



Audit Quality Report

Prepared & Presented By KNAV Services LLP

2023

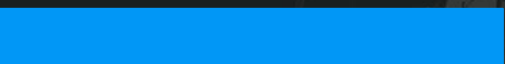


Table Of Content

Message from the firm's leadership	3-8
Our philosophy for risk management	9-12
Foundations of the audit process	13-16
Quality Management, Audit Methodology and Monitoring	17-27
Technology, Tools, and Information Security	28-30
Training and Continuous Professional Education	31-34
Our knowledge library	35-36



Message from the firm's leadership

Welcome to KNAV Services LLP's (KNAV or the firm) Audit Quality Report for the year 2023. We are excited to present this report, embodying our dedication to elevating audit standards and reinforcing the robustness of our quality control systems. Our commitment to transparency and continual improvement forms the bedrock of this comprehensive update, designed to keep our stakeholders informed and engaged with our evolving practices.

At KNAV, our relentless pursuit of audit excellence remains pivotal in our client-centric approach. As independent auditors, we are steadfast in conducting high-quality audits that instill trust and confidence in our clients. This report encapsulates our concerted efforts, amalgamating various facets within our organization—from the recruitment, development, and performance of our exceptional talent to the technological innovations enhancing our efficiency-driven strategies. These elements coalesce to drive us toward delivering excellence to our stakeholders.

We understand that the foundation of delivering high-quality audits is rooted in the dedication and focus of our people. Throughout the year, our commitment to nurturing our team members' growth and well-being has been consistent. Providing continuous learning and development opportunities has not only enriched our workforce but also reinforced the values integral to our firm's culture.

Accountability to the public interest remains fundamental to our ethos. Thus, we endeavor to offer transparency to our stakeholders by providing insight into our audit methodologies, the maintenance of our independence, ongoing performance monitoring, and our persisting quest of enhancing audit quality.

The 2023 Audit Quality Report reinforces our firm belief that setting the right "tone at the top" forms the foundation for our comprehensive risk management philosophy. Our partners and senior staff continuously monitor and mitigate risks while leveraging various systems and continuous evaluations. Our emphasis on independence protocols, addressing risks arising from diverse service offerings, and comprehensive training underscores our commitment to maintaining both actual and perceived independence.

This report delineates our procedures for engagement acceptance, continuation, and our risk-based audit approach. By harnessing the synergy between technology and the expertise of our team, we aim to conduct audits more efficiently, ensuring superior quality outcomes.

Our ongoing investments in technological advancements have not only facilitated our seamless transition; initially from a fully remote working environment to a hybrid work-model but have also been pivotal in upholding high-quality audit performance. While acknowledging the increasing role of technology in audits, we recognize the enduring significance of the human aspect in the auditor-client relationship, which technology cannot wholly replace.





Furthermore, we acknowledge the invaluable contributions of our international audit quality and risk management team, providing expert guidance and independent evaluations.

The 2023 Audit Quality Report encompasses the measures taken to implement the latest International Standards on Quality Management and the advancements in our engagement performance.

Lastly, we explore training, professional development, and competence, recognizing that delivering superior audit quality relies on the expertise of professionals making intricate judgments in any audit engagement.

Our aspiration is to be acknowledged as a firm consistently delivering high-quality audit services. We actively confront challenges, seize opportunities, and champion audit quality while upholding the honor of our profession. By attracting and retaining top talent, we remain committed to our mission of contributing to a better working world through the execution of high-quality audits.



Our Leaders

We extend our heartfelt gratitude for accompanying us on our journey toward audit quality excellence and for your steadfast trust, confidence, and interest in our continual progress.



Khozema Anajwalla
 Partner
 International Quality and Risk
 Management
 KNAV International Limited



Dominique Tan
 Partner
 International Assurance
 KNAV Services LLP

Our firm and network

KNAV Services LLP is an independent registered public accounting firm located in Singapore. It provides assurance, audit, and other attest services. It is registered with the Accounting and Corporate Regulatory Authority (ACRA). It is the Singapore member firm of KNAV International Limited.

Partners oversee the firm's audit practice, approve compensation and promotions, and are responsible for monitoring the performance of the firm's audit team.

The management team meets monthly to monitor and discuss firm related matters. We also organize frequent staff meetings to keep our staff apprised of the recent developments within the firm and the broader regulatory framework.

For the year 2023,

Our work is structured around a broad range of industries. Our partners and staff provide personalized attention and the highest-quality administration to public and private, clients irrespective of topographical boundaries.

The firm is part of the network of firms under KNAV International Limited (the network). KNAV International Limited is organized as a non-practicing, non-trading organization that serves member accounting and consulting firms with an internationally recognized presence, as the Charter international umbrella organization. KNAV International Limited is incorporated in the State of Georgia, United States of America as a non-profit corporation.

The firm is also an independent member firm of Allinial Global, one of the world's largest accounting associations of firms. Membership in Allinial Global gives the firm access to subject matter experts, as needed, and to benchmark audit quality best practices. Some key metrics of Allinial Global as of the current date are:

