess and challenge the impact on key business risks, including those related to quality and reputation. Additionally, we consistently receive updates from the Chair of the sub-committee of the Executive, the Risk and Quality Committee (RQC). Given the global focus on artificial intelligence and our increased reliance on technology, we have discussed the firm's capabilities in this area, as well as the developments and tools available. Ensuring robust governance is crucial as we grow in the market, and we will continue to prioritise this area.

### System of Quality Management

Throughout the year, the firm has enhanced its system of quality management (SoQM) by implementing the International Standard on Quality Management (UK) 1 (ISQM 1). Given that ISQM 1 mandates a more proactive and risk-based approach to managing quality at the firm level, we have taken a keen interest in the design, implementation, and operation of the SoQM, which must be evaluated at least annually.

To facilitate the design, implementation, and operation of the firm's SoQM, members of the Audit Quality Support Team have been assigned specific SoQM roles. These individuals possess the necessary experience, knowledge, and time to effectively fulfil their responsibilities. We are pleased to see the investment in a dedicated team focused on evaluating the SoQM.

# Introduction

## Report of the Independent Non-Executives

### Ethics

The INEs maintain regular contact with the firm's Ethics Partner. The Ethics Partner submits a written report to the PIC at least twice a year, summarising the fulfilment of their responsibilities and the issues addressed. They are responsible for ensuring that all significant ethical matters are communicated to the PIC and/or the INEs in a timely and comprehensive manner. It is the responsibility of the Senior Partner to ensure that INEs are kept informed of significant ethical issues.

We are encouraged that the improvements made, through strengthening the ethics function, including the addition of a Deputy Ethics Partner, will bring further capability and capacity to the ethics function.

### Culture and talent management

Building and maintaining quality, strengthening the firm's reputation, and risk of failure are reliant on the people within the firm. As such, the culture and ethics of the talent within the firm are the cornerstone of its operations. The firm consistently fosters engagement through on-the-job coaching and mentoring, both of which are essential for auditors to develop behaviours and soft skills that cannot always be acquired through formal training courses.

There is a strong commitment to advancing all aspects of diversity and inclusion. This year, as in previous years, we engaged with approximately 100 self-selected partners and staff members to understand and evaluate the firm's culture. These meetings, conducted under the Chatham House Rule, provided valuable insights and enabled us to make informed recommendations to the Executive. During the annual Audit Quality Convention, attended by INEs, we were pleased to observe further significant progress since our previous findings and observations were shared with the Executive.

### Conclusion

We remain confident in the firm's commitment to the public interest and the delivery of high-quality audits. We are satisfied that the firm maintains a strong focus on its reputation across all service lines and has implemented an appropriate framework through the SoQM and AQTP to enhance quality further and mitigate the risk of failures. As INEs, we will continue to leverage our position to advise and challenge management, ensuring that these commitments remain steadfast and that public interest considerations are integral to the firm's decision-making process.

**Lord Amyas Morse**  
December 2024



**Lord Amyas Morse**  
Chair, Public Interest Committee



**Denise Fletcher**  
Member, Public Interest Committee



**Professor Guy Jubb**  
Member, Public Interest Committee



## Introduction

# Report of the Chair of the Audit Board

**This report marks the conclusion of our first full year of operation as the Audit Board. Throughout this period, we have been diligently working alongside the PIC to support the firm in advancing its quality agenda. Our efforts have been focused on fostering a culture of excellence, ensuring that we meet the highest standards of accountability and transparency. We are proud of the progress the firm has made and remain committed to driving continuous improvement.**

As outlined in the Report of the Independent Non-Executives, the Audit Board was established in January 2023. The financial year ended 31 August 2024 marks the completion of its first full annual cycle. The Audit Board comprises a majority of Independent Audit Non-Executives (ANEs), with two ANEs also serving on the PIC and two ANEs being doubly independent (DIANEs), who are not members of any other governance committee within the firm.

I was appointed as a Doubly Independent Audit Non-Executive (DIANE) in February 2024. I bring extensive experience as an auditor, business leader, and former Vice Chair and Head of Audit at a major audit firm. My background as a CFO, non-executive director, and Chair enhances the current skill set of the Audit Board. As the new Chair of the Audit Board, I would like to extend my gratitude to Lord Amyas Morse, the previous Chair of the Audit Board, for his steadfast

stewardship that has been instrumental in establishing the Audit Board, setting a strong foundation for its future success.

The Audit Board is dedicated to ensuring audit quality. It is responsible for advising and, within that advisory context, challenging the Audit Executive Committee and, subsequently, the Executive. This ensures that the Audit Strategy prioritises the delivery of high-quality audits in the public interest and fosters a culture that supports this objective.

### **Key matters considered by the Audit Board in the year**

In our first full annual cycle since inauguration, we have leveraged the insights gained from a deeper understanding of the audit service line, its plans, and challenges as obtained in the prior year.



# Introduction

## Report of the Chair of the Audit Board

This enhanced knowledge has enabled us to consider and challenge the following:

- Progress against the firm’s ambitious AQTP: This plan aims to embed quality in every aspect of audit delivery, fostering a culture where everyone understands their role and responsibility. We had the opportunity to engage with audit teams and gain deeper insights into the practical application of the measures outlined in the plan.
- Risk management processes: We reviewed the firm’s approach to risk management and the plans to enhance this, with particular attention to the detailed requirements of ISQM 1.
- Developments in partner promotions and remuneration oversight: The firm has put significant thought into ensuring that newly promoted partners are fully supported in their roles.
- Results from the FRC inspection report: We focused on the regulator findings and the steps the firm is taking to ensure that the actions in the AQTP will lead to improved inspection gradings in the future.

### Working with the Public Interest Committee

The Audit Board and the PIC work alongside each other to ensure that the firm meets the requirements of the AFGC 2022.

### Conclusion

In the next twelve months, we will continue to evaluate the ongoing investments planned to enhance audit quality. In a period of significant scrutiny for the profession, it is crucial to emphasize the opportunities available to the firm. Building trust in audit is essential, as it fosters confidence in business and benefits the broader corporate governance and reporting ecosystem.

**Oliver Tant**  
**December 2024**



**Oliver Tant**  
Chair, Audit Board



**Devyani Vaishampayan**  
Member, Audit Board



**Professor Guy Jubb**  
Member, Audit Board



**Lord Amyas Morse**  
Non-Member, Audit Board







# Introduction

## Report of the UK Governance Council

**We are committed to continuously developing our approach to challenging and supporting the Executive, ensuring the long-term sustainability of the firm and upholding robust governance standards.**

Reflecting on the last year, I am pleased with the progress we have made and the way we continue to evolve to meet the expectations set out by our partners and team, our regulators and our own collective desire to ‘do the right thing’, actively taking the public interest into consideration.

The UK Governance Council (UKGC) acts as the Board for Forvis Mazars LLP and is responsible for the supervisory oversight of the LLP and the Business (as per provision 1 of the AFGC). Our duties and responsibilities are set out in the firm’s Members’ Agreement and are available on the firm’s website in addition to section 3.2 of this document.

We held six formal meetings and several ad hoc meetings in the last year focusing our efforts on ensuring the Executive consider the long-term sustainability of the firm, holding them to account on their objectives and further developing our alignment with the AFGC.

The agenda for these meetings included (but was not limited to):

- Consideration of the firm’s strategy and progress made against objectives;
- Audit quality;
- Our people and culture;

- Financial performance and resilience;
- Performance across each service line;
- Our business risks and operational efficiencies;
- Appointment of new partners and partner promotions;
- Governance improvements; and
- Succession.

Members were also consulted on changes to the Forvis Mazars Network and Forvis Mazars Group governance.

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:

- Continuing the programme of full UKGC in-person meetings at least twice a year;
- Annual in-person meeting with UKGC and Executive; and
- Improved reporting from the Executive linked to strategy and whole firm matters, driving rationalisation and focus of UKGC’s agenda and facilitating enhanced provision of challenge and support of the Executive.

As Chair of UKGC I regularly meet with the UK CEO to discuss upcoming matters that will require UKGC intervention.

In the last year, we agreed that I will take a greater role in working with our INEs and ANEs and my involvement has steadily increased throughout the year.

To that end, we recently established a Nomination Committee (NomCo) to support the Executive to carry out their duties in relation to the appointment, resignation and performance of INEs and ANEs, in accordance with provisions 6 and 32 of the AFGC. The NomCo will be Chaired by the Chair of UKGC and membership will include the Chair of PIC and representatives from GC and the Executive.

As part of our commitments to transparency, we communicate with partners at National Partner meetings to keep them updated on work undertaken.

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.

Members are elected for a period of four years and are eligible to stand for a maximum of three terms if re-elected.

Stephen Skeels stood down (January 2024) following

# Introduction

## Report of the UK Governance Council

completion of one term. Tim Hudson stood down (October 2024) having completed the maximum number of terms. Both Stephen and Tim played an integral role in providing oversight of the firm and we would like to thank them for their significant contribution.

Following an election process, James Smalley became a member from 1 February 2024 and Richard Metcalfe was re-elected on 1 July 2024

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 subcommittee reports back to the UKGC and provided both written and oral updates in the last year.

### 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 (I&D) 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 one of the UKRemCom meetings during the year.

### The Audit and Risk Committee

The purpose of the UKARC is to assist the UKGC in its oversight of the firm's financial reporting, internal and external auditor and the internal control and enterprise risk management functions. Our duties and responsibilities are set out in the firm's Governance Handbook and are available on the firm's website in addition to section 3.2 of this document.

### Financial Reporting

During the last 12 months, we focused our financial 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 LLP's financial statements were reviewed prior to their issue to the firm's partners for approval.

### External audit

We met with Crowe UK (our external auditor) several times during the year: to agree the proposed audit approach (in consultation with the Executive); to discuss any issues that had arisen during the audit; and to consider their audit findings prior to approving 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.

We conducted an effectiveness review of the external auditor and found Crowe UK to be effective in their role with no significant areas of improvement noted. UKARC approved that the external audit should be tendered for the year ending 31 August 2026.

### Internal control and risk management

We met on several occasions during the year with members of the sub-committee of the Executive, the RQC and the Enterprise Risk Management (ERM) 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 the 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.



# Introduction

## Report of the UK Governance Council

There was additional focus during the year on the firm's compliance with the requirements of the AFGC, ISQM 1 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 (QRM) systems. In addition, we reviewed the firm's response to regulatory and compliance matters; including the firm's interactions with the FRC.

### Internal audit

Frequent meetings were held throughout the year with the firm's internal audit function. We reviewed and approved the Internal Audit plan, monitored progress, considered findings, and reviewed progress to address recommendations arising from completed internal audit reviews.

During the year, UKARC performed an assessment of the effectiveness of the internal audit function and concluded it was effective in fulfilling its responsibilities, was adequately resourced and free from constraint, and has appropriate standing within the LLP.

### Conclusion

We are pleased with the open transparent relationship between the GC and the Executive and feel we have maintained a good level of constructive challenge throughout the year.

We have appropriately fulfilled our responsibilities to the Partnership and to the AFGC and are committed to continuing to evolve the way we work for the good of the firm and the wider public interest.

**Peter Cudlip**  
**December 2024**



**Peter Cudlip**  
Chair, UK Governance Council



**Amy Reynolds**  
Chair, Remuneration Committee



**Richard Metcalfe**  
Chair, Audit and Risk Committee



## Introduction

# Report of the Nomination Committee

**Recognising the significance of an event that would see a new UK CEO at the helm for the first time in 12 years, the Nomination Committee convened in July 2024 to initiate the process to elect the next UK CEO.**

The current UK CEO term ends in February 2025 having served the maximum number of terms. Recognising the significance of an event that would see a new UK CEO at the helm for the first time in 12 years, the Nomination Committee (NomCom) convened in July 2024 to initiate the process to elect the next UK CEO.

Members of the NomCom were identified in line with our Governance Handbook and comprised Governance Council members, non-conflicted Executive members and Group representatives. At the first meeting of the NomCom it was agreed to co-opt the I&D Partner for the firm.

As UKGC Chair, I chaired the NomCom which is responsible for overseeing the election process. We were supported by the Director of People and Culture, the Head of Advisory and Employee Relations and the Head of UK Secretariat throughout.

The purpose of the forum was to put forward to a Partner vote, candidates it believes can fulfil the role of UK CEO.

Reflecting on our growth and maturity over the past four years, we have enhanced and built upon the established process to align with the current partnership's expectations.

The aim was to provide a straightforward, transparent and inclusive process that reflects our code of conduct.

### Application process

We discussed the process in our National Partner Meeting a year before the election, to ensure all partners had visibility. Any partner considering putting themselves forward was encouraged to become involved in cross-partnership activities to help shape the next four-year strategy.

We maintained communication with partners throughout the year, and the UK CEO application requirements were shared three months in advance. These included:

- A nomination form signed by at least ten partners, confirming they believed the candidate had the qualities required to carry out the role of UK CEO;
- A brief, providing candidates with guidance on the minimum information needed for their manifesto document; and
- A health declaration form.

# Introduction

## Report of the Nomination Committee

### Assessment process

In addition to meetings with the Forvis Mazars Group CEO and the NomCom formal interview, we strengthened the assessment process to include an independent assessment, the FRC pre-approval process and a meeting with the Chair of the PIC.

Feedback from the FRC, the Chair of the PIC, and the independent assessment from a third-party provider were included in the NomCom deliberations.

Having considered the information and feedback received throughout the assessment process, the NomCom put forward James Gilbey to a Partner vote having unanimously concluded he was able to fulfil the role of the UK CEO.

### Voting process

Partners met on 14 November to hear from the candidate and proposed Executive.

The secret ballot, carried out electronically via a third party went to all Partners entitled to vote. The day was a great success, and the resolution was passed with James and the proposed Executive receiving over 51% of the votes, in record time.

It was with great pleasure that we were able to confirm James Gilbey as our next UK CEO as of 15 February 2025.

In conclusion, the NomCom successfully conducted a transparent and inclusive process to elect the next UK CEO. The election of James Gilbey marks a significant milestone for the organisation, reflecting our commitment to governance and leadership excellence.

**Peter Cudlip**  
**December 2024**



**Peter Cudlip**  
Chair, Nomination Committee



## 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

Our focus in the past year has been on moving away from culture being a set of projects or ‘initiatives’ to being a fully integrated and whole of firm strategy where key signposts to our culture are woven through all that we do. Our goal for 2023/2024 has been to simplify and streamline how we position our culture with our team members and partners to create a solid foundation as we move towards our next four year strategy. Creating an inclusive and safe culture means behaving in line with our culture statements: we do the right thing; we show respect, and we take responsibility. These culture statements were co-created by our people and our partners and they resonate. We want to build on embedding these statements, promoting them not just internally but also into our employer brand so they become a part of how we distinguish ourselves with our stakeholders and our clients.

This year, we are proud to have linked our firmwide culture statements to our client service playbook, connecting these important behaviours as being central to the work we deliver to our stakeholders and our clients. We have continued our focus of creating an environment where everyone understands the importance of speaking up, both to deliver high quality but also to foster an inclusive workplace where people feel they belong. As a people and culture team, we will build these culture statements as we progress into our

next four-year strategic cycle, creating a simple and undiluted message around what it feels like to work at Forvis Mazars and what we expect of each other.

The creation of Forvis Mazars has elevated our brand and importantly, created new opportunities for our people to look forward to as the network establishes.

This year we have focused on integrating our culture statements in key moments that matter such as our new joiner processes. All new joiners to the firm join our national inductions where the importance of our culture is shared in these sessions by the senior partners who present and lead these sessions, reinforcing the importance of tone from the top. All new partners now have a dedicated session on culture as they join the partnership.

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. This is embedded in our firm culture and reiterated in our people strategies.

**We demonstrate respect for each other through our commitment to I&D**

### Creating an engaged team – leveraging Gallup to derive insights and actions

We continue to focus on the importance of team engagement in the delivery of quality work. We monitor our team engagement through the Gallup annual ‘You Matter’ survey.

To continue to create a positive employee experience and accelerate the engagement scores, we launched our Engagement Ignitor Programme (EIP) in 2024. The purpose of this programme is threefold; to develop key leaders in growing their accountability for team engagement, enhancing team member and team performance and driving engagement within teams.

We show respect to one another through our approach to I&D. Central to our global values as a firm is our fundamental belief in respect. Our vision is for the diversity of our people, at all levels, to reflect the society in which we do business, and to create an inclusive environment where everyone has a sense of belonging and can make meaningful contributions by being themselves.

Our desire and commitment to addressing this agenda is driven not by legislation but because it aligns to our firm’s fundamental purpose and values - it is the right thing to do. When we continue to focus on a respectful and inclusive working environment for our teams, this in turn enables us to deliver high-quality services to our clients and stakeholders.

# Inspiring stakeholder confidence in audit quality

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

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. 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 Forvis 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. We continue to make progress in closing the gender and ethnicity pay gap.

### Our staff held the following roles:

#### Partners

**185**

171 in 2023

#### Managers / Assistant Managers

**1,114**

1,032 in 2023

#### Directors

**208**

199 in 2023

#### Other staff

**1,545**

1,533 in 2023

#### Senior Managers

**355**

338 in 2023

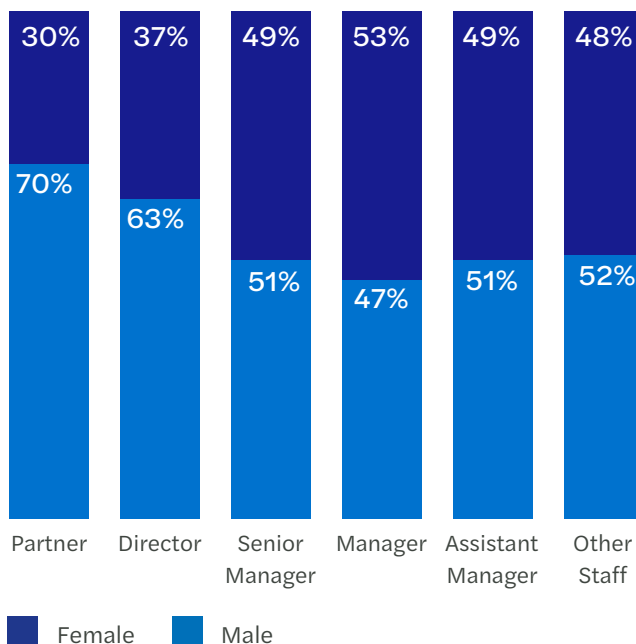
#### Total

**3,407**

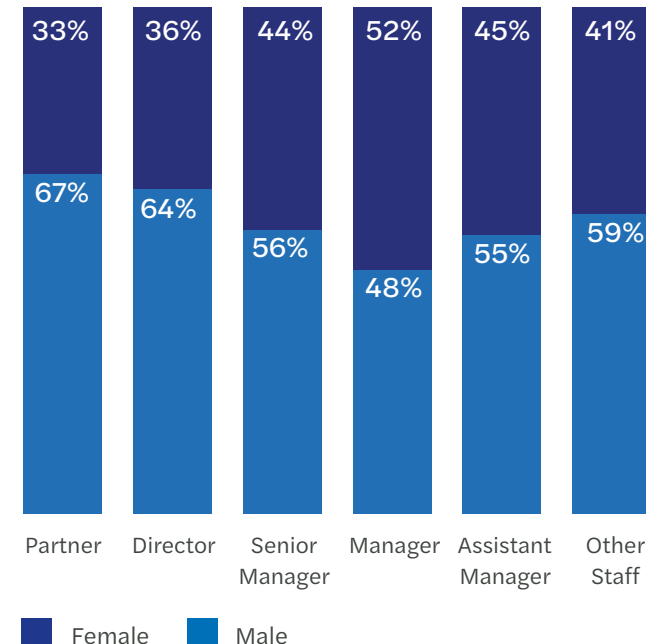
3,273 in 2023

### Gender

#### UK firm



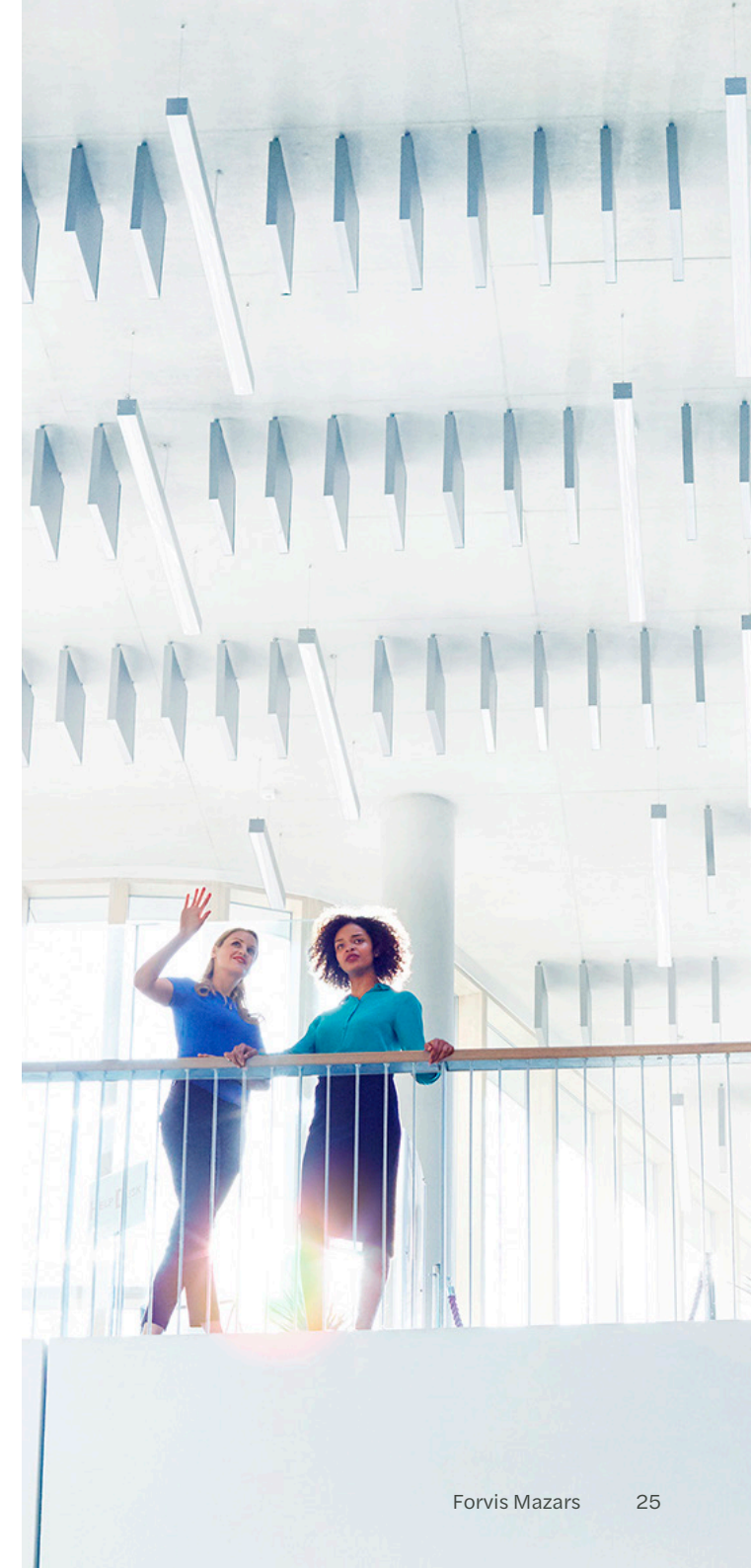
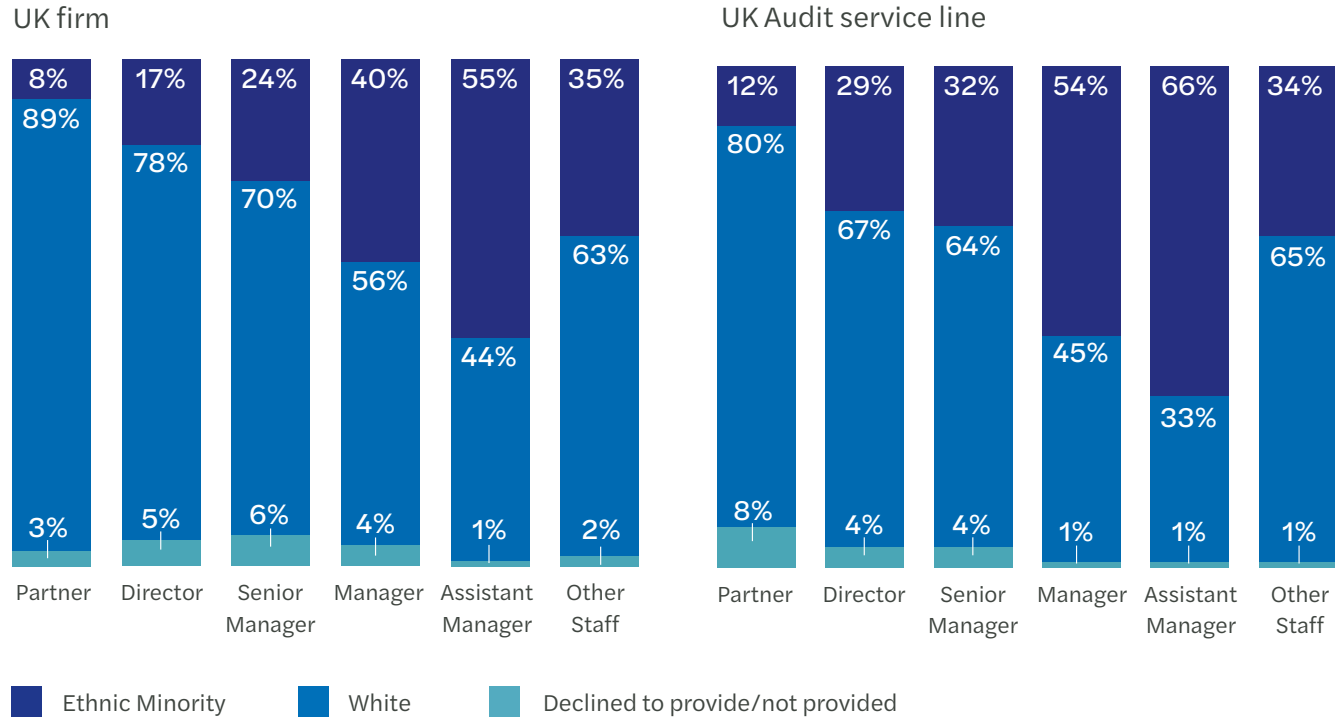
#### UK Audit service line



# Inspiring stakeholder confidence in audit quality

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

### Ethnicity





# Inspiring stakeholder confidence in audit quality

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

### Wellbeing and our approach

**Firmwide Wellbeing Framework** - We are committed to providing a healthy work environment to support and empower our people to thrive. Having spent time this last twelve months developing a new wellbeing strategy; we finalised the review early 2024, and shortly after launched our firmwide wellbeing framework. This framework aims to provide a simple firmwide approach to wellbeing through proactive and reactive support mechanisms. Formed of three pillars; firm wellbeing, collective wellbeing and individual wellbeing, the framework captures the role and responsibility everyone has to support good workplace wellbeing.