Some key metrics of Allinial Global



Member firms
261



Total professionals
26,000+



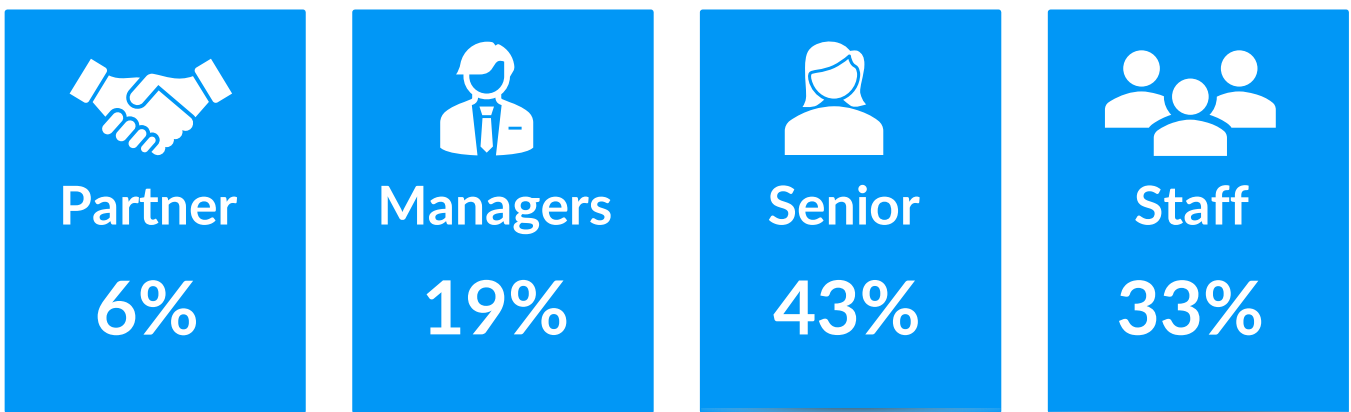
Countries
105



Revenue in billion
USD 4.985

2023 in numbers – key metrics of our firm

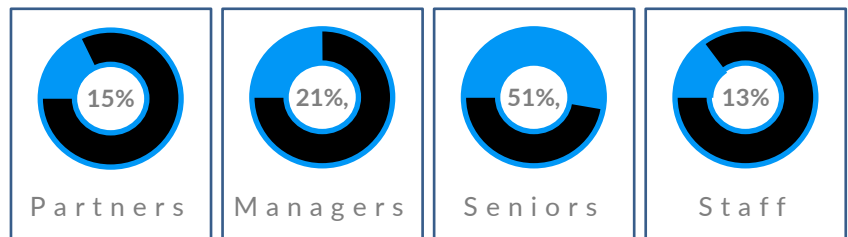
Audit team hours



Audit team leverage ratio

Partner to manager – 1 to 3
 Partner to seniors – 1 to 8
 Manager to seniors – 1 to 2

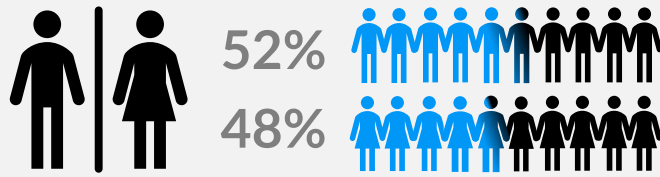
Audit team composition



CPE hours during the year



Audit team gender composition

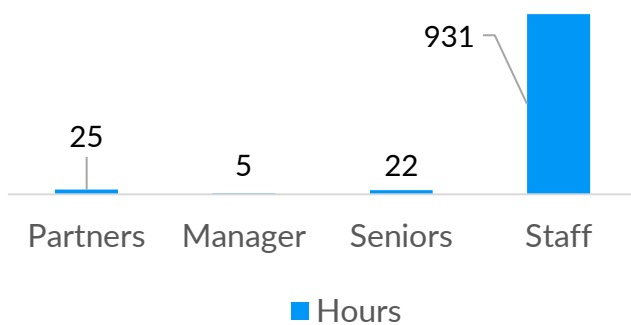


Voluntary turnover rate



All cadres

Average annual hours worked by audit professionals above 40 hours per week



Types of assurance engagements

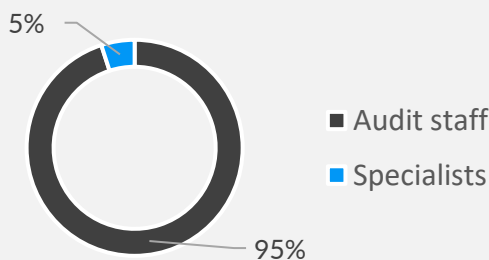


Audit



Compilation, Reviews, and Agreed-upon-procedures

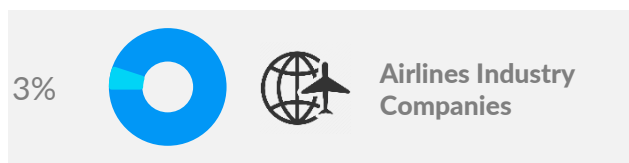
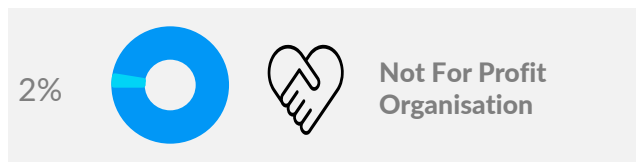
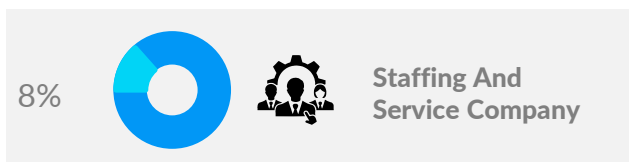
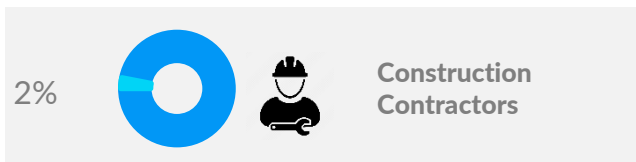
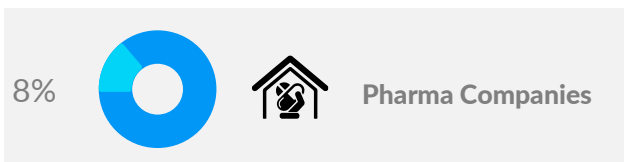
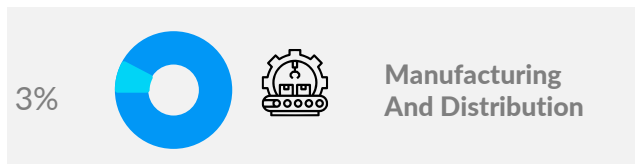
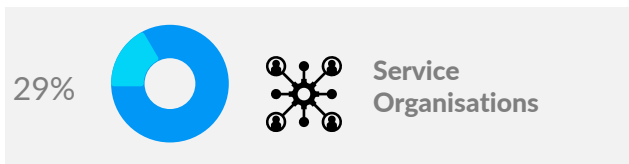
Audit hours worked by staff and specialists



Specialists include

- Tax team
- Valuation team
- Accounting advisory team
- Other internal non-assurance team members

Our portfolio of clients



2

Our philosophy for risk management

At KNAV Services LLP, our organizational ethos centers on fostering a quality-driven culture, spearheaded by our partners who actively promote and uphold a persistent commitment to excellence. We reinforce this dedication through consistent, transparent actions and messaging that prioritize the highest standards of quality, aimed at consistently surpassing stakeholder expectations.

Our approach to instilling a culture of quality revolves around several key strategies. We believe in communicating and reinforcing our commitment to quality through consistency, effective resource allocation, open dialogues—both formal and informal—and comprehensive training programs. Central to our endeavors is our dedication to serving the public interest, encouraging our team members to mirror this commitment.