**Mental Health Support** - We have continued to share educational material on our Inclusion, Diversity and Wellbeing (ID&W) hub and launched a new provider for our approach to mental wellbeing support, Calm. This service is available to all team members and their families and focuses on supporting their mental health and wellbeing both inside and outside of work. Our firm has over 50 Mental Health First Aiders (MHFAs), and we will train another cohort in late 2024.

**Well-Makers** - Our well-makers network continues to work closely with our I&D networks and MHFAs 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 workplace wellbeing.

**Spot the Signs** - We want to ensure anyone in a leadership or management role in our firm has access to skill development in having conversations about mental health. We have regular interactive sessions open to all line 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 support available and how best to signpost to team members when they need it.

**Employee Assistance Programme** - We acknowledge the support individuals need for their wellbeing can vary from day-to-day. 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) – Forvis Mazars & Me - was introduced in 2022/2023 focusing on choice, ensuring that candidates are empowered to select Forvis Mazars for the reasons that matter most to them. Our EVP remains central to driving attraction to our firm and the profession more widely. Our rankings in the past year as an employer of choice, particularly for those in early careers, has improved across graduates, internships and apprenticeships.

Forvis 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 Forvis Mazars to life and shows the spirit of our firm through the stories of our people.

Crucially, this personal perspective is always balanced with a sense of the collective belonging and connection individuals feel to their teams and to Forvis Mazars as a whole. Everyone has a unique personal connection to their career with Forvis 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 ‘Forvis Mazars & Me’ is our employer promise and our four supporting pillars that represent what it means to work at Forvis Mazars.

As part of the Forvis Mazars rebrand that took effect globally in June 2024, the UK are working with Forvis Mazars colleagues globally to update our employer brand. This will ensure that our EVP represents the new Forvis Mazars brand positioning and is truly global in nature. Our updated EVP is due to launch in January 2025.

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

# Inspiring stakeholder confidence in audit quality

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

processes are purposeful and inclusive. In 2023/2024 we have launched an inclusive hiring training module to ensure our hiring managers are basing their selection decisions on merit, and are aware of their unconscious biases and the steps we can take to make each aspect of our hiring process as fair and equitable as possible.

In 2023/2024, we have hired, 797 new joiners of which 405 were new entry-level joiners (Graduates / Postgraduates / School Leaver Apprentices & Industrial Placements), and we continue to recruit early careers talent at high levels, providing meaningful career opportunities for people at all stages of their careers.

All our roles are widely advertised to ensure that candidates from diverse backgrounds can access our career opportunities.

We are delighted to have been named as one of the UK's leading graduate recruiters in The Times Top 100 Graduate Employers for 2024. We have been ranked #93 for 2024 which is an increase in our rankings from previous years and our inclusion in this year's rankings is a reflection of our focus, energy 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 2024 and in the Rate My Apprenticeship Top 100 rankings increasing our position to #82.

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 2023/2024 we have made a considerable investment into our internship programmes with an 87.7% increase in internship opportunities compared to 2022/2023. We welcomed 302 students through work experience, internships and virtual insight day programmes. Our programmes are designed to provide students with an experience of Forvis Mazars and to effectively fill our future permanent trainee vacancies with motivated, diverse and engaged talent. We welcomed 66 undergraduate interns on a three-week 'Summer in the City' internship and 26 interns on a six-week Summer internship through our collaboration with the 10,000 Black and 10,000 Able Foundation. We support targeted initiatives to address areas of under-representation, including 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 80 opportunities via this programme this year supporting those who attended in building their professional networks, employability skills and an opportunity to convert to a school leaver apprentice role following their programme (dependent on their year group).

We also welcomed 130 students to our virtual insight programme 'Find my Future'. The insight programme was open to first year undergraduates focusing on female talent and students from a black heritage and lower socioeconomic background. The events were designed to provide key information to university students early on in their academic studies about accountancy and professional services, attend panel sessions and workshops with Forvis Mazars employees

and gain early access to apply for a 2025 summer internship.

For 2024/2025, we are investing further into our future talent programmes by creating a virtual work experience programme with leading provider, Springpod. This virtual work experience will be open to students from Year Nine and above. It aims to demystify the Accountancy and Professional Services sector and showcase the skills needed to work in a firm like Forvis Mazars through interactive modules and simulations.

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.

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 for F2024/2025 using a new test provider, Neurosight. By combining neuroscience and AI the assessment will ensure fair and effective hiring outcomes and is also more resilient to the use of AI tools from candidates placing a strong emphasis on security and integrity during our recruitment process.

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

We provide interview feedback and applicant mentors to support candidates throughout their recruitment journey with us.

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 to develop and maximise their potential.

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, consistent with the competency framework for the firm.

We continue to develop and deliver relevant and impactful content through our learning management system (ULearn), and our intranet (HIVE), providing all team members access to our training content.

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

Underpinning this structure 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 people managers.

This year we launched our Leadership Pathways as a development guide to those recently qualified through to partner.

The Leadership Pathways were complemented by the launch of our 'pathway to' webinars for everyone from aspiring managers to aspiring partners. The aim of the 'pathway to' series is to improve the quality of guidance provided, and create transparency, around the promotion process whilst clarifying the key competencies and behaviours expected from individuals who wish to progress to the next grade in their career at Forvis Mazars.

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

During 2024/2025 we will see the introduction of a new talent development programme for managers, the Emerging Leadership Programme which will focus on enhancing self-awareness, fostering personal growth and high performance, maximising impact and influence, and increasing visibility and leadership potential.





# Inspiring stakeholder confidence in audit quality

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

### How we are driving high performance?

**Driving high performing teams** – This year we have commenced work to embed the competency framework we introduced across the firm in 2023. The framework has been segmented to focus on three simple skill blocks and three simple attribute blocks with our culture statements woven through all areas. A competency guide has been created for four core grade groups, up to director level. This allows team members to assess their performance at their current grade and the grade that represents the next step in their career with ease.

In Audit, a dedicated service line framework has been launched and embedded to focus on the specific requirements of the role of an Auditor and drive our commitment to transforming audit quality and delivering high quality audits.

The frameworks created provide transparency and clarity on the requirements of our roles and allow individuals to focus on what is needed to deliver quality for our clients. The competencies have been used in our recruitment, feedback and performance cycle processes.

In 2023/2024 we reintroduced performance ratings across our firm. We took this step to ensure we were able to better measure team member performance and improve the regularity and quality of feedback conversations. Our aim is that performance ratings will drive quality, continuous improvement and help

us shape high performing teams whilst enhancing individual and firm performance.

Performance ratings are rigorously moderated with our people managers at our mid-year and end of year review steps from a distribution proportionality perspective and with a diversity lens. In the year ahead we will be focussing on continuing to embed performance ratings whilst assessing how to best include the data across other areas of people activity.

**Making it Count** - In order to drive high performance it is important our team members understand where to spend their time and in 2023/2024 we introduced our 'Making It Count' guide to contextualise our expectations at Forvis Mazars and support team members to reflect on how they make their time at Forvis Mazars count; for our clients, our stakeholders, our markets, our people and our firm. In the guide we explore how individuals can prioritise their time across these areas and set robust goals to maximise their commercial and cultural contribution.

To embed the guide in the earliest stages of its release, we shared dedicated service line insights to ensure the content resonated and translated appropriately across our firm. We also asked our team to refer to the guide in the goal setting process and in one-to-one meetings with their people manager.

The rationale behind the guide has direct links to the results of our 'You Matter' engagement survey. Feedback from our survey tells us that it is important for individuals at Forvis Mazars to have a clear understanding of what is expected in their roles.

### Improvement of feedback

We continue to improve and embed our feedback approach and tools, as we drive towards creating a culture of continuous and meaningful feedback across the firm at all levels.

In 2023/2024, we have updated our continuous feedback questions to align with the competency framework and better capture both positive and improvement focused feedback. Alongside this we have built steps into our processes to remind team members of the importance of requesting feedback during our mid-year and end of year review processes.

Engagement feedback has evolved into an improved assignment feedback process, which enables all team members (with a focus on Assistant Managers and below) to request regular, meaningful and improvement focused feedback as part of their role.

We continue to run our 360 feedback snapshot for all partners. This process consists of partners requesting eleven pieces of anonymous feedback on how they perform against the partner competencies. As part of our 360 snapshots all partners must include a minimum of five team members at junior levels of their team.

# Inspiring stakeholder confidence in audit quality

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

### People Manager investment

In 2023/2024 we developed and launched our Forvis Mazars people manager hub. The aim of the hub is to drive quality through clarifying the expectations of our people managers in one easy to access and navigable location on HIVE. We have introduced a people manager role profile which is reinforced by essential guidance pages on topics such as supporting team member wellbeing, creating a great experience throughout our performance cycle, driving high performing teams and onboarding.

The guidance is supported by shared lived experience videos created by existing people managers and quarterly people manager inductions and refresher webinars which people managers sign up to through the people manager hub. We have also introduced an evolving people manager calendar to set out the timeline for key events around our performance cycle and reward processes, for example, to help people managers take responsibility in their role.

### An environment of psychological safety and support

To drive quality, it is important that all team members feel a sense of belonging and are able to fully contribute in a psychologically safe environment.

Building on the “Speak Up” campaign that we launched in the prior year, we have run sessions for our people managers to foster a culture of speaking up and we continue to build on this foundation over

the coming year. Our work on speaking up covers the calling out of non-inclusive behaviour through to whistleblowing.

**Our networks** – our networks play a crucial role in creating a culture of belonging and allyship. Our networks empower and support team members to share their lived experiences and educate others across the firm.

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, and Neurodiversity in Business.

- We have continued to build a culture of learning through the sharing of content and running of sessions in line with awareness dates and throughout the year.
- All our Partners have an ID&W goal as part of their performance expectations, and we hold regular upskilling sessions for Partners to increase their inclusion competencies and awareness. During this year we ran a session for all partners on cultural allyship. This included insights from an expert on leading culturally diverse teams, as well as lived experiences of team members who had joined us from overseas.
- We have an inclusion alliance where our network leaders meet regularly with members of the Executive.

- We continue our membership with the Business Disability Forum who we have worked with to update several policies over this period. This focus on updating and enhancing our people policies will continue to be an area of focus in 2024/2025.

### Our networks:

- Balance – Gender network
- DisABILITY – Seeing the ability in disability
- REACH – Racial Equality Allyship and Cultural Heritage network
- Families@Forvis Mazars – Families network
- LGBTQ+ Champions – LGBTQ+ network
- SoMobile – Social mobility network
- Christian network
- Muslim network
- Jewish network
- Hindu network
- Well-Makers – Wellbeing network

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.

# Inspiring stakeholder confidence in audit quality

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

### A transparent approach to reward and benefits

Our guiding reward principles are based on several factors, including to be competitive in the marketplace, to be fair and treat people as individuals, to be inclusive and to consider sector specific market conditions, affordability and sustainability.

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. We also take insights from our talent acquisition team to validate the data received.

This benchmarking data allows us to understand how our base salaries 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 with consideration to our performance ratings; critical skills; equity (gender and ethnicity) and fairness.

Our reward principles also apply to our bonus plan. We have a firmwide discretionary bonus plan for eligible employees. For 2023/2024 there are two elements to the plan: a profit-share payment and a performance 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 performance bonus element recognises the contribution of team members who demonstrated high performance, exceeded expectations and made a significant contribution to the firm's success during the financial year.

In our salary and bonus review processes, we have improved the quality of our data outputs, especially regarding our diversity-based reporting. For each review we complete service line specific and whole firm analysis to assess the proportionality of the reward distribution across our business but also with respect to gender and ethnicity. This data is reviewed and assessed with our ID&W Partner sponsors and used as a basis for challenge whilst also assessing the early impact of the decisions taken on our pay gap. We recognise diversity is more than gender and ethnicity and we look to improve our disclosure data to enable us to look through a wider lens across the coming year.

In 2023/2024 we introduced bonus and salary review hubs, located on our intranet, to provide transparency on our reward principles, approach, and eligibility to team members across the firm. Our Forvis 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 Forvis Mazars benefits platform. We offer access to a wide range of wellbeing benefits, including the Calm app, which supports a positive approach to mental health and wellbeing; Health365, which encompasses our virtual GP service as well as physiotherapy and mental health appointments; and Spectrum Life, our employee assistance programme which includes access to an online portal with an abundance of proactive health information and guidance.

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

in 2023/2024 our ceiling spend for the Cycle2work scheme increased significantly to provide greater team member choice.

### Corporate Sustainability

As our firm grows and evolves, we remain focussed on stewardship and ensuring our growth is grounded in sustainable and responsible choices. We recognise our responsibility to make business decisions that positively impact our communities, the environment and future generations. This ongoing commitment is embedded in our sustainability strategy, structured around five key pillars:

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

Our annual [Sustainability Report](#) offers a deeper insight into our sustainability vision, strategy and performance across these pillars.

In 2023, we were awarded our second consecutive EcoVadis Bronze rating, which means that we are in the top 30% of organisations within the legal and accountancy sector. [EcoVadis](#) is a leading global rating that evaluates organisations' sustainability performance. This award demonstrates our efforts across the following areas: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.



# Inspiring stakeholder confidence in audit quality

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

This year marked our first Carbon Disclosure Project (CDP) submission – an assessment widely recognised as the gold standard of environmental reporting. We were encouraged to receive a C rating and are using the feedback from assessments like this to evolve our environmental approach. By disclosing to CDP over consecutive years, Forvis Mazars and our stakeholders can gain a better understanding of our environmental trajectory. It also highlights our dedication to climate data transparency.

We continue to annually report our Communication on Progress (COP) to the [United Nations Global Compact \(UNGC\)](#). This demonstrates our alignment with and commitment to the ten principles that define responsible business practices globally.

To demonstrate our continued efforts in advancing sustainability within the firm, we are pleased to share that this year we achieved our targets relating to business travel emissions and people diversity which were set for the first year of our Environmental, Social and Governance (ESG)-linked Revolving Credit Facilities with Lloyds Bank Plc and HSBC UK Bank Plc.

### Community involvement

Community involvement is deeply embedded in our culture. We believe that making positive social impact across the UK, particularly in the areas of advancing social mobility and education.

To support this, we continued our partnership with [IntoUniversity](#), a charity supporting young people across the UK who face barriers to education and employment. Through this partnership, we have

been able to offer dynamic business simulations, “Apprentice”-style challenges, and career insight workshops. These interactive activities are designed to help young people develop their career ambitions and gain valuable employability skills and insights.

We hosted our first Hackathon with IntoUniversity in collaboration with our Innovation and Corporate Sustainability teams. This event focused on helping young people develop future-ready skills while raising their awareness of sustainability and innovation tools. As part of the Hackathon, young participants designed solutions to real-world sustainability challenges.

“I was really impressed by the presentations, the research, the consideration and the ideas that [the students] generated. It was fantastic to hear from those groups of young people and see how we can support them in developing skills such as presenting, critical thinking and communication.

I look forward to doing it again.”

Toby Stanbrook – Chief Operating Officer

We also had nine team members [mentor IntoUniversity](#) students. The fifteen-month IntoUniversity mentoring programme matches Year Thirteen students who are applying to university with a mentor from Forvis Mazars who has been to university. The mentor’s role is to guide their mentee through the application process and to help prepare them for university life, during their final year of school and into their first term at university.

“I’ve really enjoyed the opportunity to help build the confidence of a young person on the cusp of entering higher education and beyond. This mentoring opportunity has developed my coaching skills and it has been rewarding to have played a small part in helping a young person chart the next stage of their life. As someone whose parents did not go to university, I can remember the uncertainty around higher education, and would have appreciated a mentor to help me navigate through key decision making.”

Andrew McCann – Assistant Manager,  
Risk Consulting – Bristol

# Inspiring stakeholder confidence in audit quality

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

In total across the year, our team members supported nineteen Business in FOCUS and Careers in FOCUS [workshops](#), providing hands-on support to 440 students across ten cities. We supported 256 students through Business in FOCUS programmes: 85% of these students reported improvements in at least one soft skill (such as Leadership, Communication, Confidence, Teamwork). We also supported 183 students through Careers in FOCUS programmes: 78% of these students reported that they had increased knowledge of university or that they were more likely to achieve their career goals after participating in the programme.

Throughout the year, our team members also dedicated over 6,000 hours of volunteering to support communities across the UK. Supported by our volunteering policy which encourages all team members to volunteer two days per year, we increased our annual volunteering contribution by almost 3,000 hours compared to last year. This increase reflects the dedication of our team, and the approval of volunteering targets by the Executive which were launched last year.

Our Community Champions, who drive local-level engagement, are key to our community impact. Engagement has been strong across our offices, raising funds and building awareness of our community involvement strategy, as well as facilitating local partnerships and volunteering opportunities.

In our Edinburgh and Glasgow offices, team members completed fundraising challenges in support of IntoUniversity and another locally chosen charity. In Glasgow, this included our team members completing a cycle challenge and raising over £2,500.

In our Delhi office, team members initiated a four-week internship programme for four Asha students. The Asha internship programme provides graduate students from the most disadvantaged communities in Delhi with the opportunity to join organisations such as Forvis Mazars, to help them progress from education into full time employment and ultimately break the cycle of poverty.

Looking ahead, and as a team with highly skilled and diverse individuals, we are constantly exploring new ways to strengthen our impact. With this in mind, we are excited to launch a new pro bono scheme in 2024/2025, which will utilise our team members' professional skills to support charitable causes.

### The Mazars Charitable Trust

The Mazars Charitable Trust (MCT) was established by our Partners in 1983 to share our financial success with a wide range of charitable causes. Over the years, the MCT has donated millions to charitable initiatives and this financial year the Trust continued their impact by awarding 317 charitable grants, ranging from £100 to £20,000, which totalled £690,870 in donations.

This year, the MCT also committed £80,000 to IntoUniversity for another two years. The impact of this year's funding supported the Business in FOCUS and Careers in FOCUS programmes in IntoUniversity's Bristol East, Bristol South, Birmingham North, Coventry and Oxford South East centres. Across both programmes, 254 students were supported in total and 91% of students reported that they enjoyed participation.

Over the last year, the MCT has been going through a strategic review focused on governance, communications and long-term strategy, to ensure the Trust is fit for purpose for the next 40 years and beyond. By undertaking this review, we hope to continue making a lasting impact on communities and causes that align with our values.

“It has been inspiring to read the positive stories emerging from the Mazars Charitable Trust's impact this year, with over £770,000 donated to many charities across the UK and internationally.

As we go through our strategic review, I am excited about the future and our Trust's continued commitment to make a meaningful impact in the communities in which we work.”

Lesley Fox, Forvis Mazars Audit Partner and MCT Chair

# Inspiring stakeholder confidence in audit quality

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

### Reducing climate and environmental impact

Forvis Mazars is committed to tackling climate change. As a Group, we have pledged to achieve net zero by 2045 and have had our near- and long-term emissions reduction targets, based on our 2022/2023 carbon footprint baseline, validated by the Science Based Targets initiative (SBTi). To achieve our net zero goals, we have implemented various initiatives over the past year which are highlighted below.

Our business begins and ends with our people delivering our services to clients. This naturally means an element of travel is required to support collaboration and maintain strong client relationships. Balancing the tension between the need to travel with the environmental impact and the associated cost is a challenge, but we are tackling it together. Our updated travel policy was published this year, outlining key travel principles that align with our culture, values and sustainability commitments.

In 2023/2024, we introduced a UK-wide railcard pilot for eligible team members to help us drive down the emissions related to travel. This pilot brought benefits to the firm and individuals in terms of emissions and costs. The analysis of the self-reporting surveys convinced us that our team members were incentivised to switch to a cleaner mode of travel for business, commuting and personal trips.

We previously estimated our emissions from purchased goods and services, as well as capital goods, using a spend-based methodology. While this method offers a starting point, it lacks the precision required to accurately measure emissions. To improve the data quality of the supply chain-related emissions, a supplier-specific emissions questionnaire was launched to enable us to capture a more granular level of detail for 2023/2024.

This will help us understand the environmental impact of our supply chain and provide insights for developing our supplier engagement plan for the net zero pathway.

Forvis Mazars in the UK became ISO 14001:2015 certified following its certification audit in August 2024. In line with the ISO 14001 standard, we have established an Environmental Management System (EMS) to identify and manage the environmental aspects and impacts of Forvis Mazars' operations, and to continually improve environmental performance as the firm grows. An EMS Steering Committee (EMSSC) was set up to oversee the implementation, maintenance, and improvement of the EMS. The EMSSC is a cross functional team chaired by the Chief Operating Officer.

This year, we also relaunched our Green Champions network. The Green Champions network is designed to increase engagement, amplify impact and further embed a culture of sustainability and environmental responsibility. Having initially launched this network just before the pandemic, we saw the relaunch of this network as a new opportunity to bring our team members onboard with our net zero commitment. Our Green Champions are the local driving force behind this commitment, influencing positive change within their respective offices, teams and service lines.

Indeed, educating our team members is vital for driving change towards a low carbon society. Our sustainability foundation modules, delivered via eLearning, are designed to educate our people on our sustainability efforts, help them understand the drivers behind our strategy and actions, and encourage them to take ownership of our goals through individual climate action. By sharing expertise and upskilling our people at all levels, we will continue to progress against our net zero goals.





# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

### Serving the public interest

In delivering our audit and assurance work, we promote transparency and share insights. Through constructive challenge, based on mutual trust and respect, we build confidence in corporate reporting. It is this robust approach that ensures a Forvis Mazars in the United Kingdom audit delivers full benefits to a company, its shareholders and its other stakeholders. It also ensures maximum benefit for society, contributing to the development of sustainable businesses and economies.

We are disappointed with the most recent quality results from the FRC inspection report, which did not reflect the impact of the AQTP. We remain positive that the benefits of the AQTP will be seen in the next set of results, and early signs from ongoing reviews support this.

### Group audit governance

The Group Audit and Assurance service line is governed by the Global Audit board (GAB), which is chaired by the Group's Chairman and made up of fifteen members from nine countries, covering all regions of the world. GAB members represent a variety of group functions, including quality, audit learning, talent, transformation and methodology, as well as the privately owned business (POB) and public interest entity (PIE) markets. The GAB is supported by four committees, which focus specifically on: regions, our four largest member firms, the International Financial Reporting Standards (IFRS) and quality.

### Forvis Mazars in the United Kingdom audit governance

We acknowledge the audit quality issues raised in the most recent FRC inspection report and we continue to make significant investments in transforming audit quality and remain steadfast in our commitment to the PIE market in the UK. We are dedicated and determined to achieve sustainable audit quality for all our audits and establishing a strong system of quality management that drives continuous improvement.

In an ever-changing UK and Global landscape, the importance of the audit profession remains key. Following the UK elections the long-awaited audit reform was included to the King's Speech. We will continue our focus on audit quality and play our part in restoring trust in audit and corporate governance.

We have a responsibility to act in the public interest and believe that investors and other stakeholders should be able to rely with confidence on high-quality audits. A high-quality audit needs a healthy and strong system of quality management and teams with the right mindset and risk management focus. As part of our refreshed plans to transform audit quality, we launched in October 2023 our AQTP. The AQTP is founded on our firm's greatest assets; our people and the unique Forvis Mazars culture. As explained further in this section we aim to sustainably improve audit quality across Forvis Mazars by promoting and nurturing the right mindset and the right behaviours.

### Our Audit Quality Strategy

The audit quality strategy is closely aligned to the overall strategic priorities of our firm. The overall responsibility for the AQTP sits with the UK Audit Executive Committee (AExeco) that drives our firm's audit strategy.

As we look forward to the next four-year strategy, we will continue to strengthen the foundations of audit quality to support our firm's sustainable growth.

In a fast-paced environment, with increasing stakeholder expectations, our AQTP is agile and adaptable to the needs of the current and future landscapes, whilst keeping audit quality at its core. The AQTP sets out our seven desired outcomes, which are underpinned by our culture statements (as explained in section 1.1):

- ✓ Right Clients
- ✓ Right Teams
- ✓ Right Approach
- ✓ Right Support
- ✓ Right Development
- ✓ Right Mindset
- ✓ Right Culture

The overarching priority of the plan remains to sustainably improve audit quality. We monitor the short-term impact of the actions as we deliver them and their longer-term effectiveness once the actions

# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

have had some time to embed operationally. This allows the plan to be responsive and agile and to capture new actions to ensure risks to audit quality are managed in a proactive manner.

Over the last year, we have significantly enhanced our risk management approach. We aligned the AQTP to our SoQM and our wider responses and controls to address risks to audit quality.

We performed a comprehensive portfolio risk assessment, for our key business units, and risk rated our audit portfolio. This exercise enabled

us to manage risks more proactively and to prioritise our audit quality initiatives, including ‘inflight’ reviews. We re-designed our ‘real-time’ audit quality safeguarding inflight review program to address internal and external file review findings.

The FRC inspection report published in July 2024 acknowledged that transforming audit quality takes time. We are encouraged that the regulator is supportive of our plan and processes, and whilst we prioritise quality improvements, we are mindful to do so in a sustainable manner.

The overall responsibility for the AQTP sits with the AExeco, with regular reporting to the FRC on the status of our plan and actions.

As a firm we are focusing our initiatives on providing the right environment to nurture a culture of quality. This includes effective coaching, encouraging and promoting a culture of consultation, project management and nurturing a ‘one team’ approach across all team members that contribute to the delivery of our audits including experts and specialists.

### Root cause analysis

Root Cause Analysis (RCA) is integral to our continuous improvement efforts in audit quality. The RCA process is crucial for identifying factors leading to adverse quality audits and developing remedial actions to address these issues. Additionally, RCA is conducted on audits with positive results to identify good practices and behaviours that lead to high audit quality, which are then shared across the audit service line to encourage similar practices on all engagements.

Throughout the year, we have continued to refine and enhance our RCA approach. A significant development has been the introduction of a taxonomy of causal factors. This taxonomy provides a systematic, comprehensive, and consistent method for identifying and addressing root causes. By aligning this taxonomy with ISQM 1 components where possible, we ensure a shared language and improved alignment across our teams. Moreover, the taxonomy facilitates a more structured analysis, enabling us to categorise and prioritise issues based on their impact on audit quality.

### Audit Quality Transformation: Desired Outcome Wheel





# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

The scope of RCA has been broadened to encompass firmwide processes and controls that could potentially impact audit quality. This expanded scope ensures a more comprehensive review of the factors influencing audit quality. Our commitment to continuous improvement is further demonstrated by our investment in the RCA team. This year, we have welcomed two new managers, bringing a broader set of skills and experience to the team. This investment has increased our efficiency and capacity, enabling us to cover the expanded scope of RCA activities more effectively.

45

Total number of RCA reviews performed this year compared to 36 in the prior year.

5,077

Total number of hours spent on RCA activities, up from 4,025 hours in the prior year, reflecting our commitment to thorough analysis.

Key observations from RCA performed on inspection results throughout the year highlighted the need for further support to improve effective collaboration between audit teams and audit experts and specialists, evidence professional scepticism applied on audit engagements, and ensure senior team members have appropriate portfolios to allow for adequate

involvement, support, and review on engagements. Actions have been developed and implemented for all findings throughout the year, with clear owners and timelines for completion. The effectiveness of these actions will be evaluated once implemented.

RCA performed on audits with positive results identified key practices and behaviours that contributed to high audit quality. These include:

- A tone from the top prioritising audit quality;
- Robust audit planning and setting engagement milestones;
- Sharing learnings gained from internal and external inspections;
- Fostering a strong team ethos;
- Ensuring sufficient and appropriate involvement of senior team members throughout the engagement; and
- We continue to share and promote these positive learnings to achieve consistency in delivering high-quality audits.

### Audit quality indicators (AQIs)

Our AQIs are quantitative and qualitative measures of audit quality that reflect the firm's ability to conduct high-quality audits over time. Analysing AQIs alongside other metrics gives us valuable insights into audit quality. We are dedicated to continuously improving and integrating AQIs into our processes to monitor quality trends, ensure optimal processes for high-

quality audits, and identify areas for improvement requiring mitigation measures to address future risks proactively.

We are continuously working on this process to evolve over time, provide more real-time information on continuous monitoring of risks related to audit quality, and implement corrective actions in a timely manner.

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 Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) 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 are making progress in delivering our commitments to the FRC to further develop and enhance the firm's banking methodology, ancillary guidance and related tools and templates. We continue to strengthen our banking specialists' resource in the Audit Quality Support (AQS) team, including the recent addition of a senior banking advisor, to assist with these initiatives and to enhance collaboration within the audit service line including specialists and experts.

# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

### Audit methodology, policies and processes supporting high-quality audits

The Forvis Mazars Audit Methodology (MAM) is a global methodology that Forvis 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 audits and other 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, Forvis Mazars has been developing a new audit software, Atlas.

In the UK, we fully transitioned to Atlas NextGen as the core audit platform. The continued improvements

and enhancements to the platform supports quality of audit documentation and global consistency in the application of the MAM. The use of the platform further strengthens the oversight of international group audits through ensuring compliance with ISA600R and ISA220R.

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 consultations when support is required.

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

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 quality support team.

We have continued to augment our Engagement Quality Review (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 AQS team.

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

### 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 and 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 and 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. As outlined in section 1.1, the improvements introduced in the year to our feedback approach supports the identification of contributions to high-quality.

# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

### Investing in innovation

Innovation is a key driver in our ability to deliver high-quality audits as complex business environments require our audits to be more dynamic and focus on more innovative, technology and data-driven solutions. As a firm, we are committed to innovation as is evident through our ongoing development of Atlas NextGen Atlas Analytics NextGen (a data analytics solution), and Signals (a client collaboration solution), as well as investment in market-leading solutions and the establishment of an offshore delivery centre. 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, supported by the engagement team. 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 EQR 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, inflight reviewers, EQRs or others.

### 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 engagement managers in relation to audits operating within certain regulatory frameworks or specialist sectors. Licence holders must demonstrate appropriate knowledge and attend relevant training to retain their licence. There is a three-tiered approval process for licences, with final approval from the Audit Compliance Principal.





# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

The FRC has introduced PIE licensing as part of their auditor registration powers. We have ensured that all our PIE RIs are appropriately registered with the FRC.

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

### Monitoring

Monitoring of audit quality is integral in understanding and improving our system of quality management. It allows for the 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)

During the year we have ensured that our EQR processes have been enhanced and updated so that they are all aligned with International Standard of Quality Management (UK) 2 (ISQM 2).

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 public 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. The firm implemented ISQM 2 requirements in relation to EQR process by enhancing its existing policies and procedures. As part of this enhancement, EQR appointment has been automated, and a fully comprehensive risk assessment exercise is carried out prior to pairing an EQR with the right audit engagement.

Additionally, a centralised annual training program and regular quality sessions are run to assist EQRs in their review process.

### 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 Forvis Mazars as a core value, the UK Head of Quality and the UK Head of Audit are members of the UK Executive. A subcommittee of the Executive, the (RQC), assists the Executive in fulfilling this ultimate responsibility for quality monitoring.

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.

The AExeco reports to, and is overseen by, the Executive. The AExeco is led by the Head of Audit and includes members with responsibility for operations, audit quality support, transformation and quality monitoring. These members 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 role, the AExeco assists the firm, including the PIC, in meeting the expectations of the AFGC.

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 (QRM) 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.

# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

### 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. Forvis Mazars Group is actively involved in IFAC and has a presence on a number of its boards and committees.

Forvis 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 ISQM 1 – 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; and

- 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 Quality and Risk Management Policy Manual, which together constitute the benchmark for audit quality control for all entities.

This framework covers the following:

- Responsibility and leadership;
- Independence and objectivity;
- Acceptance and continuance of engagements;
- Human resources;
- Audit methodology and engagement performance, which includes:
  - planning and supervision of engagements;
  - technical consultation; and
  - audit documentation;
- Professional confidentiality and risk management;
- Engagement quality monitoring reviews;
- Quality monitoring; and

- Procedures for dealing with and resolving differences of opinion, complaints, allegations and claims.

The Global Quality and Risk Management Policy Manual is adapted in the UK to include specific local policies and procedures within the above areas to enhance the quality and effectiveness of the manual for our UK team.

The policies and procedures in our Global Quality and Risk Management Policy Manual are complemented by our MAM.

Atlas NextGen has been developed to allow a structured audit approach in accordance with the most recent and revised auditing standards.

Both MAM and Atlas NextGen are updated, as required, to reflect the evolution of international and national standards and operational suggestions made by users. Our compliance with the Quality and Risk Management Policy Manual is monitored through internal and external inspections.

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

# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

- 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 details on our evaluation in accordance with ISQM 1 and our statement of compliance with the AFGC.

Within Forvis 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 not 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 Forvis Mazars in the UK, 79 (2023 – 67) individuals held RI status as at 31 August 2024, and a further 11 (2023 – 11) were KAPs authorised to sign public sector audit opinions.

### Group wide initiatives

#### Environmental, social and governance expectations

The idea of sustainability has evolved substantially in recent years. We believe that good corporate governance and social responsibility are not simply rooted in doing the right thing, they also bring with them performance benefits, including increased trust, a competitive edge, greater employee engagement, less waste through improved business processes and loyalty and support from a wide range of stakeholders.

We also strongly believe that ensuring our clients are fully engaged in ESG reporting is aligned to our auditor’s duty of serving the public interest by contributing more reliable, relevant and transparent information in public reporting.

Consequently, further to previous investments in the Sustainability service line by the Group, this year has seen continued investment in the ESG capabilities across the Group.

Operating around the world as a united team, with aligned interests, consistent delivery models and a shared commitment to the highest standards of service and ethics, the Group’s Sustainability service line offers international solutions, global and local expertise and consistent project methodologies and technical standards. By doing this, they help clients put sustainability at the centre of their business. Sustainability thought leadership pieces are also

regularly published on the Forvis Mazars Group website.

The Group has also developed a substantial training programme for its financial auditors on the Corporate Sustainability Reporting Directive (CSRD) in the EU. This is to support them in the new challenges they will face. To enhance quality, our Sustainability teams have access to technical resources and tools developed by the Group to assist them in the application of the CSRD, including the newly developed Sustainability Assurance Methodology (SAM), which includes templates and guidance materials.

#### 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 the use of digital tools, auditors face growing demands to provide assurance in these areas. This is a challenging yet exciting time, and the Group is paving the way, helping to shape new approaches to a fuller understanding of company performance, including establishing new benchmarks in these fast-evolving areas.



# Inspiring stakeholder confidence in audit quality

## 1.2 Delivering audit quality

That is why the Group contributes to conversations on the future of audit and the need to adapt audit regulations, standards and frameworks to the new context. The Group shares its expertise, experience and feedback on the most efficient levers to improve audit quality and build confidence by engaging with key stakeholders and regulators through involvement in professional organisations, key working groups and institutions around the world. In 2023/2024 at the Group level 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), the two professional organisations that represent auditor associations and accountants across Europe; and
- Participation in key working groups of national audit institutes around the world.

The Group is an active participant in conversations about audit reforms across multiple jurisdictions and forums, seeking to contribute solutions to the common challenges faced by the profession around the world. These challenges include concerns about 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, the increasing demand for audits in various fields is compounded by a declining number of auditors and audit firms able to address such challenges.

The Group shares its views and responds to public consultations at national, regional and international levels, and its key recommendations include:

- Incentivising the opening of the PIE audit market to additional audit players to build trust and audit quality and properly address new demands and 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 range of skills while securing the multidisciplinary model within existing safeguards; and
- 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 IFRS Sustainability Disclosure Standards in other jurisdictions.

The Group’s contributions to these debates are public and are available on a dedicated webpage of the [Forvis Mazars Group website](#) as well as on the websites of the institutions leading these consultations.



# Inspiring stakeholder confidence in audit quality

## 1.3 Quality monitoring

**Monitoring remains a crucial pillar for our firm's success, ensuring our commitment to quality and continuous improvement in all our engagements. Recognising the vital role that thorough monitoring plays, we expanded the AQS team and strengthened the SoQM team. The monitoring process now includes an integrated approach with ISQM 1 monitoring with individual file reviews forming an integral part.**

The ICAEW Audit Regulations and Guidance require each RI of Forvis Mazars to be subject to a cold file review of a completed audit engagement at least once every three years. At Forvis 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 Quality Monitoring Director, who reports to the Partner Responsible for Audit Quality Monitoring and Remediation. Reviews are carried out by experienced audit partners, senior audit staff, or our dedicated audit quality monitoring team. Our quality monitoring reviewers are selected because of 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 and Remediation 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 and Remediation.

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 (EM) 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.

# Inspiring stakeholder confidence in audit quality

## 1.3 Quality monitoring

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 Executive.

Some of the key 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, correct sampling and working with specialists.

In the 2023/2024 quality monitoring review cycle, we reviewed 46 audit files. 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 EMs who receive recurring adverse internal and/or external audit quality grades are referred to the AExeco Subcommittee for Quality Monitoring. 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 AExeco, actions to be taken in response of the RI, KAP, EQR and EM who receive unsatisfactory grades from reviews. The

Subcommittee members are appointed by the AExeco and consist of the Audit Chief Operating Officer, Partner Responsible for Audit Quality Monitoring and Remediation, and Audit Compliance Principal. The Subcommittee decides or recommend 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.

During the current year, we introduced a peer review program to further support cross-team collaboration, knowledge sharing and professional development of our EMs. This initiative encourages EMs to conduct independent reviews of each other's "cold" files and provide constructive, formal feedback. This peer review is managed by the quality monitoring team and it fosters a collaborative environment where teams can learn from each other's strengths and areas of improvement. The primary aim of the program is to encourage a culture of openness, support and continuous learning across the firm.

To further monitor member entities' compliance with the IFAC standards, assessments are undertaken by the International Quality Control Committee (IQCC). The Forvis 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;
- Forvis 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; and
- 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 Forvis Mazars international inspections.

Entities are required to communicate internally the results of their audit quality monitoring reviews to their AExeco, RIs or KAPs, and audit managers. This communication is provided in sufficient detail to enable the necessary corrective measures to take place, both for the RI or KAP in question, and the overall level of the entity.



# Inspiring stakeholder confidence in audit quality

## 1.3 Quality monitoring

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 Forvis 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 Group Executive Board (GEB) and the Group Governance Council (GGC) 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 Forvis 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.

We are pleased that the three audit engagements inspected by Forvis Mazars Group in 2023/2024 were assessed as either good or limited improvements required.

### UK external reviews

Forvis Mazars is a PIE audit firm. The FRC groups the PIE audit firms into three tiers, based on their systemic importance on the UK audit market. Due to the number of PIE audits, Forvis Mazars is a 'Tier 1' firm subject to annual reviews by the FRC.

The results of FRC's 2023 inspection was published in July 2024 and are disclosed in section 1.4.

Forvis Mazars' audit work is also reviewed by the Quality Assurance Department (QAD) of the ICAEW. The results of the recent QAD reviews are outlined in section 1.4.

Responsibility for external quality monitoring of local audit work rests with the FRC's 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, and the results from the QAD reviews of our non-major local audits are detailed in section 1.4.

At Forvis 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.

The six AQIs outlined in this section enable us to assess audit quality comprehensively. We have set benchmarks for these AQIs and increased the detail of the information where necessary.

We internally monitor a set of sixteen Audit Quality Indicators quarterly, including seven indicators that are monitored monthly, along with engagement-level indicators that were introduced in 2023. They are a mix of in-flight, lagging, and leading indicators that provide insights into audit quality when analysed concurrently with other AQIs.

A number of these AQIs have benchmarks which have been developed as a point of reference and indication of quality in collaboration with the AExeco and the Business Unit Leaders. The use of the benchmarks drives the identification of outliers which need to be investigated to determine whether they pose a potential threat to audit quality and therefore require mitigating actions.

Engagement-level AQIs provide a more holistic and insightful view of risk for AQR-scope engagements at engagement, matter code and engagement RI level. The risk relating to each engagement is computed according to seven risk criteria:

- Percentage time spent by RIs;
- Percentage time spent by Managers;
- Unstaffed hours over the next six months;

- Excess overtime;
- External reviews;
- Internal reviews; and
- Percentage time spent by the Engagement Quality Review Team.

Consequently, the level of risk associated with each engagement is categorised using an RAG rating (red, amber, green).

Our AQIs are designed not only to identify potential quality issues but also to facilitate discussions, strategic decision-making and provide a holistic view of audit quality at the engagement level for AQR scope audits. This approach helps us pinpoint actual risks, implement timely mitigation measures, and report these actions to the AExeco monthly. Over the years, we have made continuous improvements to increase the granularity and insights of AQIs (including trend analysis) and introduce engagement-level AQIs. Elements monitored and measured through the AQI dashboard are subject to an annual review to help ensure they remain relevant, effective and responsive to quality initiatives.

We are fully committed to supporting the FRC's initiative aimed at enhancing the reporting of AQIs across the audit market. By actively participating in this initiative, we aim to contribute to greater transparency and accountability within the industry.

As part of our efforts, we have reported to the FRC for a private report in June 2024 where we have been noted to be in line with FRC expectations and similar range with other participating firms. We will be publicly reporting our firm-level AQIs to the FRC in June 2025.

Our goal is to provide comprehensive and detailed insights into our audit quality, demonstrating our dedication to continuous improvement and adherence to the highest standards of audit practice. Through this transparent reporting, we seek to foster trust and confidence among stakeholders and contribute to the overall enhancement of audit quality in the 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:



# 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.

### 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 Forvis 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](#)).

### Audit quality indicator 2 – Metrics on audit quality reviews

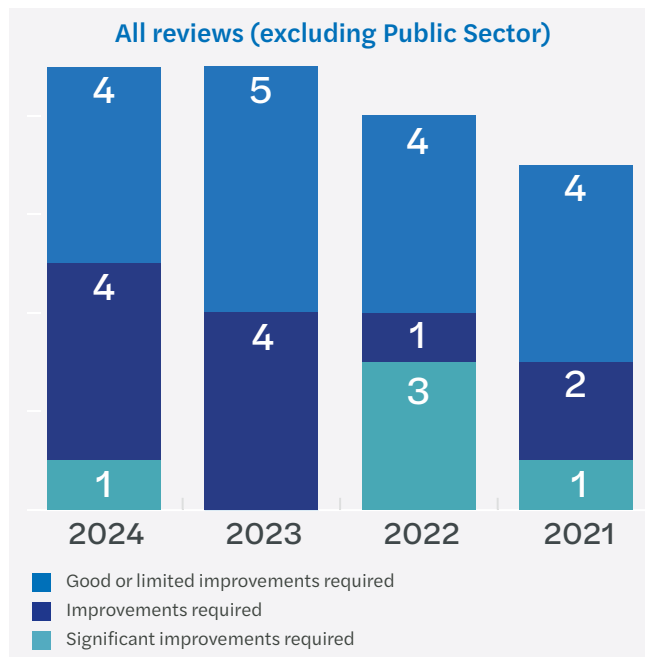
#### Results of external inspections (FRC reviews)

The FRC's 2024 Audit Quality Inspection and Supervision report on Forvis Mazars LLP was published in July 2024. The FRC's 2024 public report was based on the work undertaken during the 2022/2023 inspection cycle, through review of a sample of the

firm's most complex and high-risk PIE audits and elements of the firm's systems of quality control. The full report is available on the [FRC's website](#).

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; or
- Significant improvements required.



The FRC inspected nine of our audits covering listed and public interest entities, of which 44% were assessed as requiring no more than limited improvements. We acknowledge the FRC's inspection results and are disappointed with the AQR grades. The audits inspected by AQR in this cycle did not benefit from our AQTP.

As part of the improvements being made in ensuring a sustainable audit quality, we are encouraged that the majority of key findings were not systemic and we have taken robust actions to address the findings identified.

As we outlined in our response to the 2024 FRC public report, we are encouraged by the good practice points identified by AQR, including on two audits that were assessed as requiring improvements. These included additional procedures performed on first year audits which resulted in audit adjustments, extensive procedures and challenge of assumptions on technical provisions, audit work on revenue, and delaying the signing of the audit report to appropriately respond to specific risks identified. This is a good indication of the effectiveness of a number of our quality actions which are now better embedded into the firm's SoQM. We are particularly encouraged by the positive AQR inspection results in certain business units. We expect to sustain audit quality in those business units and see evidence of improvement in the next AQR inspection cycle for the other business units.



# Inspiring stakeholder confidence in audit quality

## 1.4 Audit quality indicators

The combined results of AQR inspections together with the firm's iQM reviews on PIE audits this cycle shows 64% (2022/2023: 58%) as either good or limited improvements required, which indicates the progress we are making in audit quality.

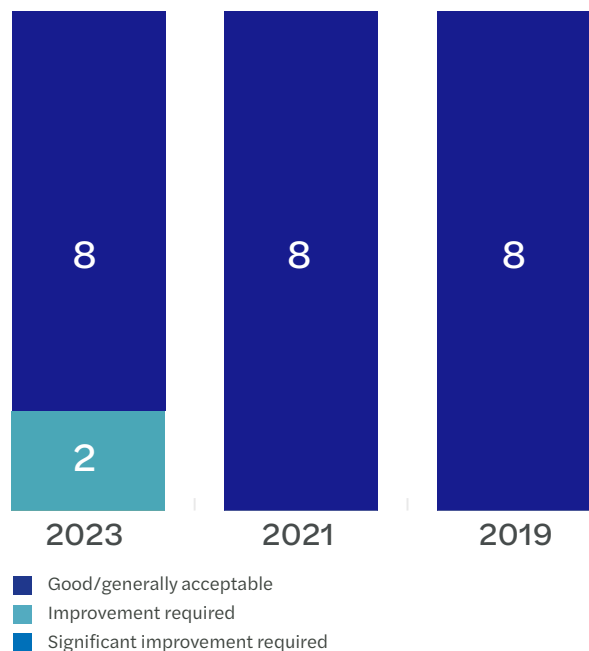
We undertook an RCA on all nine audits that were inspected by the FRC to determine the underlying drivers of any failings. As part of the RCA, we also reflected on whether the root causes were specific to the audit engagements or indicative of a systemic issue.

At Forvis Mazars, we remain committed to serving the public interest by delivering high-quality audits and by taking the appropriate actions and care to safeguard audit quality, including when acting as auditors of companies that could meet the definition of a "challenging" company as defined in [The Spring Report](#) of the Audit Committee Chairs' Independent Forum (ACCIF).

We are encouraged by the FRC's acknowledgement that transforming audit quality takes time and their observation that the firm remains clear and consistent in its communications around the importance of audit quality. We continue to take positive actions in relation to consistently delivering high levels of audit quality and strengthening the firmwide systems and audit quality function. We are hopeful that our heavy investment in audit quality driven by the initiatives launched in the past year will sustainably deliver the audit quality that we demand of ourselves.

We are pleased to observe early indications of positive results both from internal and external inspections, indicating that our focus to sustainably transform audit quality is having the desired impact.

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



ICAEW's QAD undertakes a full review of the firm's audit files every two years. We are pleased that the results of the recent QAD reviews had two audits that

were assessed as good, six audits were assessed as generally acceptable, and no audits were found as requiring significant improvements. However, we do acknowledge that two of the audits inspected required improvements.

The QAD team has identified examples of good practice, including the proof in total approach to the audit of revenue, the evaluation by the group engagement team of the work performed by the component team, the procedures performed over ECL including the challenge of management's assumptions, and robust challenge on going concern.

Audit quality remains our priority. The delivery of high-quality audits requires continuous focus and improvement, and as a Tier 1 audit firm, we strive to operate to the highest standards.

### Results of external inspections (ICAEW QAD reviews – non-major local audits)

In their most recent bi-ennial review of the firm's local audit (non-major) audit engagements reported in March 2024, and which took place between 9 May 2023 and 22 February 2024, the QAD concluded that audit work is of a generally acceptable standard overall. Two of the three reviews were found to be either good or generally acceptable. The work to support the VFM arrangements work was assessed as good or generally acceptable on all three reviews. The QAD also identified and shared examples of good practice across all files reviewed.

# Inspiring stakeholder confidence in audit quality

## 1.4 Audit quality indicators

### Results of external inspections (PCAOB reviews)

The PCAOB undertakes reviews of our audit files every three years. The most recent inspection on Forvis Mazars LLP 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 is available on the PCAOB’s website. The report noted 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 evaluated the findings identified by PCAOB and have performed a root cause analysis. We have taken appropriate actions to address the PCAOB findings. The actions we have taken are subject to review by the PCAOB.