Recognizing the paramount importance of having adequately qualified personnel equipped with the requisite knowledge and experience for their roles, we ensure that every staff member, from partners to associates, possesses the necessary skill set to fulfil their responsibilities effectively.

The foundation of our risk management philosophy lies in establishing a robust "tone at the top." Our leadership—comprising the Lead Partner for Singapore Assurance & Accounting Advisory Services, the National Quality Control and Risk Management Partner, and the Engagement Partner(s)—plays a pivotal role in setting the tone, guiding our team, and embodying our organizational values.

Identifying and mitigating risks inherent in our role as a public accounting and consulting firm is a continuous endeavor. We remain vigilant in assessing a spectrum of risks, encompassing financial, ethical, reputational, and operational domains. We analyze external factors such as economic, legislative changes, alongside internal elements like workforce capabilities and workload distribution, engaging in continuous discussion and deliberation to address these risks proactively.



Embedding a thorough understanding of our quality management policies, procedures, and the quality management manual is integral. This manual encapsulates our expectations, emphasizing independence, integrity, and objectivity, particularly in our attest function.

Adherence to ethical standards, as outlined in the ACRA Code, ISCA Code, and additional regulatory requirements, is mandatory for all our staff members. We emphasize familiarity with these codes, providing guidance on applying the conceptual framework and identifying appropriate safeguards.

Our quality control processes, aligned with the ACRA Code, are designed to promote integrity, objectivity, professional competence, due care, confidentiality, and professional behavior. These processes establish, reinforce, and monitor ethical conduct across our organization.

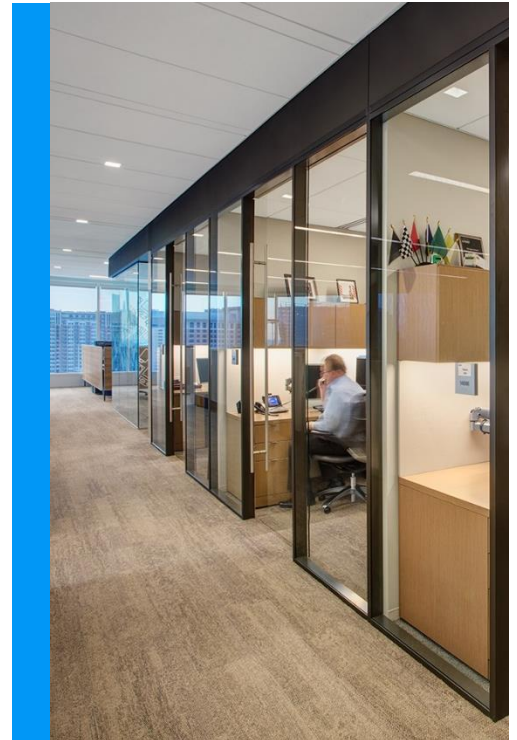
Maintaining independence and ethical standards is a continuous commitment for all partners and staff. Regular confirmations regarding integrity, objectivity, conflicts of interest, and adherence to ethical requirements and guidelines are mandated. We ensure compliance with international standards and guidelines for ethical conduct in the accounting profession.

Additionally, training on independence and related policies is provided during induction and periodically through face-to-face and computer-based sessions with the institutionalization in 2023 for every team member to annually complete a firm-developed course on ethics, integrity, and objectivity as part of our compliance protocol.

Encouraging open consultation and a four-eye principle for risk management decisions, we empower our partners and team members to refer to our quality management documents for guidance, fostering a culture of collective responsibility and support.

National Accounting Office

On July 03, 2023, the US member firm of KNAV International Limited officially set up a National Accounting Office ('NAO'). The NAO was set up to provide consultation support to the assurance teams on difficult and contentious accounting and auditing issues. By October 2023, this initiative has expanded to other KNAV International Limited member firms, including KNAV Services LLP. The NAO ensures a consistent approach by member firms on technical topics across audit engagements and across geographies. Some of the contentious topics on which mandatory consultation is required are as follows: material uncertainty of going concern issues, qualified or modified audit opinions, impairment of long-lived assets, intangibles and goodwill, fraud considerations. The National Accounting Office has supported the respective member firms through formal and informal consultations on many issues during the short span of their existence.



- The NAO is the central specialist team regarding all relevant topics of accounting standards and auditing standards. This is where all accounting and auditing threads come together, both "top-down" and "bottom-up".
- Identified problems are solved uniformly, quickly, and reliably through deliberations with the audit teams and ongoing new regulations are presented to audit teams and clients in a timely solution-oriented manner. The NAO is involved in KNAV's initiatives regarding ongoing standardization processes.
- The staff of the NAO are experts in the field of GAAP and GAAS and have specialized knowledge of audit methodology as well as many years of industry-related experience in auditing financial statements including auditing public interest entities.
- The NAO's role is the single point of consultation for technical opinions on GAAP and GAAS. The NAO ensures that KNAV Member firms adopt a consistent approach on technical topics.
- The NAO is responsible for overseeing the L&D programs to ensure that teams are kept abreast of updates to GAAP and GAAS and also frame the 'Firm Point of View' on all emerging technical topics.
- The NAO is an indispensable component of quality assurance and a point of contact for offering our clients a high quality of service.

Our partner compensation structure incentivizes sustained long-term performance, valuing varied contributions essential for the firm's success. Partners are encouraged to enhance technical, interpersonal, growth, and personal competencies, aligning with our commitment to continual improvement.

At the core of our approach is instilling a pervasive culture of quality throughout the firm. Our quality management team, in conjunction with firm leadership, assumes responsibility for fostering and promoting a quality-oriented culture. This includes designing and implementing quality management systems that stress the importance of exemplary work, adherence to professional standards, and issuance of corresponding reports.

Our professionals are entrusted to exemplify values and professional conduct that set the standard for quality expectations within our firm and extend the same to our clients. This emphasis on values is reinforced through leadership, continuous education and training, rigorous monitoring, and a process for addressing non-compliance.

We firmly believe that the pursuit of quality should never be compromised by commercial considerations. Inherent in our firm's foundation is a robust risk management framework, allowing us to execute audit engagements efficiently and rigorously. We prioritize assessing, quantifying, and addressing multifaceted risks, ensuring our engagement teams possess the necessary technical competence and capabilities for each engagement.



3

Foundations of the audit process

Foundations underpinning the audit process are paramount in shaping our ethos. At the core of our audit process lie foundational pillars that foster trust and uphold ethical behavior and independence duly woven into the fabric of our operations. Upholding expected standards of conduct and safeguarding client confidentiality and meticulous record preservation resonate as sacrosanct principles within our framework. Our commitment to these ideals is etched into diverse documentation, including robust employment and trainee contracts, declarations, and transparent communication regarding our ethics and independence policies.