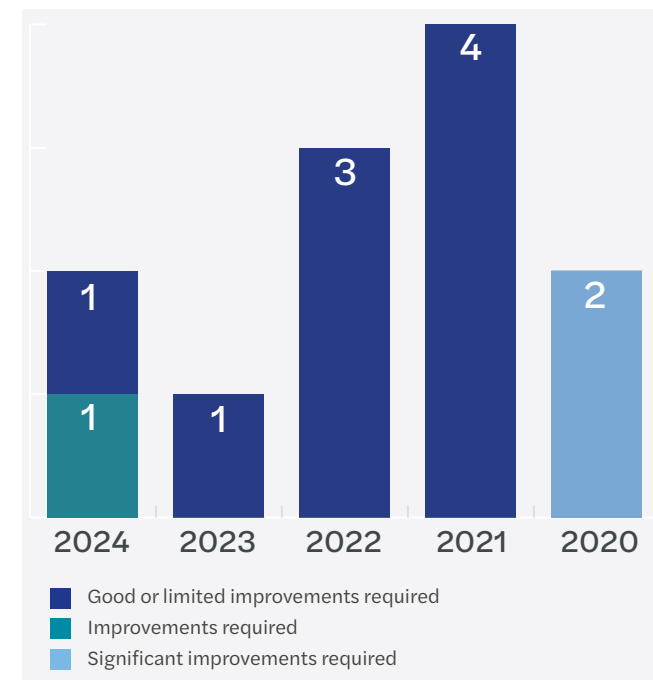
Quality is a central pillar of Forvis Mazars’ values and strategy, and the delivery of high-quality audits is a strategic priority for Forvis Mazars in the UK. We have made significant investments in audit quality in the last year with further initiatives planned in the next months to sustainably improve audit quality.

### Results of regulator inspections of major local audits (FRC reviews)

The FRC is responsible for monitoring the quality of major local audits as defined by the Professional Qualification and Major Local Audit Regulations 2014. During 2023/2024, the FRC inspected one of our March 2023 year-end major local audits which was assessed as requiring no more than limited improvements for our work on both the audit of the financial statements and Value for Money (VFM) arrangements.

A second inspection was undertaken of a major local audit with a March 2021 year-end, which was assessed as improvements required for the financial statements audit (VFM arrangements work was not inspected). Despite this audit being assessed as requiring improvements, the FRC identified good practice in a number of areas, including:

- the testing of investment property valuations, highlighting the audit team’s focus of work on high-risk and complex valuations, and appropriate involvement of an auditor’s expert in the work undertaken; and
- the extent of oversight and review of a component auditor’s work, particularly at a senior level of the engagement team.



While we are disappointed that the FRC has identified an audit within our major local audit portfolio that required improvement, the table above clearly demonstrates our commitment to quality and the progress we have made through the delivery of our local audit quality plan. We have taken appropriate actions to address the key findings in the audit rated as requiring improvements and will continue to respond appropriately where quality risks relevant to our local audit work arise. The FRC publishes an annual report on the quality of local audit work. The latest report, issued in November 2024 can be found on the FRC’s [website](#).

# Inspiring stakeholder confidence in audit quality

## 1.4 Audit quality indicators

### 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.

The results of this year's quality monitoring indicate a positive improvement in the overall number of engagements that achieved a good or improvement required outcome.

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 (SQP) and AQTP. 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



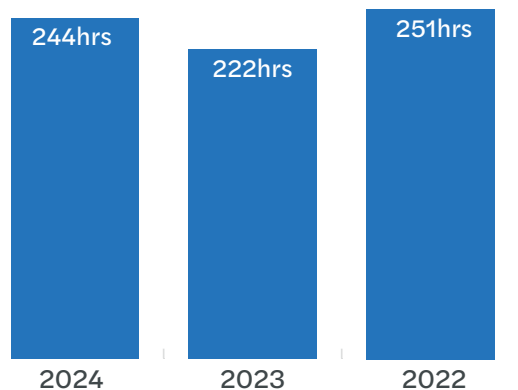
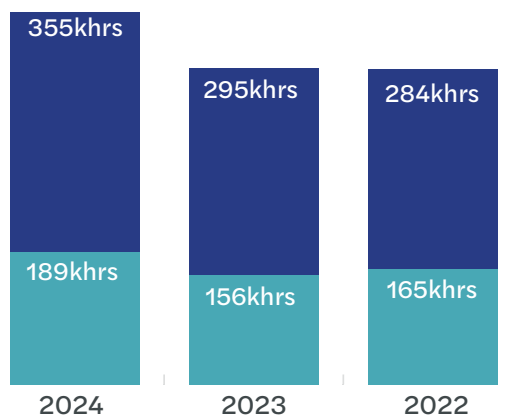


# Inspiring stakeholder confidence in audit quality

## 1.4 Audit quality indicators

### Audit quality indicator 3 – Metrics on investment

Investment in training



- Total hours
- Total hours excluding training for professional exams
- Hours per person

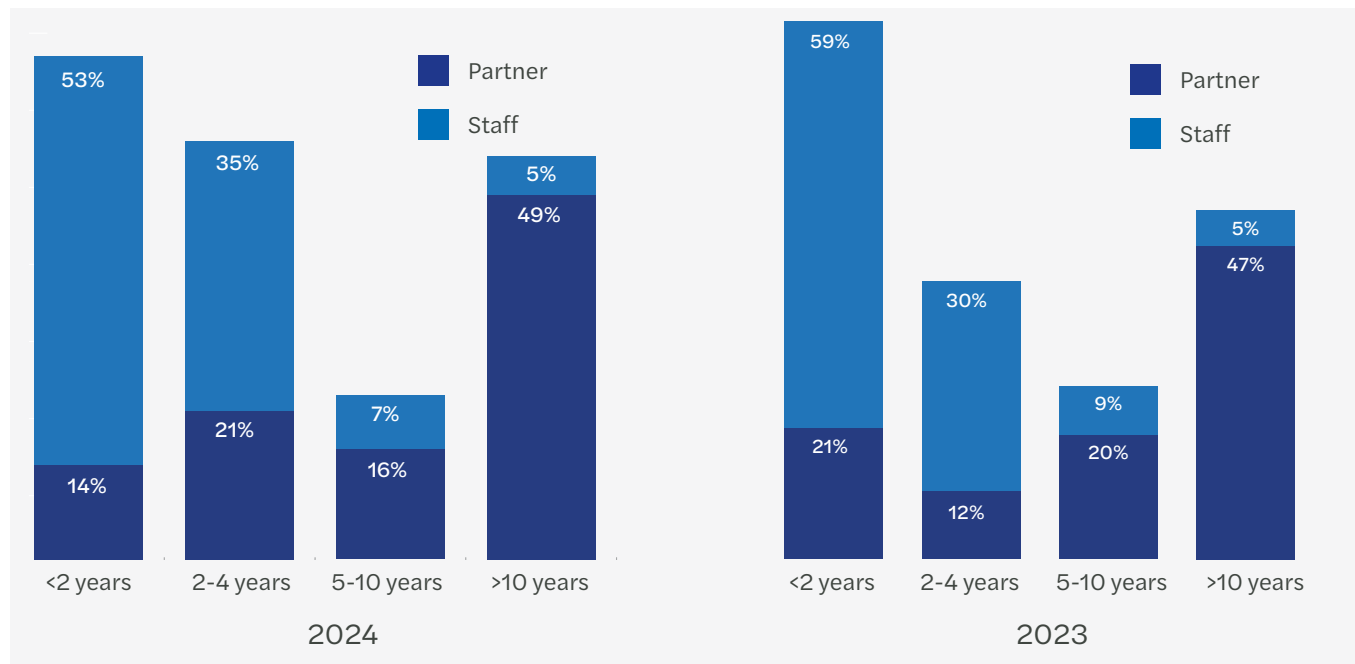
This year we have continued to focus primarily on in-person, classroom-based training with some additional webinars and eLearnings for certain training courses. We have continued to develop the in-person training events using case studies and practical application of technical learning for training courses covering revised auditing standards and areas identified as needing improvement within audit, both audit-wide and for specific strategic markets. During the year we have delivered our first year of “Audit Fundamentals”, the five-year audit curriculum, for new auditors who joined the firm in September 2023 and January 2024. This was a significant increase in the amount of classroom internal training that our new auditors received compared to previous years. For the first time in many years, we held an “Audit Residential” training course for all qualified staff and partners, which was a two-day off-site event covering technical content. We also continued to deliver our Senior and Manager Development Courses, both of which focus primarily on project management for audit engagements.

*NOTE: The data above is extracted from our timesheet system. As reported in the prior year, 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 and ensure more accurate reporting of time charged to training. We continue to improve this for the coming year through a change in our timesheet codes for training from September 2024.*



# Inspiring stakeholder confidence in audit quality

## 1.4 Audit quality indicators



### Audit quality indicator 4 – Metrics on partner and staff tenure

The overall headcount in Audit has increased by 15% over the last 12 months. There has been a continued focus on investing in the audit support teams, which includes the AQS team and IT specialist team, which has grown by a further 30% in the last 12 months (following the 40% headcount growth in the previous year).

Attrition remains stable across Audit overall, with some business units seeing reduced attrition in the second

part of the year, which is in line with the firmwide view, and expected, given current market conditions.

The tenure rate at partner level remains consistent with previous years, with 65% of our partner group having been with the firm for five or more years.

The tenure rates at staff level continue the trend towards a reduction in team members having less than two years' service at 53% this year compared to 59% in 2023 and 63% in 2022. This remains a positive trend for the firm, as it contributes to high quality by having experienced and effective team members across all grades on audit engagements, and enables continuity in resource, where appropriate.

Our actions outlined in our AQTP continue to show positive results on the development and retention of talented team members, with some specific examples set out below:

- Embedding our 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.
- Embedding our assignment feedback tool, 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.
- Launching our 'Making it Count' guide, which helps team members maximise their impact by understanding where they should focus their time and energy to deliver what matters most (for example, setting clear expectations about hours and dedicating time to professional development).
- Continuing to utilise our 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

# Inspiring stakeholder confidence in audit quality

## 1.4 Audit quality indicators

business, and more timely recruitment decisions to ensure we have the right number of people with the right skills at the right time.

Our ratio of staff to each RI/KAP has remained the same as the prior year, which is a consequence of the continued evolution of our client base towards a greater number of larger/PIE businesses. Due to this and the significant investment in our AQS team at a senior level, 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.

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

Over the last eight 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 thirteenth percentile compared to the 29th percentile in our most recent survey. The percentage of engaged employees within Audit has remained the same this year at 33%.

This year, we have seen a statistically insignificant decrease in our overall level of engagement. While no decrease is welcome, this is not unexpected in a year of transformational change, including the introduction of new audit software. We remain confident the actions we are taking through our AQTP will begin to make positive impacts on engagement.

Last year we introduced specific questions to team members in Audit to ensure priority is given to resource, development and support where needed most. We are pleased there has been a small improvement on the questions:

- I have sufficient time and resources to deliver high quality audits; and
- I receive sufficient training and development to enable me to deliver high quality audits.

Audit only questions



The AQTP has focused on introducing frameworks, approaches and processes that enable team members to know what is expected of them and will help provide clarity on their performance and key development areas. Some key examples are below:

- Core and audit competency framework;
- Assignment feedback (and other feedback mechanisms);
- Launch of performance ratings at mid-year and end of year performance reviews;
- POINT (purpose and outcome informed thinking) and PASTA (practical audit support and technical advice) frameworks.

The aim for this year is to ensure these are embedded across audit consistently and effectively, which will help drive high performance and high-quality audits, whilst improving engagement levels for all team members.



# Inspiring stakeholder confidence in audit quality

## 1.5 Investor and audit committee dialogue

**Forvis 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.**

Provision 35 of the AFGC indicates that ‘INEs should have dialogue with audit committees and investors to build their understanding of the user experience of audit and to develop a collective view of the way in which their firm operates in practice’.

By way of implementing the above provision with regards to engagement, we have taken the actions as outlined below.

### Audit committees

Forvis Mazars held its annual meeting for audit committees of companies audited by it in May 2024 at its London office with a particular focus on inviting audit committee chairs of Public Interest Entities.

The well attended meeting, which replaced remote meetings in recent years, provided an opportunity to engage with the firm’s INEs and its leadership. The first part of the meeting involved sharing details of developments within the audit practice, with particular reference to those related to audit quality, together with an overall update on Mazars in the UK and globally and the then forthcoming launch of Forvis Mazars, followed by questions from participants.

This part of the meeting included contributions by Lord Morse, Member of the Public Interest Committee and Chair-Designate of the Audit Board (at the time) and Guy Jubb, Member of the Public Interest Committee. Other contributions were made by Phil Verity, UK Senior Partner; David Herbinet, Head of Audit and Assurance and Christos Vernardos, Head of Audit Quality.

The second part of the meeting covered the new Corporate Governance Code and recently published guidance including new expectations on internal controls; the forthcoming review of the Stewardship Code; other key boardroom issues in the prevailing environment and the extant position on audit reform.

### Investors

Forvis Mazars has a number of the investors and investor groups with whom it has built up a positive relationship of engagement in earlier years. Meetings with INEs, led by Guy Jubb who spent many years in a senior role in the investment industry, and representatives of the firm provides investors with the opportunity to discuss the results of the FRC’s latest Audit Quality Review on the firm, published in July 2024, as well as the establishment of the Forvis Mazars network in June 2024.

In addition to the individual meetings, Forvis Mazars was also one of the sponsors of the International Corporate Governance Network’s (ICGN’s) Annual Conference which this year was held in London in July enabling it to raise its profile with the investment community.

The firm also held a dinner of its long-standing Centre for Audit Committee and Investor Dialogue (CACID) in November to which both investors and audit committee chairs were invited.

In addition, the firm includes a section on its website on its PIC which was chaired by Denise Fletcher (until August 2024), and includes Lord Morse (the newly appointed Chair) and Guy Jubb, the other INEs, among its membership. This provides contact details for listed companies and their investors wishing to enter into dialogue on matters covered by the AFGC.







# Inspiring stakeholder confidence in audit quality

## 1.6 Maintaining our independence

**As a multidisciplinary professional services firm, we operate in the public interest and uphold ethical standards. 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.**

Acting with integrity and independence are two of our core values. 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 partners and staff comply with the relevant standards, wherever they operate. This includes all applicable laws and regulations, the requirements of regulators and the standards and policies we set ourselves.

### Group-level governance and oversight

Independence is overseen by the Group through the Group Independence and Acceptance Committee (GIAC), whose purpose is to implement and monitor rigorous processes which contribute to the sustainable growth of the Group, minimise reputational risk faced and drive compliance with all relevant professional standards and regulatory requirements as they relate to independence and ethical behaviours.

### Upholding ethical standards

The Group continues to review and update its policy and guidance to ensure that all member firms follow the most up-to-date ethical rules. Its principal document for ethical and independence standards is the Code of Conduct for Objectivity and Independence (CCOI), which 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 member firms, partners and staff.

The CCOI was updated by the Group twice in 2023/2024 to reflect the latest changes to the IESBA Code and its internal rules, including those on partners' financial interests. Our Acceptance officer, country risk manager and risk team participated in group webinars which explained these changes.

### Managing conflicts of interest

Conflicts of interest, whether personal or professional, create threats to our independence and could undermine our judgements. The CCOI sets clear standards on how potential conflicts of interest should be approached, and when threats to our independence are identified, how they should be addressed – including implementation of appropriate safeguards.

As part of our client due diligence and know your client (KYC) processes, independence checks are performed for every new client and every new engagement. To ensure consistency in our approach, we use the group's global tool – WeCheck. This tool, which is deployed throughout the Group, provides information about potential and existing clients in relation to a variety of topics, including anti-money laundering,

fraud, corruption, economic and trade sanctions and tax offences, as well as checks of beneficial owners. All proposed clients are required to go through a conflict check before being accepted. Where potential conflicts are identified in the tool, safeguards are considered, including whether they can eliminate threats or reduce them to an acceptable level.

### Personal financial independence

In February 2024, the Group introduced a new rule prohibiting partners from holding a direct or material indirect financial interest in the shares or debt of our worldwide listed audit entities. This new rule is more restrictive than the requirements of the IESBA Code, which serves as our baseline. In the UK we also comply with the FRC Ethical Standard 2019 which prohibits partners in the UK firm from holding interests in Audit entities.

### Anti-bribery and corruption

Our policies prohibit bribery and corruption and urge caution when sending or receiving gifts and hospitality. We recognise that gifts and hospitality can be an effective way of building professional relationships; however, we have policies to ensure that any gifts and hospitality offered or received are not inducements for inappropriate or improper behaviour.



# Inspiring stakeholder confidence in audit quality

## 1.6 Maintaining our independence

We comply with the group-wide rule that 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. We have adopted a local policy on Gifts, Hospitality and Favours, set local limits for the giving and receiving of gifts, hospitality and entertainment, in accordance with our relevant laws and regulations, including the requirements in the FRC Ethical Standard 2019.

### Breaches of ethical standards

In accordance with our group-wide process, we ensure that if any breach of ethical standards is identified, action is taken to satisfactorily resolve the matter as soon as possible. This includes preparation of appropriate documentation which summarises the issue and any conclusions reached.

On an annual basis, we produce a summary of any breaches identified and report it to the Group Acceptance team who review and report the information in accordance with their processes to ensure oversight by the Group.

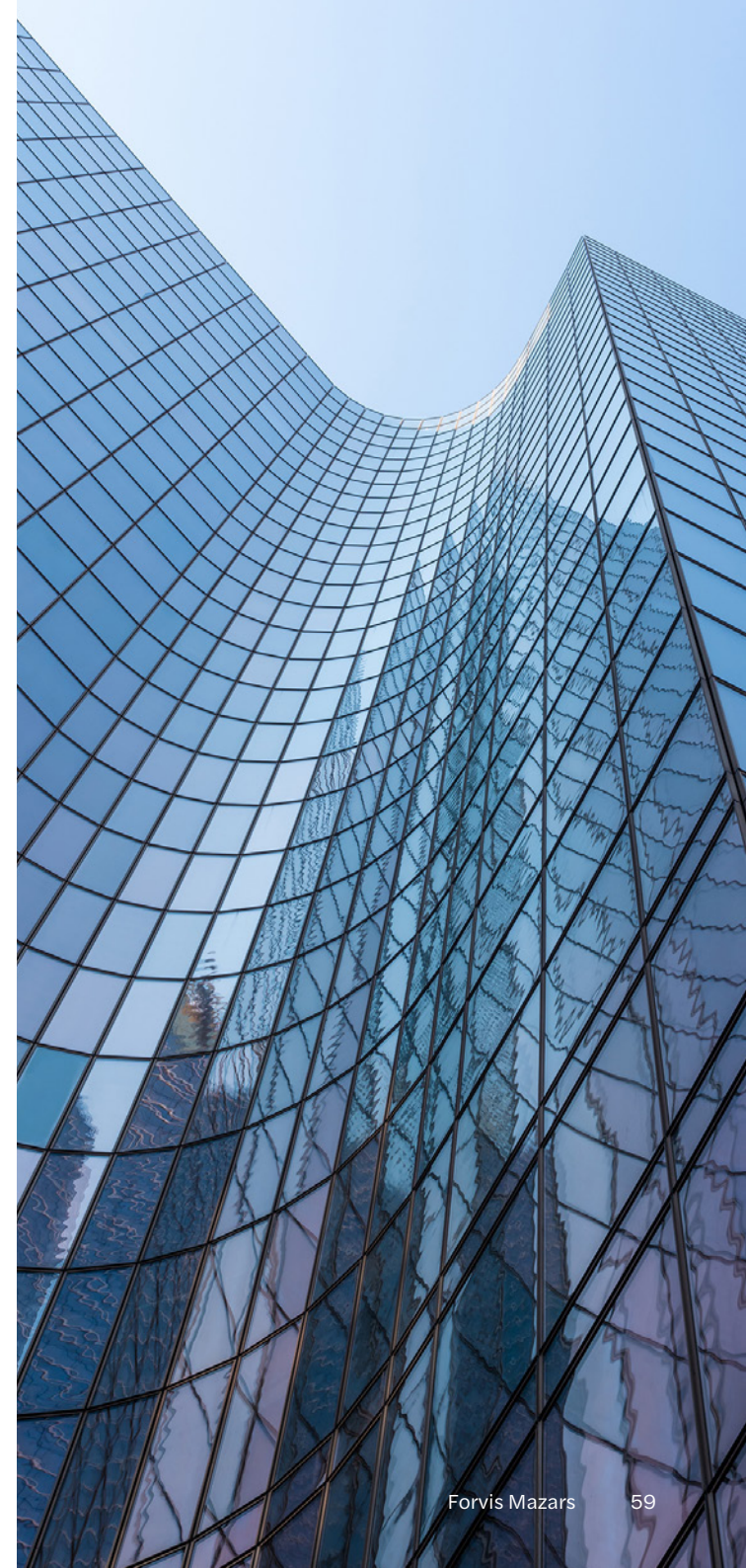
We report all instances of breaches of FRC Ethical Standard 2019 to the regulator on six monthly basis, unless severity of the breach requires out of cycle reporting.

### Annual independence declarations

All partners and professional staff are required to complete an annual independence declaration, based on their understanding of the requirements of the CCOI. Any breaches identified from this review are investigated and rectified by Ethics function.

In accordance with the group's requirements, results are shared with the Group Acceptance team who summarise the results for the GIAC, the Group Quality and Risk Management (QRM) Board and the GEB.

In addition to this annual independence declaration, this year, prior to the formation of the Forvis Mazars network, we conducted an additional one-off independence declaration requiring all partners to confirm their independence from all restricted clients of both Forvis Mazars Group (formerly Mazars Group) and Forvis Mazars, LLP (Formerly Forvis LLP), as required by the Group.



# Inspiring stakeholder confidence in audit quality

## 1.6 Maintaining our 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 CCOI. The CCOI complies with the IESBA Code and introduces additional specific requirements for Forvis 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>Forvis Mazars firms set local limits or policies 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 Maintaining our 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 audit and 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 Forvis 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 Forvis 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 Forvis Mazars personnel to audit or assurance clients can also create threats of self-review, advocacy or familiarity. We therefore have a number of prohibitions in place to prevent these practices. Due to difference between FRC Ethical Standard 2019 and the IESBA code, Forvis Mazars UK Ethical Policy prohibits any temporary personnel assignments.
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 Maintaining our 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 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 an “Objective, Reasonable and Information Third Party” 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 Forvis Mazars.</p>

# Inspiring stakeholder confidence in audit quality

## 1.6 Maintaining our 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 and assurance 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 Forvis Mazars SC	<p>All new countries entering Forvis 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 Maintaining our 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 Forvis 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 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 Forvis Mazars Group and the performance of the national entity to which the partner contributes.

Several countries, including the UK, 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 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; and
- 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 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 Forvis 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 Forvis Mazars Group bylaws.



# Inspiring stakeholder confidence in audit quality

## 1.6 Maintaining our independence

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

### Partner Quality and Risk Rating (PQRR)

The firm has now finalised and launched the PQRR which will bring together in a more comprehensive way a broader range of metrics, tailored specifically for Channel 1 & 2 Partners and drives financial reward. The PQRR considers aspects of quality contribution and quality performance for each Partner as part of their year-end assessment. In addition, the PQRR includes assessment for a people overall attitude/engagement with quality related reviews/inspections.

### Independence and objectivity

Forvis 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.

Forvis Mazars is committed to dealing responsibly, openly and professionally with:

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

For the rest of the Group, both external and employee complaint forms are available on our [Forvis Mazars website](#) (and on the Group [website](#)).