The essence of independence, both in perception and reality, stands as a fundamental principle within our operations. Maintaining professional skepticism and making independent decisions devoid of external influences are non-negotiable tenets. Our continuous efforts revolve around encouraging our team members to embrace and embody the fundamental principles outlined in the ACRA Code: integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

•••

In advocating for these foundational principles, we aspire not just to meet industry standards but to exceed them. Embedded within our principles is a steadfast commitment to ethical conduct and independence. These foundational values serve as the North Star guiding our professionals, instilling a strong sense of integrity and an unrelenting drive to consistently deliver exceptional standards of service.



These principles serve as guiding stars, illuminating our path as we navigate the complexities of the audit process. They're not just words on paper; they are the guiding philosophy behind every action we take, every decision we make, and every interaction we have. We recognize that these ethical foundations are not just compliance checkboxes but serve as the compass directing our course toward an audit process steeped in trust, excellence, and unwavering commitment to ethical behavior.

In an evolving landscape, we continue to reinforce and evolve these foundational principles, ensuring they remain dynamic, adaptive, and robust, serving as the cornerstone of our commitment to audit excellence and ethical conduct.

Comprehensive independence, integrity, and objectivity policies have been meticulously developed and disseminated across all client service personnel. These policies are instrumental in ensuring adherence to rigorous independence requirements, meticulously covering the spectrum—from maintaining independence in business and strategic relationships to governing client interactions.

To reinforce our commitment to these principles, all staff involved in audit and non-audit assignments are required to submit quarterly declarations. These declarations encompass statements of confidentiality and a reiterated affirmation of independence concerning all audit clients every quarter, including new clients before the commencement of audit work. Additionally, the audit partner is mandated to document independence considerations for any client immediately upon arising.


A robust training regimen on independence and related policies and procedures is imparted to all client service personnel during onboarding and periodically thereafter. Our training methodologies range from face-to-face sessions to computer-based modules, ensuring a comprehensive understanding of KNAV's independence policies. Regular refresher courses on ethics and independence are conducted to align with evolving standards.

•••

A mandatory annual e-learning course on 'ethics, integrity, independence, and objectivity'. This course is mandatory for all staff members upon initial employment and annually thereafter. This ensures that all KNAV team members are aware of KNAV's ethical requirements, and they adhere to the same. Our Quality Management Manual encapsulates detailed references to our comprehensive independence policies, serving as a vital resource for our teams.

Client onboarding undergoes a meticulous risk assessment process, subject to review and approval at various levels within our firm. The engagement partner, and the quality management team sequentially evaluate and approve new client acceptance, supported by mandatory completion of client acceptance documents and diligent internet searches leveraging public databases. Additionally, we leverage SentroWeb-DJ, an anti-money laundering and counter-terrorism financing (AML/CFT) customer due diligence screening website, for comprehensive Client Due Diligence (CDD).

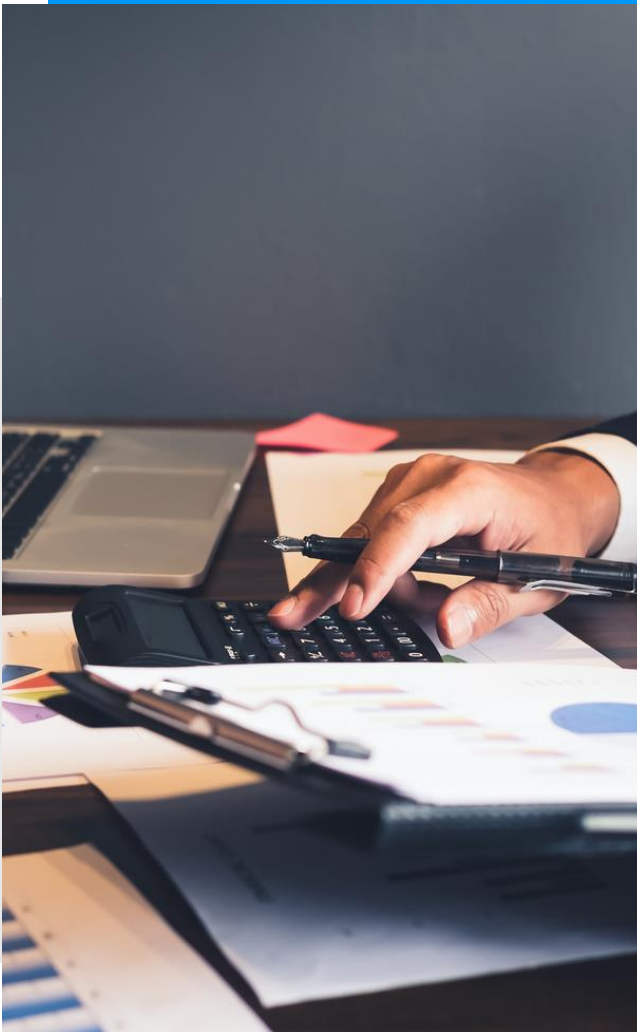
Each audit assignment mandates the completion of engagement level independence forms by the engagement partner and team members, documenting and affirming their independence as well as that of the firm. These forms, stored within audit files, comprehensively address all facets of independence.



In 2023, our Quality Management team undertook several initiatives to fortify our independence and client onboarding policies.

- Regular dissemination of updated ethical standards from ISCA and IESBA to ensure compliance with professional independence and ethical standards.
- Mandatory annual e-learning course on 'ethics, integrity, independence, and objectivity' to ensure that all KNAV team members are aware of the firm's ethical requirements and adhere to the same.
- Updates to the quarterly independence declaration forms to increase the robustness of the declarations signed by all the team members and ensuring that each team member is aware of their responsibilities with respect to the ethical requirements.
- Updates to the KNAV member firm's 'Zero Tolerance Policy' by reducing the stipulated time period for disposal of any financial interest(s) in a restricted entity(ies), to ensure a stringent compliance with the ethical requirements.
- Central functional email (ei@knavcpa.com) to which KNAV team members can send in their ethics/independence related queries.

- Client risk grading system whereby, all continuing/existing clients are reassessed either as PCAOB/listed, A, B or C.
- SentroWeb-DJ, an anti-money laundering and counter-terrorism financing (AML/CFT) customer due diligence screening website, is utilized to perform Client Due Diligence (CDD) and record the results as part of the new client acceptance documents.
- Utilize a web-based tool called 'Global Conflict Check (GCC) Utility' to enhance the independence check process at the time of onboarding a client. This tool enables the firm to perform a search on whether the client or its group entities are being serviced by other KNAV member firms and enlist those services along with other relevant details to complete the new client acceptance procedures.
- Updates to client acceptance process and forms with an emphasis on risk assessment prior to onboarding a client.



Streamlined Client Acceptance Process

For audit services pertaining to public interest entities or their subsidiaries, a conflict check with other KNAV International member firms is conducted. Subsequently, the engagement partner initiates the new client acceptance process, reviewed by the Quality Control and Risk Management team before final approval.

For other audit prospects and non-attest services, a similar process is followed, ensuring meticulous review and approval at multiple stages to reinforce adherence to independence and ethical standards.

4

Quality Management, Audit Methodology and Monitoring

Quality Management

Our definition of audit quality centers on the consistent delivery of reliable and independent audit opinions, achieved through constant adherence to auditing standards and the application of professional skepticism. We harness the collective experience, skill sets, and technological advancements available to us in this pursuit.

We maintain our commitment to quality management through compliance with the Singapore Standards of Quality Management (SSQM) 1.

We implemented the new SSQM 1 standard effective from December 15, 2022. Refer to the section Singapore Standards on Quality Management below.

Compliance with international and national quality management standards forms the backbone of our operations. We actively engage in KNAV International Limited's global internal quality assurance program, ensuring alignment with globally recognized benchmarks.

A paramount emphasis is placed on conducting high-quality audits, integrating rigorous audit processes and thorough quality control procedures that comply with diverse legal and regulatory frameworks. Our robust audit quality and risk management frameworks facilitate the consistent delivery of high-quality audits, aligning with multifaceted professional, regulatory, and legal requirements. This ethos is instilled through a culture of audit quality, where team members are vested with accountability and are well-versed in identifying and addressing risks that may impact audit quality.

Continuous review and adaptation of our quality management system, coupled with real-time monitoring of significant audit issues, reinforce our commitment to maintaining a culture that fosters high-quality audits.

Our audit teams adhere rigorously to consistent processes and leverage cutting-edge technologies while upholding principles of integrity, objectivity, and professional skepticism. Embracing technology empowers our teams to reimagine the future of audits and proactively prepare for upcoming challenges.

Each audit engagement is accurately structured, considering its risk profile, complexity, and specific experience requisites. This detailed planning consists of the audit schedule, enabling identification of requisite quality management procedures and the engagement of internal or external specialists when needed. This strategic approach facilitates effective timing and staffing for our audit work.

The composition of our audit teams plays a pivotal role in driving audit quality. Timely involvement of senior professionals such as engagement partners, directors, or managers during planning and risk assessment stages ensures a nuanced understanding of audit risks and a tailored response based on client-specific circumstances. This strategic allocation of work fosters the development of younger staff, nurturing them toward becoming future leaders.



● ● ●

We commit to forging and maintaining relationships and assurance engagements based on three fundamental pillars: possessing the necessary skills, compliance with ethical requirements, and a reflection on the integrity of our clients.

Excellence in technical proficiency, audit quality, and adherence to stringent ethical standards form the basis of our training programs. We instill an objective and skeptical mindset in professionals right from the outset, providing continuous learning opportunities and embedding technical expertise evaluation within our annual performance appraisals. The engagement partner and teams remain engaged throughout the audit process, providing continuous feedback, coaching, mentoring, enabling consultations, and facilitating on-the-job training.

Singapore Standards on Quality Management

The Institute of Singapore Chartered Accountants has approved a new set of quality management standards – SSQMs that have replaced the hitherto Singapore Standard on Quality Control, from December 2022. These standards focus on creating a more robust, proactive, and effective system of quality management. A quality management system is necessary to create an environment that enables and supports engagement teams in performing quality audits.

We implemented the new standards effective from December 15, 2022.

In accordance with the requirements of SSQM, we designed and implemented a system of quality management (“SOQM”) covering the eight components of the standard. The firm uses a web-based tool by Grant Thornton namely, QM.X™ to maintain its SOQM. The firm's SOQM is supported by its Quality Management Manual and various Standard Operating Procedures (SOPs) and process notes.

SSQM 1 mandate that at least annually the SOQM is evaluated by the individual(s) assigned the ultimate responsibility of the SOQM. These individual(s) are required to conclude on the effectiveness and efficiency of the SOQM's ability to provide the firm with reasonable assurance that the objectives of the firm are achieved.

We have implemented a system of monitoring of the respective firm's system of quality management in accordance with the requirements of SSQM 1 during 2023. The firm performs periodic (monthly, quarterly, half-yearly, annually, as the case may be) monitoring of the SOQM based on the testing plan prepared in January 2023. This monthly testing of areas of SOQM ensures that the firm evaluates the existing policies and procedures on a periodic basis and tests the operating effectiveness of controls.

The annual evaluation conducted on December 15, 2023, provides reasonable assurance that the quality objectives of the SOQM are successfully achieved.

Audit methodology

Adhering to applicable auditing standards, we diligently pursue reasonable assurance in assessing whether financial statements are fairly presented in all material aspects. It's essential to note that reasonable assurance, while robust, does not signify a guarantee. Our audit entails a meticulous examination of underlying evidence, encompassing client-provided information and reports, conducted on a sample basis.



Our engagement partners play a pivotal role in ensuring that our engagement teams possess skills and knowledge aligned with the specific demands of each engagement. Maintaining an objective mindset and fostering professional skepticism are non-negotiable attributes expected from all staff members. We invest in their education and training, equipping them with a comprehensive understanding of our audit strategy and detailed approach. This preparation ensures clarity on the work at hand and provides them with the necessary resources.

While the engagement partner oversees the engagement, even with delegated tasks, they carefully review audit documentation and engage in discussions with the team. This review ensures the acquisition of sufficient and appropriate audit evidence to substantiate conclusions and facilitate the issuance of the auditor's report.