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 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

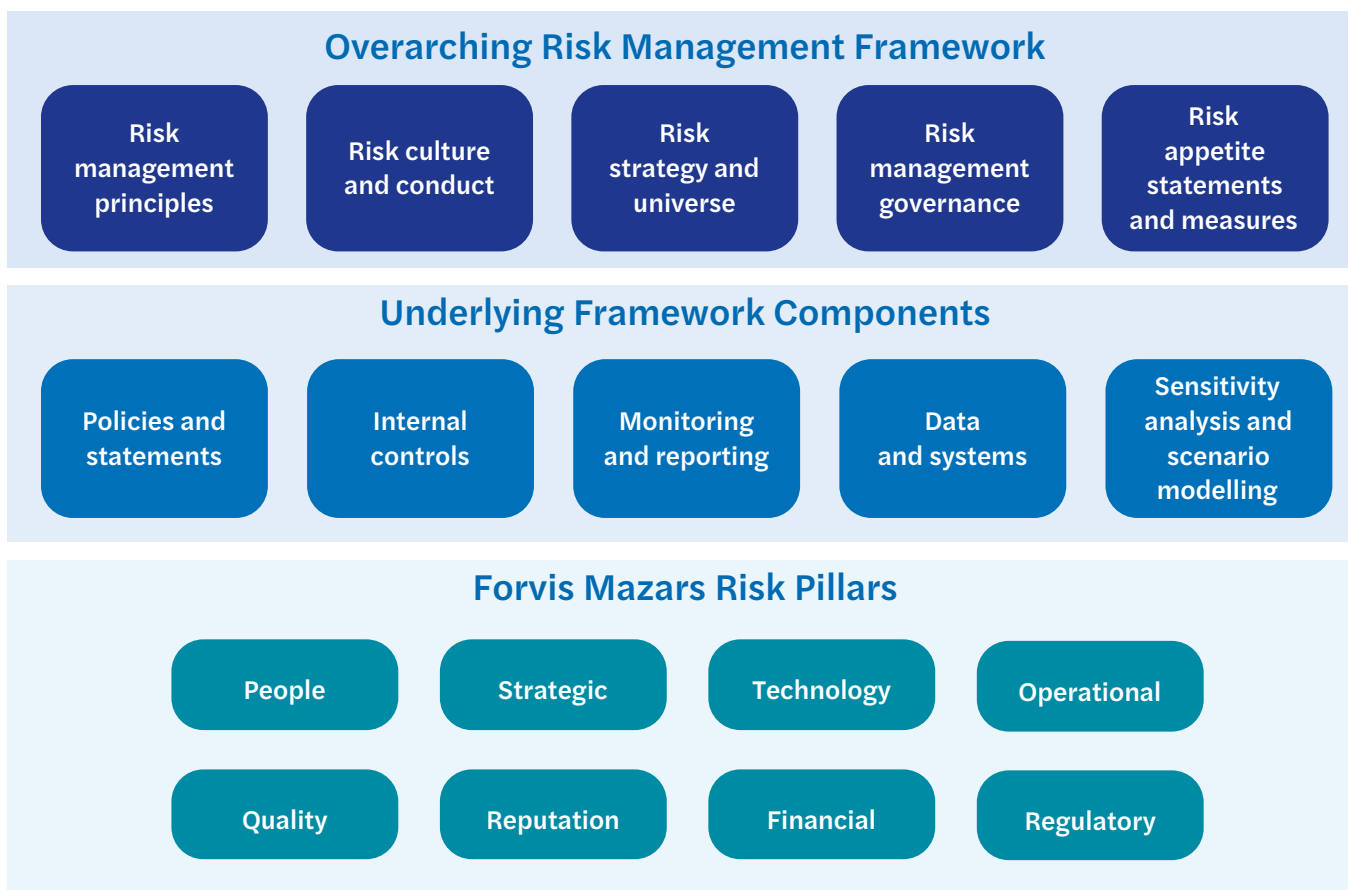
## 2.1 Our approach to risk management

**Risk management processes are fundamental to the success of Forvis Mazars. While we accept that there is a degree of risk involved in all business activities, we seek to protect the interests of stakeholders and develop opportunities by appropriately managing the risks that arise from our activities.**

Forvis 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 and long-term growth and success of the firm.

The Risk Management Framework (RMF) below 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

### Identification of Risks

All team members who identify an issue which they believe may pose a risk to Forvis Mazars report the matter to their Line Manager, Service Line Leader, or the ERM 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; and
- Limitations of knowledge and reliability of information.

All new risks identified shall be reported to the relevant governance forum (e.g RQC for Level 1 risks) 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.

### ERM training

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 joiners, it is provided as part of their induction programme.

Further specialised cohort specific training has been developed ahead of the 2024/2025 financial year. This training aims to enhance our risk culture and our people's awareness and technical knowledge of risk.

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

### Categorisation of risk

ERM arrangements of firm risk covers the following eight pillar risks:

**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.



# Our risks

## 2.1 Our approach to risk management

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, Forvis Mazars have adopted a standard practice risk model. Principal risks have been identified under the eight Risk Pillars and cascade across the firm as appropriate. 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. There are then further, more granular risks through the business to be better managed at a service line level.

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

### Key risks and uncertainties

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

Principal risks	Description	Key mitigating controls
<b>People</b>		
<b>Governance and leadership</b>	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"> <li>• Updated Members’ Agreement and constitutional documents.</li> <li>• Formal terms of references across key governance bodies.</li> <li>• Forvis Mazars adopts appropriate governance and leadership through the Governance Council, Forvis Mazars Group, Public Interest Committee, Partner Meetings and Effectiveness Reviews.</li> <li>• Firmwide Code of Conduct and mandatory training.</li> </ul>
<b>People development</b>	Failure to develop sufficiently the skills of our teams to achieve the firm’s strategy.	<ul style="list-style-type: none"> <li>• Professional accreditations and accompanying CPD requirements.</li> <li>• Formalised technical and non-technical training programmes to enhance career pathways, including Service Line specific.</li> </ul>
<b>Recruitment and attraction (Team &amp; Culture)</b>	Failure to recruit sufficiently skilled resources to achieve the firm’s strategy whilst maintaining our values-based culture.	<ul style="list-style-type: none"> <li>• Executives ensure there is Inclusion and Diversity Governance.</li> <li>• Executive resource planning.</li> <li>• Formalised recruitment procedures.</li> </ul>
<b>Retention (Team &amp; Culture)</b>	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"> <li>• Technical training for staff.</li> <li>• Implementation of Competency Framework.</li> <li>• Executives ensure there is Inclusion and Diversity Governance.</li> </ul>

# Our risks

## 2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
<b>Quality</b>		
<b>Quality failure</b>	Failure to deliver quality service to our clients.	<ul style="list-style-type: none"> <li>• Quality Assurance Frameworks and technical resource implemented for service lines.</li> <li>• Technical training for staff.</li> <li>• Licensing of principal activities.</li> <li>• Internal Quality Control Reviews.</li> <li>• Implementation of findings following reviews undertaken by internal and external regulatory bodies.</li> </ul>
<b>Client expectation and experience</b>	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"> <li>• Formalised complaints process with a direct link to the Head of Quality.</li> <li>• Client feedback and Client Centricity programmes and surveys.</li> <li>• Standardised procedural guidance for client interactions and experience.</li> <li>• Dedicated Client Engagement Centre.</li> </ul>
<b>Strategy</b>		
<b>Business strategy</b>	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"> <li>• Executive ownership of strategy, four-year plan and targeted priorities and actions.</li> <li>• Monitoring of market and regulatory changes to support identification of changes required to strategy.</li> <li>• Development of global initiatives to standardise our delivery model internationally.</li> </ul>



# Our risks

## 2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
<b>Technological</b>		
<b>Information governance</b>	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"> <li>• Adherence to national and international regulations and legislation including data protection laws.</li> <li>• Information governance policies with ongoing testing and mandatory training to support adherence.</li> <li>• Monitoring and reporting of risk events to the Executive.</li> </ul>
<b>Cyber security</b>	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"> <li>• IT technical solutions including monitoring of networks, usage of systems, and a formalised reporting process.</li> <li>• IT security policies with ongoing testing.</li> <li>• Mandatory cyber training alongside test campaigns.</li> <li>• Monthly dashboard reported to appropriate Governance Fora.</li> <li>• Cyber Insurance.</li> <li>• External accreditation.</li> </ul>
<b>IT infrastructure and development</b>	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"> <li>• Governance in place to align IT to business plans and Executive reporting.</li> <li>• Monitoring of IT systems and providers to identify and resolve issues, as well as further improvement areas.</li> <li>• IT disaster recovery plans implemented.</li> <li>• Testing of IT infrastructure against industry standards.</li> </ul>

# Our risks

## 2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
<b>Operational</b>		
<b>Business continuity and operational resilience</b>	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"> <li>• Implementation of the business continuity and crisis management plans, including mass notification system to effectively communicate with the full team.</li> <li>• On-going assessment of enterprise-wide risks and mitigating controls.</li> <li>• At least annual testing of disaster recovery and continuity plans.</li> <li>• Resiliency inbuilt into operations, including through remote working capabilities.</li> </ul>
<b>Project change</b>	Forvis 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 Forvis Mazars' inability to sufficiently grow.	<ul style="list-style-type: none"> <li>• A documented project methodology is in place and there is a software solution for project monitoring.</li> <li>• Reporting through the Chief Operating Officer report.</li> <li>• There is Partner, Group, and Governance Council feedback.</li> <li>• Established Change Management Office.</li> <li>• Established change management governance fora and supporting working groups.</li> </ul>
<b>Support structures</b>	Failure to invest in a robust infrastructure to support the wider firm in meeting its overall strategy.	<ul style="list-style-type: none"> <li>• On-going review of and continuing investments in systems and resources.</li> <li>• Governance structure includes boards to provide further strategic focus in key areas. Chief Operating Officer and UK Head of Quality are members of the Executive.</li> <li>• Alignment to annual strategic review.</li> </ul>

# Our risks

## 2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
<b>Financial</b>		
<b>Solvency and liquidity (financial distress)</b>	Forvis Mazars are 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"> <li>• Regular reviews of financial performance against targets at Executive level.</li> <li>• Management information to guide business decisions, with supporting performance metrics.</li> <li>• Annual scenario planning exercise as part of the budget and reforecasting activities.</li> </ul>
<b>Core income and expenditure</b>	Forvis 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"> <li>• Budget and investment aligned to firm's four-year strategy.</li> <li>• Executive budget review undertaken frequently.</li> <li>• Dedicated Chief Financial Officer.</li> </ul>
<b>New income and expenditure</b>	Forvis Mazars fails to deliver on budget for its new income and opportunities (pipeline and blue sky), to gain organic growth in line with the firm's business strategy. Note: This does not include Forvis Mazars Financial Planning Limited (FMFP), or Forvis Mazars Corporate Finance Limited (FMCFL).	<ul style="list-style-type: none"> <li>• Executive have tracking and data integrity of pipeline work within a Customer Relationship Management Tool.</li> <li>• Pipeline monitoring and correlations against budget.</li> </ul>
<b>Macroeconomic environment</b>	Failure to adapt to the changes in the macroeconomic environment and regulatory developments on the economy and firm.	<ul style="list-style-type: none"> <li>• Established means of ongoing forecasting, performance review and associated mitigation planning.</li> <li>• Business continuity plans at service lines and firm level.</li> <li>• On-going assessment of emerging risks via Horizon Scanning.</li> </ul>
<b>2023/2024 Profitability</b>	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"> <li>• Firmwide debt management process in place.</li> <li>• Standardised Pricing Tool.</li> <li>• Executives reassess budgets on frequent basis.</li> <li>• Remuneration Committee and relevant Governance Fora.</li> </ul>



# Our risks

## 2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
<b>Regulatory</b>		
<b>Legal &amp; Regulatory environment</b>	Failure to adapt to the impact of changing legislative and regulatory environment across the whole firm.	<ul style="list-style-type: none"> <li>• Monitoring of changing regulatory requirements.</li> <li>• Enhanced governance in respect of client approval, including Executive Board oversight and GIAC.</li> <li>• Non-Executives provide relevant challenge and objectivity.</li> <li>• Ethics Partner and team providing guidance and support throughout the firm.</li> </ul>
<b>Independence and ethics</b>	Failure to ensure we comply with ethical and independence rules.	<ul style="list-style-type: none"> <li>• Client and engagement acceptance processes, including conflict checking procedures.</li> <li>• GIAC approvals for specific assignments.</li> <li>• Firmwide independence training and mandatory annual independence certification for relevant staff.</li> <li>• Monitoring of partner financial interests.</li> </ul>
<b>Reputational</b>		
<b>Culture and values</b>	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"> <li>• Code of Conduct policy.</li> <li>• Forvis Mazars conduct appropriate checks on employees.</li> <li>• Availability of governance committees across the firm to monitor culture &amp; behaviour, and approach to quality and risk.</li> <li>• Wellbeing and colleague welfare is supported.</li> <li>• Formalised training programmes, awareness, and executive communication.</li> <li>• Firmwide webinars/townhall meetings.</li> <li>• Executive and Independent Non-Executive culture surveys.</li> </ul>

# Our risks

## 2.1 Our approach to risk management

Principal risks	Description	Key mitigating controls
<b>Client acceptance and continuance</b>	Pressure on resources, availability of appropriate IT solutions, training and education standards may adversely impact quality, exposing Forvis Mazars to risk of claims, reputational damage, and liability of non-compliance with legal and regulatory obligations.	<ul style="list-style-type: none"> <li>• UK client acceptance and continuance procedures including Acceptance Committee and ethical considerations.</li> <li>• Systems and processes to ensure appropriate due diligence, AML, and KYC procedures.</li> <li>• GIAC and Group Executive Board involvement where appropriate.</li> </ul>
<b>External reputation</b>	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"> <li>• Development of global initiatives to standardise our delivery model internationally.</li> <li>• Executive responsibility for culture and enhancing a firmwide approach to quality and risk.</li> <li>• Crisis communications playbook.</li> <li>• Quality Assurance Frameworks are in place.</li> </ul>
<b>Claims and non-compliance with obligations</b>	Pressure on resources, availability of appropriate IT solutions, training and education standards may adversely impact quality, exposing Forvis Mazars to the risk of claims, reputational damage, and liability of non-compliance with legal and regulatory obligations.	<ul style="list-style-type: none"> <li>• Appropriate governance and oversight.</li> <li>• Monitoring of claims and potential liabilities including at Executive level.</li> <li>• Investment plans in respect of team and technology.</li> <li>• Improvements in supporting team engagements and wellbeing.</li> </ul>
<b>Sustainability (ESG)</b>	Forvis 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"> <li>• Monitoring and disclosure of Key Performance Indicators and Key Risk Indicators.</li> <li>• Group sponsored sustainability training across the UK firm.</li> <li>• Executive sponsored targets on sustainability.</li> <li>• Alignment with Global and industry standards.</li> <li>• Annual Sustainability Report.</li> <li>• Carbon Reduction Plan and United Nations Global Compact Membership.</li> </ul>



## Chapter 3

# Our structure, leadership and governance





# Our structure, leadership and governance

## 3.1 Our unique business structure

### Forvis Mazars explained

The Forvis Mazars network (Forvis Mazars Global Limited) is a leading global professional services network operating under a single brand with just two independent members:

- Forvis Mazars Group SC (formerly Mazars Group SC), an internationally integrated partnership operating in over 100 countries and territories; and
- Forvis Mazars, LLP (formerly Forvis LLP) in the United States.

The network is governed through a structure that includes a Global Network Board, which is chaired by Hervé Hélias (Chairman, Forvis Mazars Group), with Matt Snow (Chairman Forvis Mazars LLP) serving as Vice Chair. The Global Network Board is made up of representatives from both members. The two members remain owned by their respective partnerships and are governed by their own leadership teams and boards.

### Forvis Mazars Group SC

Forvis Mazars Group SC ('the Group') is a cooperative entity incorporated in Belgium. Since 1995, it has been organised as an international, integrated partnership – working under one Group Executive Board and sharing the same values, strategy, work ethic and goal of providing the highest quality services to our stakeholders.

The Group operates in over 100 countries and territories through member firms comprised of one or more separate legal entities. Up to 1 June 2024, this included a member firm in the United States of America, which, following the launch of the Forvis Mazars global network, became part of Forvis Mazars LLP.

All partners in Forvis Mazars Group SC are partners in their local member firms.

For more information, visit the [Forvis Mazars Group website](#).

### Forvis Mazars LLP

Forvis Mazars LLP is ranked among the largest public accounting firms in the United States. The firm's 7,000 dedicated team members provide an Unmatched Client Experience® through the delivery of assurance, tax and consulting services for clients in all 50 states and internationally through the global network.

For more information, visit the [Forvis Mazars, LLP website](#).

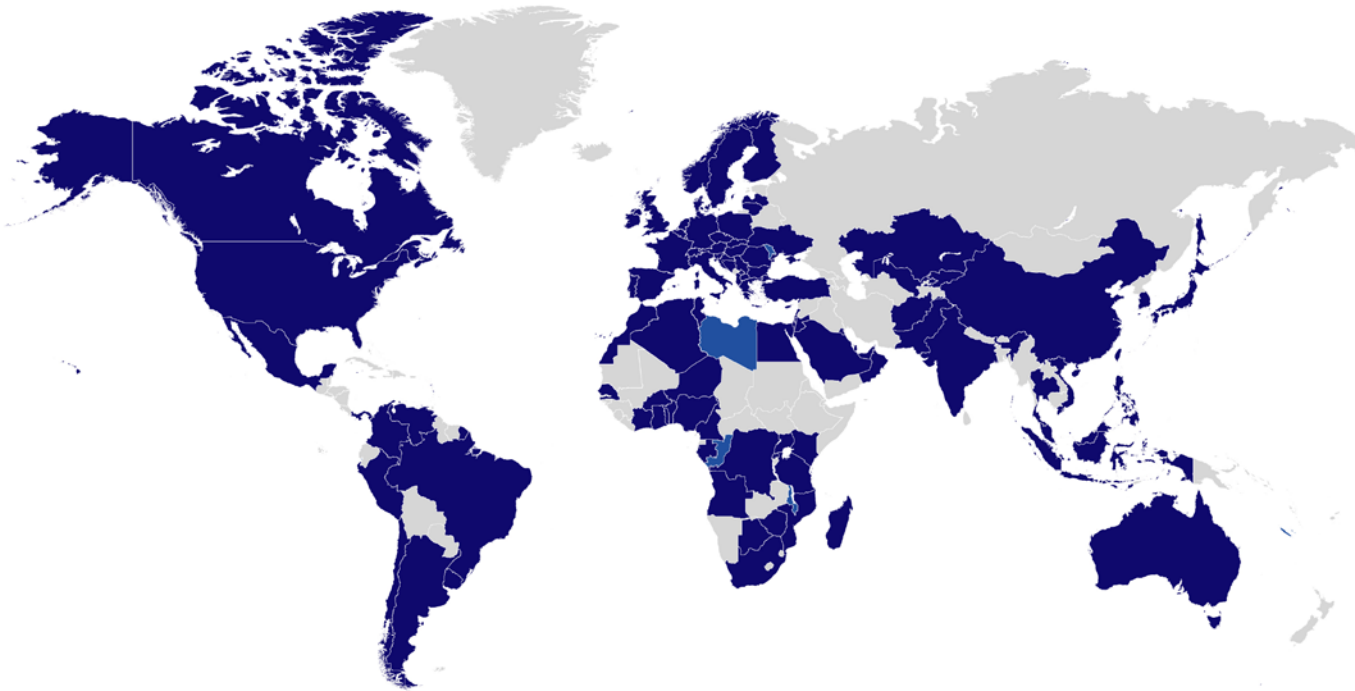
### Forvis Mazars network geographic coverage

Our 40,000+ strong team is committed to providing a different perspective and delivering an unmatched client experience across the globe, throughout the more than 100 countries and territories where we operate.

# Our structure, leadership and governance

## 3.1 Our unique business structure

**Forvis Mazars Group works as one integrated, international team, leveraging its collective expertise, scale and cultural understanding to deliver exceptional and tailored services that help the clients of its member firms make the most of opportunities, operate with transparency and grow responsibly.**



As at 1 June 2024

- Forvis Mazars
- Correspondents of Forvis Mazars Group

Forvis Mazars is the brand name for the Forvis Mazars Global network (Forvis Mazars Global Limited) and its two independent members: Forvis Mazars, LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories.

### Key facts and figures

The 2023/2024 performance of the Group confirms the strength of its international growth strategy, as well as the quality and relevance of the multidisciplinary model, as it continues to build its international ambition.

**1,200+**

Forvis Mazars Group  
SC partners

**1**

international  
integrated  
partnership

**36,000+**

professionals

**€3bn**

fee income<sup>1</sup>

**2,250+**

public interest entity  
audit clients<sup>2</sup>

**11.4%**

year-on-year growth

<sup>1</sup> Fee income covers the period of 1 September 2023 to 31 August 2024.

<sup>2</sup> Excludes the Zhong Shen Zhong Huan practice.

# Our structure, leadership and governance

## 3.1 Our unique business structure

### Group leadership

The Group is an integrated organisation of professionals, sharing commitments at an international level with respect to investment in technical excellence, serving clients, developing teams and creating shared value.

As a shareholder of Forvis Mazars Group SC, Group partners acknowledge the internal rules (charter of association) and other institutional documents and policies that govern the Group. This allows them to vote at the General Assembly of Partners – a key decision-making process in Forvis Mazars Group’s leadership and governance bodies. As such, Forvis Mazars Group’s governance structure is based on a democratic and transparent model, where each partner has a say on strategic decisions about the future of the partnership.

Our two main Group leadership and governance bodies are the Group Executive Board (GEB) and the Group Governance Council (GGC). The GEB is the Group’s executive body and is responsible for the operational management of the partnership with regards to collectively defined strategic objectives. It focuses on pursuing and accelerating growth while ensuring the quality and sustainability of the Group’s activities. The GGC is the Group’s supervisory body. It exercises a general supervisory function over the risk and operational management actions of the GEB. Since 2011, it has included independent external members.

The roles of these two bodies are explained further in the 2023/2024 Forvis Mazars Group transparency report, available on the [Forvis Mazars Group website](#).

### Shared values

All partners and staff of the Group are guided by shared values, which are built upon the foundation set by its founder, Robert Mazars, in the 1940s. These shared values guide everything we do: how we work with our clients, how we empower our people and the role we play in our communities. 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.

<b>Integrity</b>	<b>Responsibility</b>	<b>Diversity and respect</b>
Act with integrity	Be accountable	Respect people
<b>Technical excellence</b>	<b>Independence</b>	<b>Stewardship</b>
Deliver outstanding quality	Think independently	Shape the future

More information about our shared values and the behaviours expected of all employees and partners can be found in our Group Code of Conduct which is available to download from the [Forvis Mazars Group website](#).

### Group quality and risk management

Quality and risk management (QRM) is one of the Group’s strategic priorities and is brought to life through the Group QRM roadmap.



Further details on this structure are provided in the transparency report for Forvis Mazars Group. The report can be downloaded from the [Forvis Mazars Group website](#).



# Our structure, leadership and governance

## 3.1 Our unique business structure

### Network QRM – organisation and responsibilities

With the launch of the Forvis Mazars network on 1 June 2024, a Network QRM Committee was established. It focuses on alignment between, and providing oversight of, the two members on quality and risk matters.

Its membership includes the Network Chief Risk Officer – Chair (non-voting member) and three representatives from each of the two members. Two members of the Group QRM Board are also members.

### Our UK business organisation

#### Ownership

Incorporated in England and Wales under the Limited Liability Partnership Act 2000 (registered number OC308299), the firm is owned by its members (who are often referred to as “partners”).

As at 31 August 2024, there were 185 members (2023: 171) and 127 partners who are shareholders in Forvis Mazars SC (2023: 120).

#### The operational structure of Forvis Mazars in the UK

At 31 August 2024, our business operated across 14 offices nationwide (2023: 14), with 3,407 professionals (2023: 3,273).

For the year ended 31 August 2024, Forvis 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 2024, there were six client service lines: Audit and Assurance, Tax, Accounting and Outsourcing (AOS), Financial Planning (FPL), and Advisory and 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; and
- innovation.

Our four strategic markets are Financial services, Industry and Services, Privately owned business (including private clients), and Public and 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 Forvis Mazars LLP and their activities are set out below.