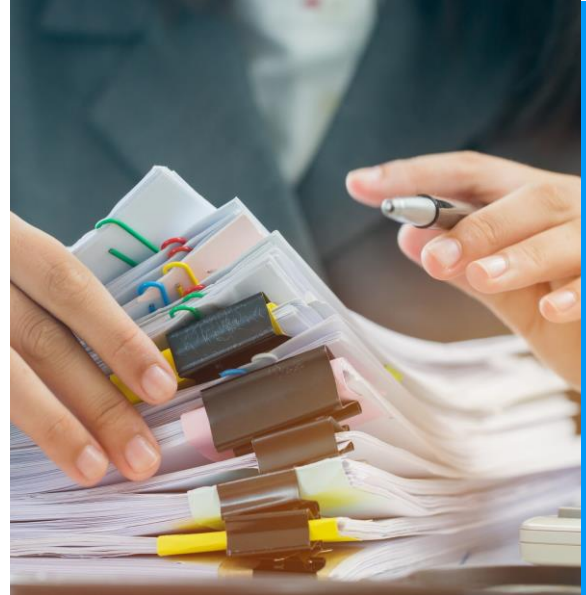
Upon completion of the engagement partner's review, critical deliverables such as reports, management representation letters, financial statements, and relevant information undergo a final review by the quality management team before issuance of the Unique Authorization Code (UAC). The UAC serves as a pivotal step in our quality and document control process, uniquely embedded in each attest report released by the firm.

In the realm of complex business transactions and tech-driven client enterprises, navigating intricate accounting scenarios is commonplace. Our policy mandates required and recommended consultations, guiding team members when faced with such complexities. We foster a culture where formal and informal consultations are encouraged, ensuring compliance with professional standards while nurturing a conducive learning environment for our team members. Collaboration and consultation among staff, managers, and partners at KNAV are instrumental in arriving at sound accounting and audit conclusions.

In response to our engagement teams' growing requirement for an avenue of swift consultation, we had set up a National Accounting Office in 2023. The NAO was set up to provide consultation support to the network and international assurance teams on difficult and contentious accounting and auditing issues. The NAO is the central specialist team regarding all relevant topics of accounting standards and auditing standards and has been instrumental in assisting our engagement teams deliver a high quality of service. A detailed understanding of the NAO is available in NAO team, roles, and responsibilities section above.

Reporting audit results to entities overseeing corporate governance—be it an audit committee or the board of directors—involves communicating crucial elements: the planned audit scope, significant accounting issues, identified misstatements (corrected and uncorrected), material weaknesses, significant deficiencies in internal controls over financial reporting, and pertinent independence matters. Our audit team securely archives its work electronically on CaseWare Cloud, following our firm's record retention policies, adhering strictly to professional standards.

As part of KNAV International Limited's drive for consistency among member firms, KNAV Services LLP has initiated the development of standardized audit work papers. This standardized approach aids in ensuring coherence and clarity across our engagement teams' work. Regular training sessions conducted by our Quality Management and Learning & Development teams familiarize engagement team members with these standardized work papers. This initiative commenced in late 2022 and continued throughout the year 2023.



Monitoring

Monitoring and maintaining quality control policies and procedures are essential for our internal control framework. Our monitoring process aims to ensure adequacy, effectiveness, and real-world adherence to these policies within our quality management system.

Our determined focus on audit quality drives our robust monitoring endeavors, crucial for sustaining our quality management system. We emphasize continuous, high-quality execution of audits, perpetually seeking ways to enhance performance.

At KNAV, we've developed an Audit Quality Monitoring & Measurement (AQMM) program tailored to meet our specific requirements. This program serves as the linchpin for credible, real-time quality monitoring, aligning with our constant drive for improvement. Early issue identification remains paramount, steering our remedial action plan. Our top priority is consistently delivering the highest quality service, challenging ourselves to maintain exceptional standards.

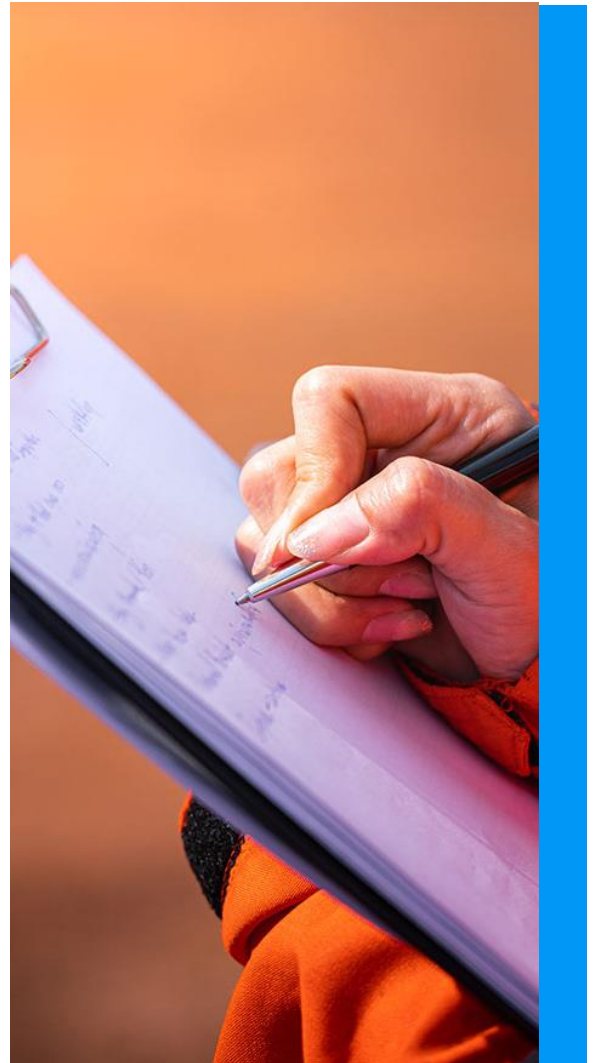
•••

We employ various measures to track audit quality, incorporating internal inspection, pre-issuance reviews, and external inspection. The selection of audits for inspection considers multiple factors, including entity-related risk assessments, priority sectors, and insights from prior monitoring reviews. These inspections encompass a comprehensive set of procedures, ensuring robustness in acceptance and continuation protocols, risk identification, documentation adequacy, review of audit adjustments and financial statements, and appropriateness of audit conclusions based on evidence obtained.

Continuing our ongoing evaluation of compliance, we conduct quarterly checks on independence requirements, entity document structures' conformity, and effective utilization of advanced tools like CCH TeamMate Analytics, Caseware IDEA software, Thomson Reuters Practice Aids, and CaseWare Working Papers. Emphasizing technology utilization, we provide training to optimize these resources, aiming for efficient and effective usage among team members.

The firm and network on regular intervals introduce with various tools and technology aids in their daily jobs to assist the engagement teams in providing best practices. In calendar year 2023, firm made it a point to step up with new tools such as auto-emailers and global conflict check utility. A detailed understanding of the technology and tools in use by the firm is available in 'Technology, Tools, and Information Security' section below.