Principal subsidiary undertakings	Country of incorporation	% held directly	% held via subsidiary	Principal activities	Dissolved
<b>Companies</b>					
ARX Investments Limited	UK		100	Holding company	
CompetitionRX Ltd	UK		100	Monitoring Trustee Services	
Forvis Mazars Corporate Finance Limited	UK		100	Corporate Finance	
Forvis Mazars CYB Services Limited <sup>1</sup>	UK		100	Trustee administration services	
Forvis Mazars Financial Planning Limited	UK		100	Financial Planning	
Forvis Mazars Global Infrastructure Finance (Australia) PTY Ltd	Australia		100	Financial Modelling and Training	
Forvis Mazars Holdings (Australia) Limited	UK	100		Holding company	
Forvis Mazars Holdings (US) Limited	UK	100		Holding company	
Forvis Mazars London Limited	UK		100	Professional Services	
Forvis Mazars MR Limited	UK		100	Professional Services	
Forvis Mazars Public Sector Internal Audit Limited	UK		100	Internal Audit	
Rowanmoor Consultancy Limited	UK		100	Financial Planning	
Sarah Butler Associates Limited	UK		100	Immigration Services	3 September 2024
Forvis Mazars Services Limited	UK	100		Service Company	
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	Dissolved
<b>Companies</b>					
Forvis Mazars Trust Corporation Limited	UK		100	Trustee	
Forvis Mazars Trustee Company (London) Limited	UK		100	Trustee	
Forvis Mazars Trustee Company Limited	UK		100	Trustee	
Hall Liddy Limited	UK	100		In MVL	
Mazars Company Secretaries Limited	UK		100	Dormant	
Mazars Corporate Finance Limited	UK		100	Dormant	
Mazars Holdings (Australia) Limited	UK		100	Dormant	
Mazars Holdings (US) Limited	UK		100	Dormant	
Mazars London Limited	UK		100	Dormant	
Mazars MR Limited	UK		100	Dormant	
Mazars Public Sector Internal Audit Limited	UK		100	Dormant	
Mazars Services Limited	UK		100	Dormant	
Mazars Trust Corporation Limited	UK		100	Dormant	
Mazars Trustee Company (London) Limited	UK		100	Dormant	
Mazars Trustee Company Limited	UK		100	Dormant	
Mazars GB Limited	UK		100	Dormant	
Independent Women Limited	UK		100	Dormant	
Mazars (Gibraltar) Limited	Gibraltar		100	Non trading	9 September 2024



# Our structure, leadership and governance

## 3.1 Our unique business structure

Principal subsidiary undertakings	Country of incorporation	% held directly	% held via subsidiary	Principal activities	Dissolved
<b>Companies</b>					
Forvis Mazars Company Secretaries Limited	UK		100	Non trading	
Mazars Solutions Limited <sup>1</sup>	UK		100	Non trading	
Cartwright House Licencing Limited	UK		100	Non trading	
Neville Russell Nominees	UK	100		Nominee	3 September 2024
Wool Quay Nominees Limited	UK		100	Nominee	3 September 2024

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

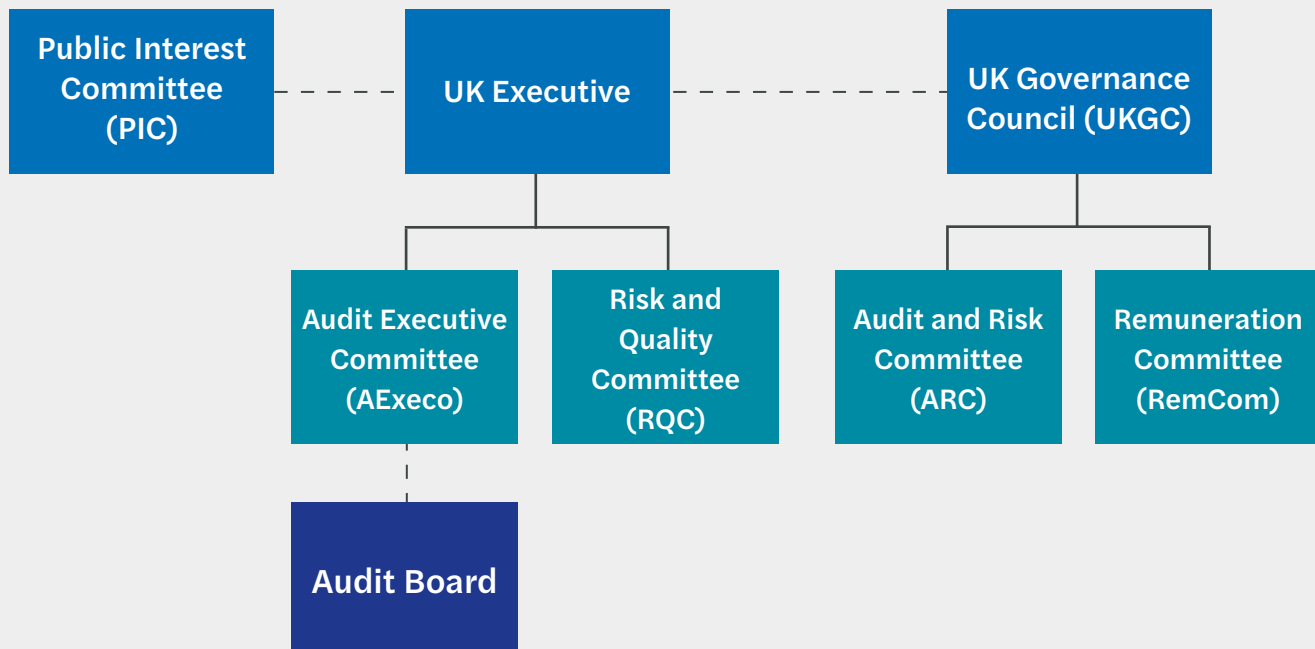


# Our structure, leadership and governance

## 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 2024. The terms of reference for the UK Executive, UKGC, PIC and Audit Board can be found on the firm's [website](#).

Forvis Mazars is led by the UK CEO, who is elected every four years. The last election was held in January 2021, with the next CEO taking up appointment effective February 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 Forvis 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; and
- 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 subcommittees to support and ensure the fulfilment of their responsibilities and objectives.

Together with the UKGC (and, to the extent relevant, the PIC and the subcommittees 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; and
- 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.).

### Minimum meetings and terms of appointment

The members of the Executive as at 31 August 2024, their biographies and meeting attendance throughout the year are provided in Appendix 3.

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



# Our structure, leadership and governance

## 3.2 Leadership and governance

The UK CEO is elected by Partners for a term of four years and may be elected for a maximum of three consecutive terms. The UK CEO is responsible for nominating the other Executive members who are ratified by Partners. The duration of appointments of Executive Members is four years. The current UK CEO and Executives term ends in February 2025.

### 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.

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; and
- Identify and manage risks that may impact the wider firm, the Audit and Assurance 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; and
  - **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 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 and Assurance service line. This includes developing and delivering strategies for cold audit file review (iQM file review), RCA and monitoring agreed AQIs.

### Risk and Quality Committee (RQC)

The 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 Executive and currently comprises of eight members, elected by the partners of Forvis Mazars.

# Our structure, leadership and governance

## 3.2 Leadership and governance

The UKGC:

- Has responsibility for supervisory oversight of the firm and business and shall act as a check on the exercise by the Executive and the UK CEO 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.
- 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 Forvis 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 Executive or has not provided annual updates or that it considers the process for setting the firm's strategies deficient.

- Ensures that the Executive has appropriate management structures in place.
- Shows that the 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 Forvis Mazars and its associated companies where the transaction exceeds a specified threshold.
- Has power to require the UK CEO or any member of the 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 Executive.
- Ensures that its activities are aligned with those of the GGC.
- With the Executive, discharge the responsibility of the partners in relation to the maintenance of proper accounting records and the preparation of accounts.
- With the 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 2024, 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.

Any partner of the UK firm can stand for GC membership if they have been nominated by at least four partners and have no direct executive responsibility for the management of the firm.

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

At the end of each term, the Chair of the GC will invite nominations from the partnership and Partners will vote to elect the next GC member.

GC members in consultation with the UK CEO will appoint one of its members to act as Chair. The Chair will serve for the remainder of their elected term.

# Our structure, leadership and governance

## 3.2 Leadership and governance

### The UK Audit and Risk Committee (ARC)

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.

The ARC:

- 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 Ethics Partner, establishes and maintains an Auditor Independence Policy.
- 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; and
- 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.



# Our structure, leadership and governance

## 3.2 Leadership and governance

### Minimum meetings and terms of appointment

The members of the UKARC as at 31 August 2024, their biographies and formal meeting attendance throughout the year are provided in Appendix 3.

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

The ARC and its Chair are appointed by the UKGC from among its members (ARC GC Members). Each partner elected to the ARC shall serve for the remainder of their GC term.

### Remuneration Committee (RemCom)

The Remuneration Committee operates as a subcommittee 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-focused 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).

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.

### Minimum meetings and terms of appointment

As at 31 August 2024, 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.

The RemCom shall consist of not less than three GC members and the UK CEO. The RemCom Chair and RC GC members are appointed by the UKGC.

Each partner elected to the RemCom shall serve for the remainder of their GC term.

### UK CEO Nomination Committee (NomCom)

The NomCom was formed by the GC Chair in accordance with our Governance Handbook and met between July to November 2024.

The purpose of the NomCom is to put forward to a Partner vote, candidates it believes can fulfil the role of UK CEO.

Members of the NomCom were identified in line with our Governance Handbook and comprised of GC members, non-conflicted Executive members and Group representatives. The I&D Partner was co-opted.

See the report of the Nomination Committee for more information.

# Our structure, leadership and governance

## 3.2 Leadership and governance

### Non-Executive Nomination Committee (NomCo)

As mentioned in the UKGC Report, we recently established the NomCo to support the Executive to carry out their duties in relation to the appointment, resignation and performance of INEs and ANEs, in accordance with provisions 6 and 32 of the code.

The need to establish a NomCo was discussed by the Executive in May 2024. The Terms of Reference was approved by the RQC and UK GC in September 2024.

The NomCo will be chaired by the Chair of the UK GC and membership includes the Chair of the PIC and a mix of GC and Executive membership. Meetings will be scheduled as required to meet the needs of the business.

### 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 Forvis 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 Forvis 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.
- 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 UK.

# Our structure, leadership and governance

## 3.2 Leadership and governance

- 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.

### Minimum meetings and terms of appointment

As at 31 August 2024, the PIC consisted of three INEs, Phil Verity as UK CEO and Jac Berry as the UK Head of Quality. Refer to Appendix 2 for the biographies of the independent members and Appendix 3 for information on number of meetings attended during the year.

Procedures are in place to ensure that INE 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 Forvis Mazars member firm.
- They are not and will not become an executive director or member of the audit committee in any of Forvis Mazars' audit clients, and they have not got significant share holdings or other interests in Forvis 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 organization.

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

All three INEs have had continuous appointments. Their appointment terms are set out in Appendix 2.

The minimum number of meetings that should be held is six per annum. Additional meetings may be called at any time by PIC members.

The members of the PIC may at their discretion invite partners or staff of Forvis 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.





# Our structure, leadership and governance

## 3.2 Leadership and governance

### 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 fulfill its duties in line with the expectation of the AFGC.

### Audit Board

The Audit Board is responsible for advising (and, within that advisory context, providing challenge to) the AExeco and, in turn, the Executive on how its Audit Strategy:

- Ensures that the people within the audit practice are “focused above all on the delivery of high-quality audits in the public interest”; and
- Establishes and promotes a culture supportive of the public interest.

The Audit Board is not a formal component of the firm’s governance structure but an advisory body.

### Minimum meetings and terms of appointment

As at 31 August 2024, the Audit Board consisted of four ANEs, the UK Head of Audit, the UK Head of Audit Quality and the UK Head of Audit Operations. Refer to Appendix 2 for the biographies of the independent members and Appendix 3 for information on number of meetings attended during the year.

Procedures are in place to ensure that ANE members of the Audit Board are independent from the firm and its audit clients.

The ANEs satisfy the following independence criteria and notify the UK CEO and/or Ethics Partner of any change in their personal circumstances with regard to those criteria:

- the ANEs are unrelated to any Forvis Mazars’ member firm;
- the ANEs are not, and will not become, an executive director or member of the audit committee in any of Forvis Mazars’ audit clients and not have any significant shareholdings or other interests in them unless approved by both parties; and
- the ANEs are not, and will not be, in any other executive officer position, member of an advisory board or a Council of a competing organisation.

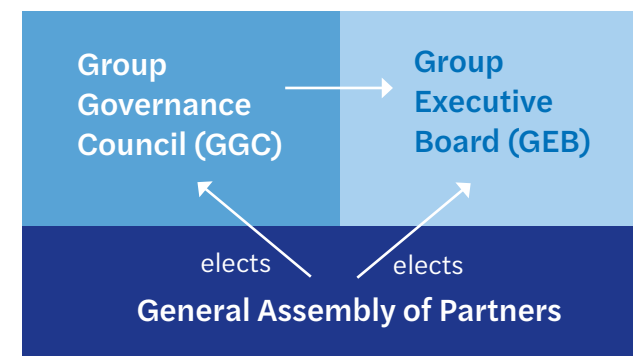
The minimum number of meetings that should be held is four per annum. Additional meetings may be called at any time by the Chair of the Audit Board.

### Forvis 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 Forvis Mazars Group, the Group Executive Board and Group Governance Council operate together to ensure the sustainable development of the global partnership and firm.

### 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 Forvis Mazars Group.

# Our structure, leadership and governance

## 3.2 Leadership and governance

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 physical General Assembly in December 2023.

### Group Executive Board (GEB)

The GEB is Forvis 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, Forvis 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 2024, 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; and
- 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 2024, 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	2023/2024 performance
1	<b>Board composition</b>	
	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>Forvis Mazars in the UK currently has the following significant governance 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 2024, the composition of these bodies was as follows:</p> <ul style="list-style-type: none"> <li>• Executive - three out of eight members are female (37.5%).</li> <li>• GC - two out of eight members are female (25%).</li> <li>• ARC - one out of four members are female (25%).</li> <li>• RemCom - one out of five members are female (20%).</li> <li>• PIC - two out of the five members are female (40%).</li> <li>• AB – one out of the seven members are female (14%).</li> </ul>
	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.	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.
2	<b>Board and committee meetings</b>	
	There should be an adequate number of meetings and attendance of members of each governance body.	<p>The GC met 28 times between 1 Sept 2023 to 31 August 2024 with an average attendance of 86%.</p> <p>The Public Interest Committee met 8 times within the same period with an average attendance of 97%.</p> <p>The Executive met 35 times within the period with an average attendance of 88%.</p>



# Our structure, leadership and governance

## 3.2 Leadership and governance

	Governance KPI	2023/2024 performance
3	<b>Board effectiveness and reviews</b>	
	Formal board effectiveness reviews shall be carried out annually on the Executive, GC and PIC with the relevant body acting upon the findings.	A formal review of the Executive, Audit Executive Committee, GC, PIC and Audit Board was performed. Recommendations around the effectiveness of the governance bodies were collated for subsequent action.
	Terms of reference of governance bodies are reviewed on a regular basis.	<p>The Members' Agreement and associated handbooks were updated with an effective date of 1 September 2021 following a formal review of the terms of reference of the key governance bodies.</p> <p>The Board and the Executive each reviewed their Terms of reference in July 2023. The Board and the Executive met in November 2023 to consider governance. No changes were made to the terms of reference.</p>
	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 UK Transparency report in December and were satisfied that it complies with the relevant regulatory requirements. See Appendix 8.
	<p>Improved meeting effectiveness and transparency through:</p> <ul style="list-style-type: none"> <li>timely sharing of Executive minutes and actions with Governance Council.</li> <li>actions arising from leadership and governance meetings are recorded, monitored, and responded to.</li> <li>long term planning of forward agendas for leadership and governance meetings factoring in the needs of the business and the AFGC requirements.</li> </ul>	<p>UK Secretariat share Executive minutes and actions with Governance Council and the Director of Enterprise Risk Management following Executive approval. Governance Council minutes are shared with the Executive on a regular basis.</p> <p>UK Secretariat document actions arising from meetings of the leadership and governance forums and follow up outstanding actions seeking formal approval to close completed actions.</p> <p>The Chair of each forum liaise with the Secretariat team regularly to agree the forward plan of agenda items ensuring sufficient time is spent on the most relevant matters.</p> <p>Secretariat are working to improve the long-term view of the forward agendas.</p>

# Our structure, leadership and governance

## 3.2 Leadership and governance

	Governance KPI	2023/2024 performance
<b>4</b>	<b>Independent Non-Executives</b>	
	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.	As of 31 August, three out of the five PIC members were INEs, and four of the seven Audit Board members were 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 Forvis 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.
<b>5</b>	<b>Values and Culture</b>	
	On an annual basis, the firm should hold all-staff surveys to assess the culture within Forvis Mazars, with the Executive acting upon the findings.	<p>Forvis Mazars continues to run the annual employee survey using the Gallup platform. We use this as a measure of our culture and engagement linked to KPI's which are regularly monitored.</p> <p>Our 2023 survey had a response rate of 79% and an engagement index of 4.0 (out of 5).</p> <p>We support this with regular 'pulse' survey activity, most recent in April 2024 with a completion rate of 51%. This identified a need to drive engagement locally through our teams in a more regular way. As a result, we launched our 'engagement ignitor programme' to drive leadership accountability for engagement across key teams. We coupled this with more regular engagement spotlights focused on key questions identified by the survey: best friend at work, quality, and learn and grow.</p> <p>This approach gives us ongoing and timely insights into our culture, with all results presented to members of the Executive for consideration and cascaded for local action planning.</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.	These meetings took place in March 2024, with communication of findings presented to the Executive.

# Our structure, leadership and governance

## 3.2 Leadership and governance

	Governance KPI	2023/2024 performance
6	<b>Systems and Operations</b>	
	A review of the effectiveness of the firm’s internal control systems shall be performed annually.	<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 subcommittee continues to monitor the risks that the firm is exposed to and can implement remediation activities to address significant risks.</p>
7	<b>Dialogue</b>	
	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 two stages during the year with relevant KPIs being considered.

During 2023/2024 we have continued to improve the quality of support provided to leadership and governance bodies, ensuring our Governance Handbook, Partner Handbook and LLP agreement are adhered to. We continue to look at ways to streamline the work of the bodies ensuring the right conversations are taking place at the right time to support effective leadership and, to align with the principles and provisions of the AFGC.



# Appendices



# Appendix 1

## Forvis Mazars Group statutory audit firms

### Legal entities in the Forvis Mazars Group

As of 31 August 2024, the Forvis Mazars Group consisted of the following legal entities, which provide Audit and Assurance services.

#### Africa and Middle East

Country	Legal name
Algeria	Mazars Audit Algérie
Angola	Forvis Mazars - Auditores & Consultores, Lda.
Bahrain	Forvis Mazars
Benin	Mazars Benin
Botswana	Mazars Partnership (Botswana)
Burkina Faso	Forvis Mazars
Cameroon	Forvis Mazars Cameroun
Côte d'Ivoire	Forvis Mazars
Democratic Republic of Congo	Mazars République Démocratique du Congo SARL Mostafa Shawki & Co
	Mostafa Shawki Consulting for Corporate Finance & Securities SAE
Gabon	Forvis Mazars Gabon
Ghana	Forvis Mazars in Ghana
Jordan	International Professional Bureau Consulting & Audit Co.
Kenya	Emu Registrars Mazars Kenya
Kuwait	Accounting Center Certified Public Accountants
Lebanon	Forvis Mazars Sal
Madagascar	Cabinet Mazars Fivoarana

#### Africa and Middle East

Country	Legal name
Mauritius	Mazars Limited Mazars LLP
Morocco	Mazars Audit Et Conseil
Mozambique	Mazars, Lda
Niger	International Audit & Consulting, I.A&C Niger
Nigeria	Forvis Mazars
Oman	Forvis Mazars for Consultancy and Audit LLC
Palestinian Territory	Mazars Chartered Accountants and Consultants Mazars Consultants Auditors and Partners
Qatar	Mazars LLC (Qatar)
Rwanda	Mazars Rwanda
Saudi Arabia	Al Kharashi Certified Accountants & Auditors Mashura Capital
Senegal	Forvis Mazars

#### Africa and Middle East

Country	Legal name
	Forvis Mazars International Services Pty Ltd
	Mazars Cape Town
	Mazars Central Inc
	Mazars Durban
South Africa	Mazars Empowerment Investments (Pty) Ltd Mazars Financial Services Africa (Pty) Ltd Mazars Gauteng Mazars Gauteng Inc Mazars Port Elizabeth Mazars Services Trust
Tanzania	Forvis Mazars
Togo	Mazars Togo ECC Mazars
Tunisia	Strategy And Business Consulting International
Uganda	Forvis Mazars BRJ Forvis Mazars Audit Accounting and Advisory Limited
United Arab Emirates	Forvis Mazars Chartered Accountants Forvis Mazars Tax Consultants LLC
Zimbabwe	KLMCA Advisory Services KLM Chartered Accountants



# Appendix 1

## Forvis Mazars Group statutory audit firms

### Americas

Country	Legal name
Argentina	Estudio Urien & Asociados
	Estudio Urien S.R.L.
Bermuda	Forvis Mazars Limited in Bermuda
Brazil	Mazars Auditores Independentes - Sociedade Simples LTDA.
	Mazars Auditores LTDA.
Canada	9089-1060 Québec inc.
	Forvis Mazars S.E.N.C.R.L.
Cayman Islands	Mazars Cayman
	Mazars Limited
Chile	Forvis Mazars Auditores Consultores Limitada
Colombia	Mazars Colombia S.A.S Beneficio E Interes Colectivo- BIC
	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.
Panama	Mazars Audit Corp.
Peru	Contreras y Asociados Sociedad Civil de Responsabilidad Limitada
Uruguay	Forvis Mazars Uruguay
Venezuela	Adrianza Rodriguez Cefalo & Asociados
	Mazars Venezuela

### Asia-Pacific

Country	Legal name
Afghanistan	Mazars Afghanistan Limited
Australia	Forvis Mazars APAC Energy and Infrastructure Pty Ltd
	Forvis Mazars Assurance Pty Ltd
	Forvis Mazars Risk & Assurance Pty Ltd
China	Forvis Mazars (Vic) Pty Ltd
	Forvis Mazars (Beijing) Certified Public Accountants
	Forvis Mazars Certified Public Accountants
Hong Kong S.A.R., China	Forvis Mazars CPA Limited
	Forvis Mazars
India	Kalyaniwalla & Mistry LLP
	Kalyaniwalla Mistry and Associates
	Mazars Advisory LLP
Indonesia	S. N. Dhawan & CO LLP
	KAP Aria Kanaka & Rekan
Japan	Forvis Mazars Japan Audit LLC
Malaysia	Forvis Mazars Advisory Sdn Bhd
	Forvis Mazars PLT
Pakistan	Mazars M.F. & CO.
Philippines	Yu Villar Tadeja and Co
Singapore	Forvis Mazars LLP (Singapore)
South Korea	Forvis Mazars Sebit Accounting Corporation
Taiwan	Forvis Mazars Taiwan CPAs

### Asia-Pacific

Country	Legal name
Thailand	Forvis Mazars Holding (Thailand) Ltd
	Forvis Mazars Ltd.
Vietnam	Mazars Vietnam Co Ltd



# Appendix 1

## Forvis Mazars Group statutory audit firms

Europe		Europe		Europe	
Country	Legal name	Country	Legal name	Country	Legal name
Albania	Mazars Shpk		Forvis Mazars AOS Ouest	Ireland	Forvis Mazars
	Forvis Mazars Audit GmbH Wirtschaftsprüfungsgesellschaft		Forvis Mazars Arcade Expertise et Audit	Israel	Bri Rotbart Raz Mazars Israel
	Forvis Mazars Business Services GmbH Steuerberatungsgesellschaft		Forvis Mazars Experts et Conseils	Italy	Forvis Mazars S.p.A. Professionisti Associati Società Semplice
Austria	Forvis Mazars IT Services GmbH		Forvis Mazars Haguenau	Kazakhstan	'Mazars' Limited Liability Partnership
	Forvis Mazars Partners GMBH Wirtschaftspruefungs- Und Steuerberatungsgesellschaft		Forvis Mazars SA	Kosovo	Mazars Kosova SH.P.K. 'Mazars Audit' Limited Liability Company
Belgium	Forvis Mazars Bedrijfsrevisoren - Forvis Mazars Réviseurs d'Entreprises		Mazars & Sefco	Kyrgyzstan	Mazars Limited Liability Company
Bosnia and Herzegovina	Mazars d.o.o		Mazars (Lyon)	Latvia	Forvis Mazars Audits
Bulgaria	Mazars OOD		Mazars Bourgogne France-Comté	Lithuania	Forvis Mazars Lithuania Audit
Croatia	Forvis Mazars d.o.o.		Mazars D.D.A	Luxembourg	Forvis Mazars
Cyprus	Mazars Limited (Cyprus)	France	Mazars Data	Macedonia	Mazars Revizija DOO
Czech Republic	Forvis Mazars Audit s.r.o.		Mazars Développement	Malta	Forvis Mazars
Denmark	MAZARS statsautoriseret revisionspartnerselskab		Mazars Dijon	Netherlands	Mazars Accountants N.V.
Finland	Forvis Mazars Oy		Mazars Entrepreneurs (Lyon)	Norway	Forvis Mazars AS
	AGEC		Mazars Galet Oldra	Poland	Mazars Audyt Sp. z o.o.
	CBA		Mazars Gourgue	Portugal	Forvis Mazars & Associados, Sociedade De Revisores Oficiais De Contas, S.A.
	Forvis Mazars & Associés		Mazars Haut de France	Romania	Forvis Mazars Romania SRL
France	Forvis Mazars (Montpellier)		Mazars Lons	Serbia	Forvis Mazars d.o.o. Beograd
	Forvis Mazars (Riems)		Mazars Pontarlier	Slovakia	Forvis Mazars Slovensko Forvis Mazars, družba za revizijo, d.o.o.
	Forvis Mazars (Rouen)	Germany	Mazars Uniconseils	Slovenia	Forvis Mazars IT, družba za informacijske stroitve, d.o.o.
	Forvis Mazars (Strasbourg)		Mazars Valence Experts & Conseils	Spain	Forvis Mazars Auditores S.L.P.
	Forvis Mazars (Toulouse)	Greece	Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft		
			Forvis Mazars Certified Public Accountants Business Advisors SA		
		Hungary	Forvis Mazars Korlátolt Felelősségű Társaság		

# Appendix 1

## Mazars Group statutory audit firms

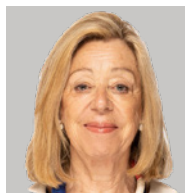
### Europe

Country	Legal name
	eMeMeM AB
Sweden	Flora Revision AB
	Forvis Mazars AB
	Forvis Mazars KB
Switzerland	Forvis Mazars SA
Turkey	Denge Bağımsız Denetim Serbest Muhasebeci Mali Müşavirlik A.Ş.
Ukraine	Audit Firm 'Mazars Ukraine' LLC
United Kingdom	Forvis Mazars LLP
Uzbekistan	Limited Liability Company 'Mazars Advisory'



## Appendix 2

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



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

**PIC appointment:** 2013 to December 2024 when her final term ends

Denise Fletcher chaired the Public Interest Committee of Forvis Mazars in the UK until the end of August 2024. To ensure a controlled handover, Denise transferred chairpersonship to Lord Amyas Morse in September and remained as a member until her term ended in December 2024.

Denise Fletcher is a member of the Group Governance Council of Forvis Mazars Group. She is the Chair of the Remuneration Committee and a member of its quality and risk committee and audit committees. She is the Chair of the Ad-Hoc Nominating Committee.

Denise also Chairs the Public Interest Committee of Forvis Mazars in Ireland and was a member of the Quality Advisory Board for Forvis Mazars France.

She served as Chief Financial Officer of MasterCard, Bowne, DaVita and Vulcan.

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 Forvis 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.

In August 2024 Denise's annual remuneration for the UK PIC was £90,000. In addition, Denise receives remuneration in respect of her roles on the Group Governance Council, the Public Interest Committee of Forvis Mazars Ireland and received remuneration for the Quality Advisory Board of Forvis Mazars France.



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

**PIC appointment:** 2017 to present

**Audit Board appointment:** 2023 to present

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 the Outstanding Achievement Award from ICSA, the Governance Institute in 2016. Guy is a director of 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 was 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. The current appointments for the PIC and Audit Board end April 2025 and January 2026 (respectively). An early consideration for the new Executive will be the renewal of contracts in line with future requirements.

In August 2024 Guy's annual remuneration for the UK PIC and Audit Board was £64,050 and £38,500 respectively.



## 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

**PIC appointment:** 2019 to present

**Audit Board appointment:** 2023 to December 2024 when he steps down

Having served as a member for many years, Lord Amyas Morse became the Chair of Public Interest Committee of Forvis Mazars in the UK in September 2024. Lord Morse transferred chairpersonship of the Audit Board to Oliver Tant in Autumn 2024.

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.

The current Audit Board appointment ends in December 2024. The appointment for the PIC is currently due to end April 2025. An early consideration for the new Executive will be the renewal of contracts in line with future requirements.

In August 2024 Amyas' annual remuneration for the UK PIC was £64,050 and £64,000 for the Audit Board.



**Devyani Vaishampayan**, Independent Member of the Audit Board

**Audit Board appointment:** 2023 to present

Devyani is currently Remco Chair & NED at Norman Broadbent Plc. She is also a Fellow at Cambridge University's Chapter Zero which focuses on Climate issues for Board Directors and is a Board Mentor with Criticaleye where she mentors CEO's and C Suite executives.

During her executive 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 and leading on the culture/people agenda. She has had global roles in various industries at Citibank, AT&T, British Gas, Rolls Royce, AET Tankers 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 AI entrepreneur using Digital/AI solutions around leadership, culture, and talent management and has recently concluded a successful exit of her business.

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; and
- 2017 – Financial Times Ethnic Leaders List.

The current appointment for the Audit Board ends January 2025. An early consideration for the new Executive will be the renewal of contracts in line with future requirements.

In August 2024 Devyani's annual remuneration for the UK Audit Board was £38,500.

## Appendix 2

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



**Oliver Tant**, Independent Member of the Audit Board

**Audit Board appointment:** 2024 to present

Oliver joined the Forvis Mazars as a Double Independent Audit Non-Executive Director (DIANE) and Chair Designate of the Audit Board in February 2024 and became Chair in the Autumn of 2024.

Oliver Tant is an experienced auditor, business leader and former Vice Chair and Head of Audit at a large audit firm. He is also an experienced CFO, non-executive director and Chair.

Oliver is currently a non-executive director, SID (Senior Independent Director) and Chair of the audit and risk committee of B&M European Value Retail S.A. and he previously served as Audit Chair of the Royal Hospital for Neuro-Disability and Milfield School.

He served as an independent non-executive director for the Board and Chair of the Audit Committee of Redrow until 4 October 2024.

He served as Chief Financial Officer of Imperial Brands PLC until 2021 where he was responsible for amongst other things finance, treasury, investor relations, procurement and information technology.

He served as interim CFO of Modulaire between February 2022 and May 2023. Prior to these roles, Oliver held a number of senior positions in a 32-year career at KPMG, including Vice Chairman, Global Managing Director (Financial Advisory and Private Equity Divisions) and Head of UK Audit. Oliver was also a Non-Executive Director of both the UK and German Boards of KPMG.

He is a Chartered Accountant with the Institute of Chartered Accountants of Scotland and has a Joint 1st Class Honours degree in Economics and Business Economics.

The current appointment for the Audit Board ends January 2026. An early consideration for the new Executive will be the renewal of contracts in line with future requirements.

In August 2024 Oliver's annual remuneration for the UK Audit Board was £40 000.

## Appendix 3

# UK and Group leadership

As at 31 August 2024 the UK Executive was comprised of:



**Phil Verity**, UK CEO

**Date first elected:** 2012

**Current term ends:** February 2025 (final term)

Phil started his career with the firm as an audit graduate in 1986 and became an Audit partner in 1999. Phil became the CEO in 2012 and having served the maximum terms of office, will step down as CEO in February 2025 to make way for his successor James Gilbey.



**Jac Berry**, Head of Quality

**Date first elected:** 2017

**Current term ends:** February 2025

As 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 Forvis Mazars global audit methodology development team.

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



**David Herbinet**, Head of Audit

**Date first elected:** 2021

**Current term ends:** February 2025

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

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

David plays several other key roles in and outside Forvis 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 first elected:** 2020

**Current term ends:** February 2025

James specialises in forensic accounting and valuation services and also leads the Advisory and Consulting service line at Forvis 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 Forvis Mazars' services in Consulting, Technology, Deals and Financing, Global Infrastructure Finance, and Crisis and Disputes.



**Elisabeth Maxwell**, Deputy CEO

**Date first elected:** 2017

**Current term ends:** February 2025

Elisabeth moved from her native country France to the UK, being transferred from the Forvis 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 first elected:** 2019

**Current term ends:** February 2025

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 first elected:** 2021

**Current term ends:** February 2025

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 ID&W 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 first elected:** 2021

**Current term ends:** February 2025

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 Forvis 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 Forvis 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 2024 the UK Governance Council was comprised of:



**Peter Cudlip, Chair of UKGC from April 2023**

**Date first elected:** November 2021

**Current term ends:** October 2025

Peter has over 30 years of experience providing management assurance services to a broad range of privately held, public and social sector entities. His expertise covers internal control, risk, and governance related issues.

Peter has extensive board and executive-level experience and enjoys advising on key business risks and strategies.

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



**Tim Hudson**

**Date first elected:** 2002

**Current term ended:** October 2024 (final term)

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 first elected:** 2016

**Current term ends:** July 2028 (final term)

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



## Appendix 3

### UK and Group leadership



**Stephen Lewis**

**Date first elected:** 2020

**Current term ends:** March 2027

Stephen is the Office Managing Partner for the Birmingham office. Stephen is a partner in the Forensic and Valuations Services team. He is routinely appointed as an expert witness or advisor in a range of complex quantum, valuation and accounting disputes in the UK and internationally. Stephen has a particular focus on the financial services sector.



**Stephen Skeels**

**Date first elected:** 2021

**Current term ended:** January 2024

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 Forvis 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 first elected:** 2020

**Current term ends:** March 2027

Amy has over 19 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 the Chair of the UK Remuneration Committee (RemCom).

## Appendix 3

### UK and Group leadership



**Charlene Lancaster**

**Date first elected:** 2023

**Current term ends:** March 2027

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 ICEAW, a dyslexic thinker, and a passionate supporter and ally of diversity across the firm.



**Alex Baskeyfield**

**Date first elected:** 2023

**Current term ends:** March 2027

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

He specialises in lead advisory and project management and has more than 14 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 management buy outs.



**James Smalley**

**Date first elected:** February 2024

**Current term ends:** January 2028

James leads our International Financial Outsourcing team, where he supports a wide variety of organisations looking to set up in the UK with their compliance needs.

He is also the Office Managing Partner for Sutton (South London), building an internationally diverse team to support our clients.

## Appendix 3

### UK and Group leadership



**Zoe Davies**

**Date first elected:** November 2024

**Current term ends:** October 2028

Zoe joined the firm in 2012 and has acted for a notable client base including businesses and individuals in the public eye, royalty and noted academics. Zoe primarily works with entrepreneurs, business owners, professional partners, property investors, high-net-worth individuals and ultra-high-net-worth individuals.





# Appendix 3

## UK and Group leadership

### Members of the UK Audit and Risk Committee (UKARC)

The UKARC is a subcommittee of the UKGC and its members as at 31 August 2024 are set out below:

- Richard Metcalfe (Chair)
- Stephen Lewis
- Alex Baskeyfield (Appointed to ARC April 2023 moved to RemCom in May 2024)
- Charlene Lancaster (Appointed to UKARC April 2023)
- James Smalley (Appointed to UKARC May 2024)

### Members of the UK Remuneration Committee (UKRemCom)

The UK Remuneration Committee is a subcommittee of the UKGC and its members as at 31 August 2024 are set out below:

- Amy Reynolds (Chair)
- Tim Hudson (Term ended October 2024)
- Stephen Skeels (Term ended January 2024)
- Phil Verity
- Peter Cudlip
- Alex Baskeyfield (Appointed to UK RemCom May 2024)
- Zoe Davies (Appointed to UK RemCom Dec 2024)

### Members of the UK Public Interest Committee (PIC)

Members as at 31 August 2024:

- Denise Fletcher (Chair) (Resigned as Chair September 2024 and will step down as a Member in December 2024) – INE
- Lord Amyas Morse (Appointed Chair September 2024) – INE
- Professor Guy Jubbs – INE
- Phil Verity – UK CEO
- Jac Berry – UK Head of Quality

### Members of the UK Audit Board

Members as at 31 August 2024:

- Lord Amyas Morse (Chair) – ANE (Resigned as Chair December 2024)
- Oliver Tant – DIANE (Appointed Chair December 2024)
- Devyani Vaishampayan – DIANE
- Professor Guy Jubbs – ANE
- David Herbinet – Head of Audit
- Christos Vernardos – Head of Audit Quality
- Stephen Mills – Head of Audit Operations

### Members of the UK CEO Nomination Committee (NomCom) – met between July to November 2024

Voting members as at 31 August 2024:

- Peter Cudlip (Chair)
- Amy Reynolds
- Richard Metcalfe
- Stephen Lewis
- Alex Baskeyfield
- Charlene Lancaster
- Tim Hudson
- James Smalley
- Jac Berry
- David Herbinet
- Hervé Hélias (non-voting member)
- Phil Verity (non-voting member)
- Suresh Patel (non-voting member)

# Appendix 3

## UK and Group leadership

### Meeting attendance

Below is a summary of the meetings attended during the financial year 1st September 2023 to 31st August 2024:

Name	UK Executive	UKGC	UKARC	UKRemCom	UKPIC	Audit Board
<b>Number of meetings held</b>	<b>35**</b>	<b>28**</b>	<b>5</b>	<b>7</b>	<b>8**</b>	<b>4</b>
Phil Verity	30/35	n/a	n/a	4/7	8/8	n/a
David Herbinet	32/35	n/a	n/a	n/a	n/a	4/4
Jac Berry	33/35	n/a	n/a	n/a	8/8	n/a
James Gilbey	32/35	n/a	n/a	n/a	n/a	n/a
Elisabeth Maxwell	28/35	n/a	n/a	n/a	n/a	n/a
Toby Stanbrook	34/35	n/a	n/a	n/a	n/a	n/a
Margaret Laidlaw	32/35	n/a	n/a	n/a	n/a	n/a
Mark Kennedy	24/35	n/a	n/a	n/a	n/a	n/a
James Smalley	n/a	16/16*	n/a	n/a	n/a	n/a
Tim Hudson	n/a	20/28	n/a	7/7	n/a	n/a
Richard Metcalfe	n/a	27/28	5/5	n/a	n/a	n/a
Amy Reynolds	n/a	25/28	n/a	7/7	n/a	n/a
Stephen Skeels	n/a	9/11	n/a	5/6*	n/a	n/a
Stephen Lewis	n/a	25/28	5/5	n/a	n/a	n/a
Peter Cudlip	n/a	25/28	n/a	5/7	n/a	n/a
Charlene Lancaster	n/a	22/28	5/5	n/a	n/a	n/a
Alex Baskeyfield	n/a	21/28	4/4*	0/0*	n/a	n/a
Denise Fletcher	n/a	n/a	n/a	1***	8/8	n/a
Guy Jubb	n/a	n/a	3***	N/A	8/8	4/4
Lord Amyas Morse	n/a	1***	n/a	n/a	8/8	4/4
Oliver Tant	n/a	n/a	n/a	n/a	n/a	2/2*
Stephen Mills	n/a	n/a	n/a	n/a	n/a	2/3*
Christos Vernardos	n/a	n/a	n/a	n/a	n/a	4/4
Devyani Vaishampayan	n/a	n/a	n/a	n/a	n/a	4/4

Number of meetings attended/ Number of meetings eligible to attend

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

\*\* The Executive held 23 formal meetings, GC and PIC both held 6 formal meetings, there were other ad hoc meetings and Away Days scheduled throughout the year.

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

i Audit Board has been established as an advisory forum to provide support and challenge to the Audit Executive Committee and is not a formal part of the Leadership and Governance of the firm.

# Appendix 3

## UK and Group leadership

### Our Group Executive Board (GEB)

On 31 August 2024, 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**



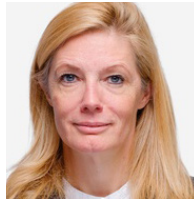
Based in China  
**Julie Laulusa**



Based in Senegal  
**Taïbou M'Baye**



Based in Germany  
**Dr Christoph Regierer**



Based in Belgium  
**Véronique Ryckaert**



Based in France  
**Olivier Lenel**



# Appendix 3

## UK and Group leadership

### Our Group Governance Council (GGC)

On 31 August 2024, the GGC comprised:



Based in the United Kingdom  
**Tim Hudson**, Chair



Based in France  
**Juliette Decoux**  
Vice-Chair



Based in Germany  
**Gertrud R. 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**

## Appendix 4

# Public Interest Entities (PIEs) and Major Local Audits

### PIE audit clients of Forvis Mazars in the UK

A list of UK public interest entities for the year ended 31 August 2024, 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:

- An issuer whose transferable securities are admitted to trading on a UK regulated market;
- A credit institution within the meaning of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council<sup>17</sup>, which is a CRR firm within the meaning of Article 4(1)(2A) of that Regulation; and
- 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
- Anglo-Eastern Plantations Plc\*
- Babcock International Group PLC\*
- Bridgepoint Group plc
- CAB Payments Holdings plc
- Capital & Regional plc
- Carclo plc
- Card Factory plc
- Castings Public Limited Company
- Creightons plc
- JPMorgan Asia Growth & Income plc
- JPMorgan Global Emerging Markets Income Trust PLC
- Kingston upon Hull City Council
- Literacy Capital Plc
- LV Bonds Plc\*
- Manchester City Council
- ME Group International plc
- Menhaden Resource Efficiency plc
- Nanoco Group plc
- NewRiver REIT PLC\*
- Northern 2 VCT PLC
- Northern 3 VCT PLC

- Northern Venture Trust PLC
- Oldham Metropolitan Borough Council
- ProCook Group plc
- Rothschild & Co Continuation Finance PLC\*
- S&U plc
- The Henderson Smaller Companies Investment Trust plc
- Topps Tiles plc
- Warrington Borough Council\*

**A credit institution within the meaning of Article 4(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
- Crown Agents Bank Ltd
- FirstBank UK Limited\*
- Furness Building Society
- Gatehouse Bank Plc\*
- Goldman Sachs International Bank
- Guaranty Trust Bank (UK) Limited

\* Forvis Mazars LLP did not issue an audit report for this entity between 1 September 2023 and 31 August 2024.

## Appendix 4

# Public Interest Entities (PIEs) and Major Local Audits

- 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
- Morgan Stanley Bank International Limited\*
- Nomura Bank International Limited
- Penrith Building Society
- Perenna Bank plc
- Punjab National Bank (International) Limited
- RCI Bank UK Limited
- Redwood Bank Limited
- Reliance Bank Ltd\*
- State Bank of India (UK) Limited
- Swansea Building Society
- The Tipton and Coseley 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
- BA (GI) Limited\*
- Baltic PCC Limited\*
- Bar Mutual Indemnity Fund Limited
- Berkshire Hathaway International Insurance Limited\*
- The British Aviation Insurance Company Limited\*
- British Reserve Insurance Company Limited
- Canada Life Limited\*
- Covea Life Limited
- Endurance Worldwide Insurance Limited\*
- Exeter Friendly Society Limited
- Inceptum Insurance Company Limited\*
- Kyoei Fire & Marine Insurance Co. (UK) Limited\*
- Liverpool Victoria Financial Services Limited
- Liverpool Victoria Life Company Limited
- LV Protection Limited
- Marco International Insurance Company Limited
- Mitsui Sumitomo Insurance Company (Europe) Ltd
- NRG Victory Reinsurance Limited\*

- QBE UK Limited
- Samsung Fire & Marine Insurance Company of Europe Limited
- Scor UK Company Limited
- Teachers Assurance Company Limited
- Tenecom Limited\*
- The Equitable Life Assurance Society\*
- The Exeter Cash Plan
- The Griffin Insurance Association Limited
- The Scottish Lion Insurance Company Limited\*
- The Wren Insurance Association Limited
- Transfercom Limited\*
- Travelers Insurance Company Ltd
- Unum Limited\*
- Utmost Life and Pensions Limited\*
- Uzbekinvest International Insurance Company Limited

### EU PIE

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

- Cars Alliance UK Master PLC - Euronext Dublin MSM
- Credit Agricole CIB Finance (Guernsey) Limited - Bourse de Luxembourg (BDL)\*
- Esken Finance plc - Borse Frankfurt\*
- TC Dudgeon OFTO Plc - Euronext Dublin MSM

\* Forvis Mazars LLP did not issue an audit report for this entity between 1 September 2023 and 31 August 2024.



## Appendix 4

# Public Interest Entities (PIEs) and Major Local Audits

### Major local audits signed off from 1 September 2023 to 31 August 2024

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 2024.

- Bolton Metropolitan Borough Council
- Cheshire East Council
- Chief Constable of Greater Manchester Police
- Chief Constable of West Yorkshire
- City of Bradford Metropolitan District Council
- City of York Council
- Derbyshire County Council
- Derbyshire County Council Pension Fund
- Durham County Council
- Durham Pension Fund
- East Riding of Yorkshire Council
- East Riding Pension Fund
- Gateshead Metropolitan Borough Council
- Greater Manchester Combined Authority
- Greater Manchester Pension Fund
- Hounslow London Borough Council
- Hounslow London Borough Council Pension Fund
- Kingston upon Hull City Council
- Knowsley Metropolitan Borough Council

- Lincolnshire County Council
- Lincolnshire County Council Pension Fund
- Liverpool City Region Combined Authority
- London Borough of Camden Council
- London Borough of Camden Pension Fund
- London Borough of Hackney
- London Borough of Hackney Pension Fund
- London Borough of Harrow
- London Borough of Harrow Pension Fund
- London Borough of Lambeth
- London Borough of Lambeth Pension Fund
- Manchester City Council
- Northumberland County Council
- Oldham Metropolitan Borough Council
- Rochdale Metropolitan Borough Council
- Salford City Council
- Stockport Metropolitan Borough Council
- Stockton-on Tees Borough Council
- Sunderland City Council
- Tameside Metropolitan Borough Council
- Trafford Metropolitan Borough Council
- West Yorkshire Combined Authority
- West Yorkshire Pension Fund
- Wigan Council

### NHS

- 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
- North West Ambulance Service NHS Trust
- United Lincolnshire Hospitals NHS Trust
- NHS Humber and North Yorkshire Integrated Care Board
- NHS North East and Cumbria Integrated Care Board

\* Forvis Mazars LLP did not issue an audit report for this entity between 1 September 2023 and 31 August 2024.

## Appendix 5

# UK financial performance

The following has been extracted from the unaudited financial information for the year ended 31 August 2024 demonstrating the importance of statutory audit work to the overall results of the firm.

Turnover by type	2024 £'m	2023 £'m
Revenues from the statutory audit of annual and consolidated financial statements of PIE <sup>1</sup>	36.6	31.3
Revenues from the statutory audit of annual and consolidated financial statements entities whose parent is a PIE	22.1	19.4
Revenues from the statutory audit of annual and consolidated financial statements of other entities	91.6	82.1
<b>Total Audit Services*</b>	<b>150.3</b>	<b>132.8</b>
Non-audit services to audit clients**	24.8	24.9
Non-audit services to non-audit clients	187.4	176.9
<b>Total</b>	<b>362.4</b>	<b>334.6</b>
* Of which turnover relating to local audit work	9.4	10.1
** Of which turnover relating to local audit work	0.3	0.6

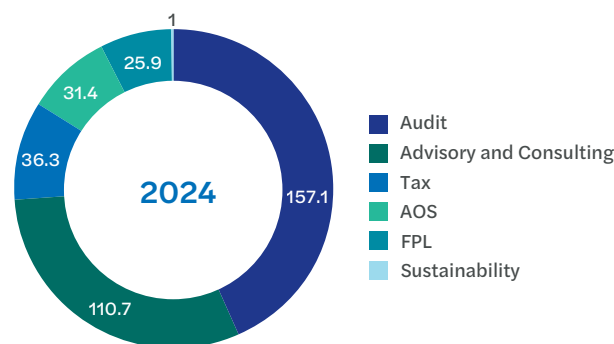
<sup>1</sup> Includes revenue from other listed entities that are technically not UK PIEs

<sup>2</sup> Audit income in the pie charts includes £6.8m (2023/2024) and £5.1m (2022/2023) relating to additional activities within the Audit and Assurance service line.

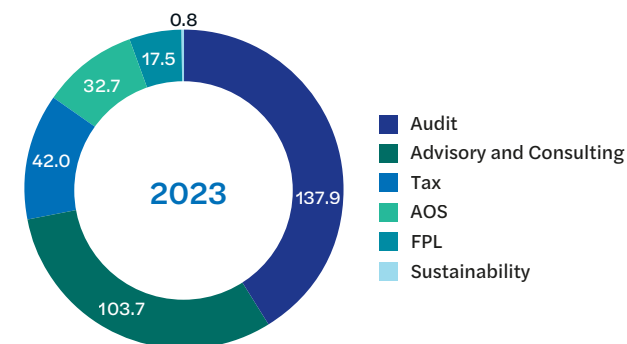
A list of PIEs in respect of which Forvis Mazars in the UK expressed an audit opinion in 2023/2024 is set out in Appendix 4.

The combined turnover from statutory auditors of Forvis Mazars LLP EEA member state audit firms was €567.4m. UK turnover amounts to €422.92. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 31 August 2024.

Income by service line (£m)<sup>2</sup>



Income by service line (£m)<sup>2</sup>



# Appendix 6

## Effectiveness of the system of internal controls

### Overall control environment

In accordance with paragraph 24 of the AFGC Forvis Mazars 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.

This review included a consideration of:

- the firm's structures and boards;
- the ERM framework;
- internal and external reviews, including:
  - compliance with ISQM 1 in the period from 1 September 2023 to 31 August 2024;
  - 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; and
- oversight of the UK at a Forvis Mazars Group level.

As a result of the reviews above, 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, or which undermines the current overall control environment.

### Annual ISQM 1 assessment and evaluation

The evaluation of our SoQM is performed annually as of 31 August each year and considers the results of our testing of operating effectiveness performed for the financial year and results of other internal and external monitoring activities, including regulatory reviews for same period – as included in section 1.3 of this report. It also considers, accordingly and as applicable, findings from other relevant sources. Our internal (group and local) monitoring programmes are designed to identify findings both in respect of individual engagements and the overall SoQM.

If, following that evaluation, we identify areas where our response to certain risks we face requires improvement we investigate the root causes, and consider whether there is a deficiency in our SoQM. If so, we evaluate the effect of the deficiencies individually and in the aggregate, on the SoQM, with consideration of remedial actions taken as of the date of the evaluation. We applied professional judgment to conclude on whether any deficiency is severe and/or pervasive. Whilst we have considerably invested in audit quality initiatives which we believe individually and in aggregate address risks to audit

quality, for three matters identified as part of our overall evaluation we concluded that on balance their potential impact on certain quality risks was significant enough to be identified as severe, without being pervasive.

We identified the following matters:

**Maturity of the SoQM:** Whilst we have significantly invested on audit quality and on our policies and procedures overall, we recognise that our firm is still undergoing transformation and change. We have identified certain findings which individually do not meet the definition of a deficiency but in aggregate indicate that in some areas of our SoQM we need to focus on formalising our policies and procedures, strengthening the accuracy and completeness of data and ensuring there is clarity on roles and responsibilities.

**Resourcing audits and Capacity assessment:** During the year covered by this assessment we have undertaken a focused review of our audit portfolio, and we have made significant progress in our management of risk to ensure resources are allocated appropriately based on the requirements of the audit engagements and the skills and expertise of our team members. We recognise that we need to do more on our assessment of and planning for the resourcing needs at engagement level to ensure engagement partners, engagement quality reviewers and other team members have sufficient time and capacity to deliver high quality audits.



## Appendix 6

# Effectiveness of the system of internal controls

**Audit File Assembly:** During the period we identified findings in relation to timely file assembly. We are focusing our initiatives to strengthen compliance in this area. As noted in section 1.2 we have also started our transition to Atlas NextGen as the core audit platform which will contribute to addressing the issues raised in this area.