Our internal inspections of completed and ongoing audit engagements and pre-issuance reviews are vital components of our quality management system. These reviews focus on new standards, policy implementation, methodology enhancements, and key findings from prior inspections, facilitating timely feedback to audit teams. The aim is to integrate learnings before the completion of fieldwork.



From January 2023 onwards we aligned these monitoring activities with our annual evaluation of the firm's Standards of Quality Management (SOQM) per SSQM 1 requirements. Documented findings from these activities have been channeled into the QM.X™ tool, reinforcing our commitment to SSQM 1 compliance, as discussed in detail in the Singapore Standards on Quality Management section above.

Our pre-issuance reviews critically evaluate audit work on selected engagements before report issuance. These reviews, under QCRM leadership, offer timely feedback to teams, allowing integration of learnings into ongoing audits. They emphasize new standard implementation, methodology enhancements, and insights from previous inspections. During the year, we performed 1 pre-issuance review.

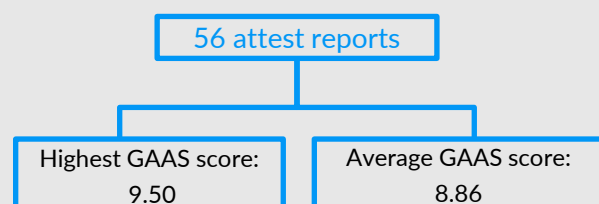
Further bolstering our commitment to quality, internal inspections post-audit report issuance assesses the application of quality control procedures, adequacy of audit approach implementation, policy adherence, local law compliance, and overall service quality. The selection of audits for these reviews is based on risk and other factors mentioned in our quality control reviews section. During the year, we performed 8 post-issuance reviews.

Based on these reviews, we identify specific training needs for our audit teams, promptly incorporating them into our learning and development calendar. Immediate action is taken by organizing training sessions catering to these needs.

Observations from internal pre-issuance and internal audit reviews have prompted us to implement various measures for enhancing audit quality and team performance. Regular training sessions on audit methodologies, standardization of working papers, and the introduction of standardized work aids signify our commitment to uniform and improved audit procedures across engagements and locations. Ongoing monitoring ensures adherence to these standardized practices.

Scoring and recognition

All engagement files are evaluated and provided with what we call a GAAS score. Archival of files within the mandatory time limit is given highest importance. In this way we have commenced to recognize our professionals who have been involved in positive quality events for their contribution to audit quality



Audit Olympiad

To recognize and award those engagement teams that showcased and promoted high quality of audit, 'Audit Olympiad' was launched in the year 2022. For Audit Olympiad 2023, a team of six independent senior audit members from the US and the India member firms were the chief evaluators.

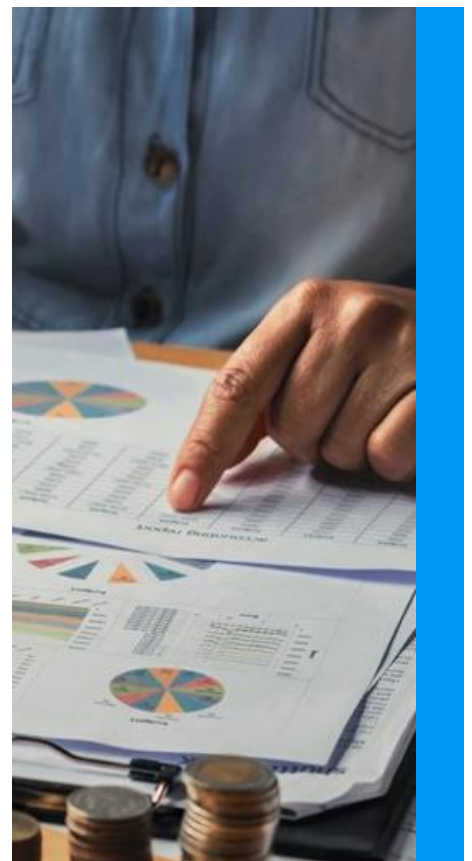
For this Olympiad, files with the best GAAS scores and a full coverage of the engagement team members were selected. The judges had a total of 5 files for evaluation. The best engagement file was recognized and awarded.

KNAV International Limited Network Quality Monitoring

We perform our engagement file reviews at two levels. The first round of engagement file reviews or the national level review is conducted by the National Quality Management ("NLQMT") team, whereas the second round of engagement file reviews is performed by the Quality Management (QM) team of KNAV International Limited ("Network level review"). Both reviews are conducted in accordance with the Quality Management Review program ("QMR") to ascertain the audit quality for all attest functions of the Network member firms.

The network level reviews are conducted under the leadership and guidance of the International Quality and Risk Management Partner ("QCRMP") of KNAV International Limited.

The QMR is a defined set of policies and procedures prepared by KNAV International to assess the audit quality of network firms and conduct ongoing monitoring. In accordance with the QMR, the Network level review is performed annually. The engagement files selected for Network level monitoring are a mix of engagement files reviewed by the NLQMT and those not previously reviewed by the NLQMT.



The engagement files are graded based on the following:



Grade "A"

No concerns about audit quality although the reviewer may identify some minor improvement points.



Grade "B"

Limited concerns in relatively isolated audit areas.



Grade "C"

Improvement required: gaps or weaknesses in audit evidence or more widespread weaknesses in documentation in multiple audit areas.



Grade "D"

Significant improvement required: significant concerns over the adequacy or appropriateness of audit evidence or judgements in one key audit area or multiple issues across several different audit areas.

During 2023, KNAV International performed Network level reviews on a total of 4 engagement files, out of which 3 were post-issuance reviews and 1 was pre-issuance review. Per the provisions of QMR, only post-issuance reviews are graded. All 3 engagement files on which post-issuance reviews were performed, were graded 'B'. We received an overall grade of 'B' on our engagement file reviews.

In addition to the engagement file reviews, KNAV International also performed a systems review or practice management review. The systems review/practice management review was undertaken basis the requirements of the Singapore Standards on Quality Management.



•••

KNAV International did not have any significant observations regarding the system review/ practice management review. The firm was graded based on the following:



Grade A (Green Light)

Satisfactory; no concerns about the system of quality management.



Grade B (Amber Light)

Improvements required.



Grade C (Red Light)

Significant improvements required.

We have received 'Grade A (Green Light)' for our practice management.