### Overall evaluation

Following a thorough governance process where the results of the evaluation have been assessed, challenged and discussed the Executive, which has ultimate responsibility and accountability for the SoQM, approves the conclusion below:

“Having conducted the evaluation as at 31 August 2024, the Executive, in line with paragraph 54(b) of ISQM(UK)1, has concluded that, except for matters related to deficiencies that have a severe but not pervasive effect on the design, implementation and operation of the SoQM, the SoQM provides the firm with reasonable assurance that the objectives of the SoQM are being achieved. No pervasive deficiencies were identified.”

In last year’s transparency report we identified an issue on non-audit assurance engagements. The firm took action during the year to improve the quality control environment in respect of these activities and the deficiency has been remediated.



# Appendix 7

## Group and UK statements of compliance

### Statement of Compliance with the Audit Firm Governance Code (AFGC) 2022

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. Forvis Mazars UK transitioned to AFGC 2022 effective for financial years beginning on or after 1 January 2023 and fully support the principles and aims of the AFGC 2022.

### Statement on the effectiveness of the quality control system

As required by the IAASB's, ISQM 1, Forvis Mazars in the UK has a responsibility to design, implement and operate a SoQM for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm. The objectives of the SoQM are to provide 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; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Details of the Forvis Mazars United Kingdom's SoQM is set out within this transparency report and in summary includes:

- The formal application of a globally consistent risk assessment process (RAP) at least annually;
- Ongoing evaluation of emerging risks and implementation of required new responses, if applicable;
- Testing of the effectiveness of the control environment to align with ISQM 1 requirements; and
- Consistent monitoring and remediation processes, including root cause analysis of deficiencies, to align with ISQM 1 requirements.

Further detail in respect of the UK firm's evaluation in respect of ISQM 1 is provided in Appendix 6.

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

The operation and effectiveness of Forvis Mazars Group's and Forvis 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 Forvis Mazars Group and Forvis 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

Forvis 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 Forvis 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. Forvis 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. Forvis 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 2022, published by the FRC in April 2022, is applicable to financial years beginning on or after 1 January 2023, and is referenced in the table below:

Disclosure required by the Audit Firm Governance Code		
A	Leadership	
<b>Principles</b>		<b>How Forvis Mazars LLP complies with the code</b>
A	A firm's Management and governance structures should promote the long-term sustainability of the firm. To this end, the Management of a firm should be accountable to the firm's owners.	See section 3.2
B	A firm's governance arrangements should provide checks and balances on individual power and support effective challenge of Management. There should be a clear division of responsibilities between a firm's governance structures and its Management. No one individual or small group of individuals should have unfettered powers of decision.	See section 3.2
C	A firm's Management should demonstrate its commitment to the public interest through their pursuit of the purpose of this Code and regular dialogue with the INEs. Management should embrace the input and challenge from the INEs (and ANEs).	See section 3.1, Report of the Independent Non-Executives
D	The members of a firm's Management and governance structures should have appropriate experience, knowledge, influence and authority within the firm, and sufficient time, to fulfil their assigned responsibilities.	See section 3.2 and Appendix 3
E	The Management of a firm should ensure that members of its governance structures, including owners, INEs and ANEs, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties.	See section 3.2
<b>Provisions</b>		<b>How Forvis Mazars LLP complies with the code</b>
1	A firm should establish a Board or equivalent governance structure to oversee the activities of Management.	See section 3.2
2	At least half a firm's Board should be selected from among partners who do not have significant management responsibilities within the firm.	See section 3.2
3	The Chair of the Board should not also Chair parts of the Management structure or be the managing partner.	See section 3.2
4	A firm's Management and Board should have a clear understanding of their authority, accountabilities and responsibilities. The Board should have clearly defined terms of reference, with matters specifically reserved for its decision, detailing in particular its role in relation to firm strategy, risk, culture and other matters relating to the purpose of this Code. Management should have terms of reference that include clear authority over the whole firm and matters relating to the purpose of this Code. Terms of reference should be disclosed on the firm's website. Terms of reference for international management and governance structures taking decisions that apply to the UK should be disclosed on the UK firm's website in the same way as for UK-based structures.	See section 3.2 and the "Our Managing Team" pages of our website



## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
5	A firm should establish arrangements for determining remuneration and progression matters for members of the Board which support and promote effective challenge of Management.	See section 1.6 and section 3.2
6	The individual 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.	See section 3.2
7	There should be a formal annual evaluation of the performance of the Board and any committees, plus the public interest body. A firm should consider having a regular externally-facilitated board evaluation at least every three years.	See section 3.2
8	Management should ensure that, wherever possible and so far as the law allows, members of governance structures and INEs and ANEs have access to the same information as is available to Management.	See section 3.2
9	A firm should disclose in its annual transparency report: <ul style="list-style-type: none"> <li>the names and job titles of all members of the firm's governance structures and its Management;</li> <li>a description of how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details;</li> <li>a description of how its governance structures and Management operate, their duties, the types of decisions they take and how they contribute to achieving the Code's purpose. If elements of the Management and/or governance of the firm rest at an international level and decisions are taken outside the UK, it should specifically set out how management and oversight is undertaken at that level and the Code's purpose achieved in the UK; and</li> <li>an explanation of the controls it has in place on individual powers of decision and to support effective challenge by Board members, how these are intended to operate and how they work in practice.</li> </ul>	See section 3.2, Appendix 2 and Appendix 3
<b>B People, Values and Behaviour</b>		
<b>Principles</b>		<b>How Forvis Mazars LLP complies with the code</b>
F	A firm is responsible for its purpose and values and for establishing and promoting an appropriate culture, that supports the consistent performance of high-quality audit, the firm's role in serving the public interest and the long-term sustainability of the firm.	See section 1.2
G	A firm should foster and maintain a culture of openness which encourages people to consult, challenge, contribute ideas and share problems, knowledge and experience in order to achieve quality work in a way that takes the public interest into consideration.	See section 1.1
H	A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the purpose and Principles of this Code.	See section 1.1

## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
Provisions		How Forvis Mazars LLP complies with the code
10	A firm's Board and Management should establish the firm's purpose and values and satisfy themselves that its purpose, values and culture are aligned. If a firm's purpose and values are established at an international level, the firm should ensure it has the ability to influence that decision-making process and the ability to tailor the output for the UK.	See section 3.12
11	A firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply. The Board and INEs should oversee compliance with it.	See section 1.6, section 3.2 and the "Our Values and Culture" pages of the website
12	A firm should promote the desired culture and a commitment to quality work, professional judgement and values, serving the public interest and compliance with professional standards and applicable legal and regulatory requirements, in particular through the right tone at the top and the firm's policies and procedures.	See section 1.62
13	A firm should establish policies and procedures to promote inclusion and encourage people to speak up and challenge without fear of reprisal, particularly on matters relating to this Code and the firm's values and culture.	See section 1.1
14	A firm should introduce meaningful key performance indicators on the performance of its governance system, and report on performance against these in its transparency reports.	See section 1.4
15	A firm should assess and monitor culture. It should conduct a regular review of the effectiveness of the firm's systems for the promotion and embedding of an appropriate cultures underpinned by sound values and behaviour across the firm, and in audit in particular. INEs should be involved in this review and where a firm has implemented operational separation the ANEs should be involved in the review as it relates to the audit practice. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the purpose of this Code, it should take corrective action.	See section 1.1, and the Report of the Chair of the Audit Board
16	A firm should establish mechanisms for delivering meaningful engagement with its people. This should include arrangements for people to raise concerns in confidence and anonymously and to report, without fear, concerns about the firm's culture, commitment to quality work, the public interest and/or professional judgement and values. The INEs should be satisfied that there is an effective whistleblowing policy and procedure in place and should monitor issues raised under that process.	See section 1.1 and section 1.6
17	INEs should be involved in reviewing people management policies and procedures, including remuneration and incentive structures, recruitment and promotion processes, training and development activities, and diversity and inclusion, to ensure that the public interest is protected. They should monitor the firm's success at attracting and managing talent, particularly in the audit practice. Where operational separation is in place the ANEs should be involved in this process.	See the Report of the Independent Non-Executives
18	INEs and ANEs should use a range of data and engagement mechanisms to understand the views of colleagues throughout the firm and to communicate about their own roles and the purpose of this Code. One INE should be designated as having primary responsibility for engaging with the firm's people.	See the Report of the Independent Non-Executives - within Forvis Mazars, the person with the primary responsibility is an ANE.

## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
19	A firm should disclose in its annual transparency report a description of how: <ul style="list-style-type: none"> <li>it engages with its people and how the interests of its people have been taken into account in decision-making; and</li> <li>opportunities and risks to the future success of the business have been considered and addressed, its approach to attracting and managing talent, the sustainability of the firm's business model and how its culture, in particular in the audit practice, contributes to meeting the purpose of this Code.</li> </ul>	See section 1.1
<b>C</b>	<b>Operations and Resilience</b>	
<b>Principles</b>		<b>How Forvis Mazars LLP complies with the code</b>
I	A firm should promote a commitment to consistent high-quality audits and firm resilience in the way it operates. To these ends, a firm should collect and assess management information to evaluate the effectiveness of its policies and procedures and to enhance its operational decision-making.	See section 1.2
J	A firm should establish policies and procedures to identify, assess and manage risk, embed the internal control framework and determine the nature and extent of the principal risks the firm is willing to take while working to meet the purpose of this Code.	See section 2.1, Appendix 6 and Appendix 7
K	A firm should communicate with its regulators in an open, co-operative and transparent manner.	We are committed to assist the FRC and its successor bodies to discharge its duties by sharing information in an open, co-operative and transparent manner.
L	A firm should establish policies and procedures to ensure the independence and effectiveness of internal and external audit activities and to monitor the quality of external reporting.	See Appendix 6
<b>Provisions</b>		<b>How Forvis Mazars LLP complies with the code</b>
20	A firm should assist the FRC and its successor bodies to discharge its duties by sharing information openly.	We are committed to assist the FRC and its successor bodies to discharge its duties by sharing information openly.
21	A firm should take action to address areas of concern identified by regulators in relation to the firm's audit work, leadership and governance, culture, management information, risk management and internal control systems.	See section 3.2
22	A firm should develop robust datasets and effective management information to support monitoring of the effectiveness of its activities, including by INEs (and ANEs), and its ability to furnish the regulator with information.	See section 3.2



## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
23	A firm should establish an audit committee and disclose on its website its terms of reference and information on its membership. Its terms of reference should set out clearly its authority and duties, including its duties in relation to the appointment and independence of the firm’s auditors. Where a firm’s audit committee sits at an international level, information about the committee and its work should be disclosed by the UK firm as if it were based in the UK.	See section 3.2 and the “Audit and Risk Committee” pages of our website
24	A firm should monitor its risk management and internal control systems, and, at least annually, conduct a review of their effectiveness. INEs should be involved in the review which should cover all significant controls, including financial, operational and compliance controls and risk management systems.	See section 2.1, section 3.2 and Appendix 6
25	A 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 in the UK. INEs (and in firms with operational separation, ANEs) should be involved in this assessment.	See section section 2.1, section 3.2, Appendix 6 and Appendix 7
26	A firm should publicly report how it has applied the Principles of this Code and make a statement on its compliance with its Provisions or give a detailed explanation for any non-compliance, i.e. why the firm has not complied with the Provision, the alternative arrangements in place and how these work to achieve the desired outcome (Principle) and the purpose of this Code.	We support the principles and provisions of this Code, as demonstrated by our commitment to the disclosure of the level of compliance with all aspects of the Code.
27	A firm should explain who is responsible for preparing the financial statements and the firm’s auditors should make a statement about their reporting responsibilities in the form of an extended audit report as required by International Auditing Standards (UK) 700/701.	See the financial statements on the “Corporate Publications” pages of our website.
28	The transparency report should be fair, balanced and understandable in its entirety. A firm should disclose in its transparency report: <ul style="list-style-type: none"> <li>• a commentary on its performance, position and prospects;</li> <li>• how it has worked to meet the legal and regulatory framework within which it operates;</li> <li>• a description of the work of the firm’s audit committee and how it has discharged its duties;</li> <li>• confirmation that it has performed a review of the effectiveness of the system of internal control, a summary of the process it has applied and the necessary actions that have been or are being taken to remedy any significant failings or weaknesses identified from that review;</li> <li>• a description of the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary;</li> <li>• an assessment of the principal risks facing the firm and explanation of how they are being managed or mitigated; and</li> <li>• a description of how it interacts with the firm’s global network, and the benefits and risks of these arrangements, with reference to the purpose of this Code. This should include an assessment of any risks to the resilience of the UK firm arising from the network and any action taken to mitigate those risks.</li> </ul>	See section 2.1, section 3.1, section 3.2, Appendix 5, Appendix 6 and Appendix 7

## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
D	INEs and ANEs	
<b>Principles</b>		<b>How Forvis Mazars LLP complies with the code</b>
M	A firm should appoint INEs to the governance structure who through their involvement collectively enhance the firm's performance in meeting the purpose of this Code. INEs should be positioned so that they can observe, challenge and influence decision-making in the firm.	See section 3.2 and Appendix 3
N	INEs (and ANEs) should provide constructive challenge and specialist advice with a focus on the public interest. They should assess and promote the public interest in firm operations and activities as they relate to the purpose of this Code, forming their own views on where the public interest lies.	See Report of the Independent Non-Executives and the Report of the Chair of the Audit Board
O	INEs (and ANEs) should maintain and demonstrate objectivity and an independent mindset throughout their tenure. Collectively they should enhance public confidence by virtue of their independence, number, stature, diverse skillsets, backgrounds, experience and expertise. They should have a combination of relevant skills, knowledge and experience, including of audit and a regulated sector. They owe a duty of care to the firm and should command the respect of the firm's owners.	See Report of the Independent Non-Executives, Report of the Chair of the Audit Board and Appendix 2
P	INEs (and ANEs) should have sufficient time to meet their responsibilities. INEs (and ANEs) should have rights consistent with discharging their responsibilities effectively, including a right of access to relevant information and people to the extent permitted by law or regulation, and a right, individually or collectively, 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.	See section 3.2
Q	INEs (and ANEs) should have an open dialogue with the regulator.	See Report of the Independent Non-Executives
<b>Provisions</b>		<b>How Forvis Mazars LLP complies with the code</b>
29	INEs should number at least three, be in the majority on a body chaired by an INE that oversees public interest matters and be embedded in other relevant governance structures within the firm as members or formal attendees with participation rights. If a firm considers that having three INEs is unnecessary given its size or the number of public interest entities it audits, it should explain this in its transparency report and ensure a minimum of two at all times. At least one INE should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company's finance function or at an audit firm.	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		
30	INEs should meet regularly as a private group to discuss matters relating to their remit. Where a firm adopts an international approach to its management and/or governance 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 jurisdiction. The firm should disclose on its website the terms of reference and composition of any governance structures whose membership includes INEs, whether in the UK or another jurisdiction.	See Report from the Independent Non-Executives, Appendix 2 and Appendix 3
31	INEs should have full visibility of the entirety of the business. They should assess the impact of firm strategy, culture, senior appointments, financial performance and position, operational policies and procedures including client management processes, and global network initiatives on the firm and the audit practice in particular. They should pay particular attention to and report in the transparency report on how they have worked to address: risks to audit quality; the public interest in a firm's activities and how it is taken into account; and risks to the operational and financial resilience of the firm.	See Report from the Independent Non-Executives and section 3.2
32	A firm should establish a nomination committee, with participation from at least one INE, to lead the process for appointments and re-appointments of INEs (and ANEs), to conduct a regular assessment of gaps in the diversity of their skills and experience and to ensure a succession plan is in place. The nomination committee should assess the time commitment for the role and, when making new appointments, should take into account other demands on INEs' (and ANEs') time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior consultation with the nomination committee.	See Report from the UK Governance Council and section 3.2
33	A firm should provide access for INEs to relevant information on the activities of the global network such that they can monitor the impact of the network on the operations and resilience of the UK firm and the public interest in the UK.	See section 3.2
34	INEs should have regular contact with the Ethics Partner, who should under the ethical standards have direct access to them.	See Report from the Independent Non-Executives and section 3.2
35	INEs should have dialogue with audit committees and investors to build their understanding of the user experience of audit and to develop a collective view of the way in which their firm operates in practice.	See Report from the Independent Non-Executives and section 3.2
36	Firms should agree with each INE (and ANE) a contract for services setting out their rights and duties. INEs (and ANEs) should be appointed for specific terms and have a maximum tenure of nine years in total.	Each Independent Non-Executive has an appropriate contract in place.
37	The firm should provide each INE (and ANE) with the resources necessary to undertake their duties including appropriate induction, training and development, indemnity insurance and access to independent professional advice at the firm's expense where an INE or ANE judges such advice necessary to discharge their duties.	See Report from the Independent Non-Executives and section 3.2
38	The firm should establish, and disclose on its website, well defined and clear escalation procedures compatible with Principle P, for dealing with any fundamental disagreement that cannot otherwise be resolved between the INEs (and /or ANEs) and members of the firm's Management and/or governance structures.	See section 3.2 and "Our Managing Team" pages of our website.



## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
39	<p>An INE (and / or ANE) should alert the regulator as soon as possible to their concerns in the following circumstances:</p> <ul style="list-style-type: none"> <li>the INE or ANE believes the firm is acting contrary to the public interest; or</li> <li>the INE or ANE believes the firm is endangering the objectives of this Code; or</li> <li>the INE or ANE initiates the procedure for fundamental disagreements.</li> </ul>	See section 3.2 and the Report of the Independent Non-Executives
40	<p>A firm should disclose in its annual transparency report:</p> <ul style="list-style-type: none"> <li>information about the appointment, retirement and resignation of INEs (and ANEs); 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 INEs in the way it has; and</li> <li>its criteria for assessing whether INEs (and ANEs) are: <ul style="list-style-type: none"> <li>independent from the firm and its owners; and</li> <li>independent from its audited entities.</li> </ul> </li> </ul>	See section 3.2 and Appendix 2
<b>E</b>	<b>Operational Separation</b>	
<b>Principles</b>		<b>How Forvis Mazars LLP complies with the code</b>
R	Where a firm applies the Principles for Operational Separation, has established an Audit Board with a majority of ANEs and is subject to regulatory monitoring of these arrangements, ANEs will fulfil the responsibilities of INEs under this Code in so far as these relate to the audit practice. A firm's INEs will focus on representing the public interest in high quality audit at the firmwide level as well as on the public interest in firm activities in non-audit parts of the business and the risks posed by these non-audit activities to the audit practice. In fulfilling their role ANEs should follow the Principles set out in section D as applied to the audit practice.	N/A
S	INEs should rely on ANEs to provide independent oversight of audit quality plans, audit strategy and remuneration in the audit practice. ANEs should rely on the INEs to monitor activities at the firmwide and network levels for their potential impact on the audit practice.	N/A

## Appendix 8

# Audit Firm Governance Code and other disclosure requirements

Disclosure required by the Audit Firm Governance Code		
Provisions		How Forvis Mazars LLP complies with the code
41	ANEs should have the same obligations regarding time commitment, independence and objectivity as INEs. They should focus their attention on the audit practice in accordance with the Principles for Operational Separation. The Audit Board should have the authority to act independently of the firmwide public interest body.	N/A
42	<p>INEs should participate in governance structures operating across the entirety of the firm and pursue the purpose of this Code at the firmwide level.</p> <p>They should:</p> <ul style="list-style-type: none"> <li>• monitor the activities of the wider firm and global network for their potential to affect audit quality and the resilience of the audit practice; and</li> <li>• ensure the firm takes account of the public interest in its wider decision making.</li> </ul>	N/A
43	INEs and ANEs should maintain open dialogue, consult on matters of public interest and share information with one another to the extent this is relevant for the Audit Board's oversight of the audit practice and/or the effective discharge of the INEs' responsibilities at the firmwide level. They should inform one another in the event they invoke the procedure for fundamental disagreements.	N/A

## 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) Regulators 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 Forvis Mazars LLP complies with the regulations
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 confirmation 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 Forvis Mazars LLP complies with the regulations
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
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 ‘Forvis 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
(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

## Appendix 8

### Audit Firm Governance Code and other disclosure requirements

Disclosure required by EU audit regulation 537/2014 Article 13		How Forvis Mazars LLP complies with the regulations
	(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	EDD	Enhanced Due Diligence	Group	The member entities of Forvis Mazars SC
AB	Audit Board	EGIAN	European Group of International Accountancy Networks and Associations	HIVE	Forvis Mazars Intranet
ACCA	Association of Chartered Certified Accountants	EIP	Engagement Ignitor Programme	IAASB	International Auditing and Assurance Standards Board
ACCIF	Audit Committee Chairs' Independent Forum	EM	Engagement Manager	ICAEW	Institute of Chartered Accountants in England and Wales
AExeco	Audit Executive Committee	EMS	Environmental Management System	ICAS	Institute of Chartered Accountants of Scotland
AFGC	Audit Firm Governance Code (Revised 2022)	EMSSC	Environmental Management System Steering Committee	ID&W	Inclusion, Diversity and Wellbeing
AML	Anti Money Laundering	EQR	Engagement Quality Review	I&D	Inclusion and Diversity
ANE	Audit Non-Executive	ERM	Enterprise Risk Management	ES	International Education Standards
AOS	Accounting and Outsourcing Services	ESG	Environmental, Social and Governance	IESBA	International Ethics Standards Board for Accountants
AQI	Audit Quality Indicator	ESRS	European Sustainability Reporting Standards	IESBA Code	IESBA Code of Ethics for Professional Accountants
AQR	FRC's Audit Quality Review Team	Ethnic Minority	Black, Asian and Minority Ethnic	IFAC	International Federation of Accountants
AQS	Audit Quality Support	EU	European Union	IFRS	International Financial Reporting Standards
AQTP	Audit Quality Transformation Program	EVP	Employer Value Proposition	INE	Independent Non-Executive
BST	Business Services Team	FAS	Financial Advisory Services	IQCC	International Quality Control Committee
CARL	Forvis Mazars Equity Partners	FCA	Financial Conduct Authority	ISA	International Standard on Auditing (UK)
CCOI	Code of Conduct for Objectivity and Independence	FoF	Forum of Firms	ISQM 1	International Standards on Quality Management (UK) 1
CDD	Client Due Diligence	Forvis Mazars in the UK	Forvis Mazars LLP	ISQM 2	International Standards on Quality Management (UK) 2
CDP	Carbon Disclosure Project	Forvis Mazars Group	The member entities of Forvis Mazars SC	ISO	International Organisation for Standardisation
CE	Constructive Engagement	FPL	Financial Planning	IT	Information Technology
CEO	Chief Executive Officer	FRC	Financial Reporting Council	KAP	Key Audit Partner
CISO	Chief Information Security Officer	GAB	Global Audit Board	KPI	Key Performance Indicator
COO	Chief Operating Officer	GEB	Group Executive Board	KRI	Key Risk Indicator
COP	Communication on Progress	GGC	Group Governance Council	KYC	Know your client
CPD	Continued Professional Development	GIAC	Group Independence and Acceptance Committee	LGBTQ+	Lesbian, Gay, Bi, Trans, Queer, Questioning and Ace
CSR	Corporate Social Responsibility	GLT	Global Leadership Team		
CSRD	Corporate Sustainability Reporting Directive	GPM	Global Policy Manual		
CSU	Central Support Unit				
DIANE	Doubly Independent Audit Non-Executive				

# Appendix 9

## Glossary

LLP	Limited Liability Partnership	UNGC	United Nations Global Compact
MAM	Forvis Mazars Audit Methodology	UK	United Kingdom
MCT	Mazars Charitable Trust	UKARC	United Kingdom Audit and Risk Committee
MHFA	Mental Health First Aiders	UK Executive	United Kingdom Executive Board
NomCo	Nomination Committee	UKGC	United Kingdom Governance Council
OMP	Office Managing Partner	UKRemCom	United Kingdom Remuneration Committee
Partners	Partners and shareholders of Mazars entities in the Mazars Group	Us/we	Forvis Mazars LLP
PIC	Public Interest Committee		
PIE	Public Interest Entity		
POB	Privately Owned Business		
PQRR	Partner Quality and Risk Rating		
PRA	Prudential Regulation Authority		
PSAA	Public Sector Audit Appointments		
QAD	Quality Assurance Department		
QRM	Quality and Risk Management		
R&D	Research and Development		
RCA	Root Cause Analysis		
RI	Responsible Individual		
RMF	Risk Management Framework		
RQC	Risk and Quality Committee		
SAM	Sustainability Assurance Methodology		
SBTi	Science Based Targets initiative		
SoQM	System of Quality Management		
SQP	Single Quality Plan		
SWP	Strategic Workforce Planning		
TAX	Tax services		
The Charter	Charter of Association		
The firm	Forvis Mazars LLP		
The Group	The member entities of Mazars SC UK United Kingdom		



# Contact

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Forvis Mazars is the brand name for the Forvis Mazars Global network (Forvis Mazars Global Limited) and its two independent members: Forvis Mazars, LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories. Forvis Mazars Global Limited is a UK private company limited by guarantee and does not provide any services to clients. Forvis Mazars LLP is the UK firm of Forvis Mazars Group.

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