Handling Complaints and Allegations

Our policies address complaints or allegations concerning work conducted by the firm that purportedly fails to align with professional standards, legal obligations, or the firm's quality control system. We acknowledge the significance of fostering an environment where employees can report concerns without fear of retaliation. All complaints or irregularities raised are treated with utmost confidentiality, and efforts are made to maintain anonymity throughout the process. Depending on the gravity of the complaint, we may seek permission from the complainant to disclose their identity.

Our approach to managing complaints and allegations involves a structured process:

- **Fact Identification**

Conducting interviews and scrutinizing evidence to establish the facts of the situation.

- **Breach Determination**

Assessing if there has been a breach and its implications, considering professional standards, legal and regulatory requirements, and internal policies.

- **Consultation**

Engaging relevant individuals within the firm or legal counsel, if necessary.

- **Documentation**

Summarizing findings in a report, including recommendations if pertinent.

- **Responding**

Addressing the concerns raised by communicating our findings to the complainant.



Upon investigation, if deficiencies in our quality control system or non-compliance by individuals within the firm are identified, appropriate actions are taken. These actions may include:

- Training for individuals involved to improve knowledge and compliance.
- Instituting disciplinary measures such as compensation adjustments or performance evaluation revisions.
- Enhancing the firm's quality control policies and procedures to prevent future occurrences.

In the event of an employee noticing a colleague's unethical or questionable conduct, including abuse of authority, discrimination, ill-treatment or harassment of other employees, conflicts of interest, fraudulent/collusive practice, or other violations of the Codes of Conduct, the employee needs to report to:

Country Leader:

dominique.tan@knavcpa.com

ISCA: <http://www.isca.org.sg/the-institute/publicinterest/complaints-disciplinary-process/lodging-a-complaint/>

6

Technology, Tools, and Information Security

Our audit methodology seamlessly integrates risk-based strategies with cutting-edge technology. While a select few champion the adoption of modern technology, we consistently strive to train our larger audit teams to adeptly use technology for effectiveness and consistency. Technology has spearheaded a revolution in the audit landscape, a shift that became even more pronounced during the global pandemic. The fusion of skilled leadership and advanced technology empowers our firm to make a substantial difference for our clients. It elevates audit quality, offering enhanced transparency, security, real-time delivery, invaluable insights, efficiency, and a delightful client experience.



Tools we use

- **CaseWare™**

Cloud-based audit documentation. This tool facilitates paperless and cloud-based audits.

- **CaseWare IDEA™**

Analyzes and evaluates data. This is a solution for collecting, analyzing, and tracking data from diverse data populations.

- **CCH TeamMate™ Analytics**

Analyzes and evaluates data. This is a Computer Aided Audit Tool (or CAAT) that allows us to perform powerful data analysis to deliver significant value for the engagement.

- **Citrix ShareFile™**

Cloud-based platform that provides a secure and collaborative environment for exchanging documents, information, and requests.

- **RightSignature™**

This tool aids in sharing documents for digital signature.

- **Hello Sign™**

This tool aids in sharing documents for digital signature.

- **DataSnipper™**

Intelligent audit platform within MS Excel that accelerates the speed and quality of audit. It assists in automating and documenting tests of details, tests of controls, walkthroughs, and financial statement procedures.



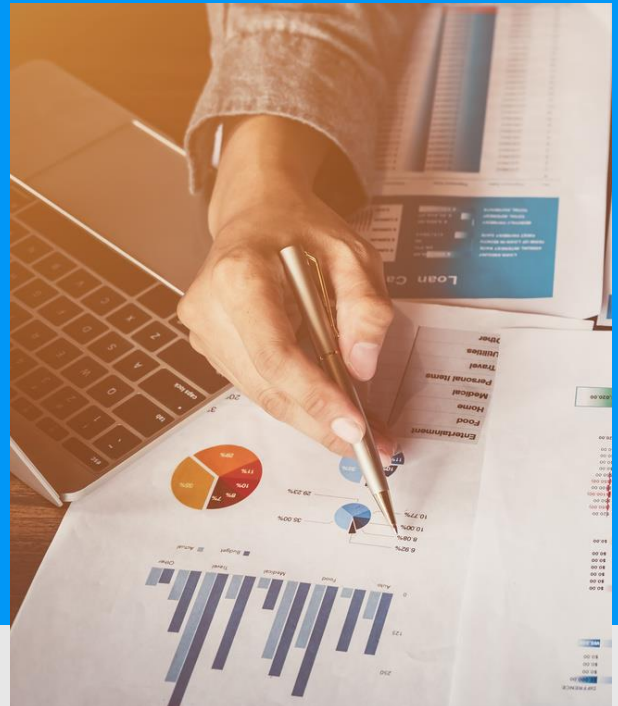


- **Auto-mailers**

Our Digital Acceleration and Efficiency team developed excel based auto-mailers for automating receivables, payables, bank, and employee confirmations, and UAC requests.

- **Global Conflict Check utility**

A web-based tool to enhance the independence check process at the time of onboarding a client. This tool enables us to perform a search on whether the client or its group entities are being serviced by other KNAV International Limited member firms and enlist those services along with other relevant details to complete the new client acceptance procedures.



Information Security

Updating our information security policy in 2022 marked a pivotal step in broadening its scope. It now extends to safeguarding information resources belonging to third parties, including contractors associated with KNAV Services LLP. Our policy defines stringent technical controls and security configurations that both users and IT administrators must implement. Covering aspects like acceptable technology usage, email, internet connections, and information processing, this policy ensures the integrity and availability of data within KNAV Services LLP's environment.

This policy unifies security requirements across all KNAV Services LLP personnel and systems that interact with or handle information. It extends to all equipment, whether connected to the KNAV Services LLP domain or used independently at office or remote locations.



7

Training and Continuous Professional Education

At KNAV, a culture of learning is ingrained in our ethos. We firmly believe that continuous learning is key to continuous improvement. Our professional development program is precisely designed to bolster the professional, leadership, industry, technology, and technical skills of our team. Our Mumbai center of excellence attracts budding talents, offering them an opportunity to work alongside seasoned professionals and gain hands-on experience in exercising professional judgment and skepticism.

We provide on-the-job training, closely supervised, and mentored by senior professionals, complemented by technical webinars and personal interactions. Through ongoing development processes, we promptly identify areas for improvement based on consultations, pre-issuance reviews, and inspections.

New team members receive comprehensive training in our audit processes, with evaluations and feedback forming the basis for additional training and career advancement. Our professionals are required to complete a minimum of 40 hours of learning and development training annually, tailored to their focus and specialization, in addition to mandatory CPE hours. Failure to meet these requirements can impact their performance evaluation and compensation.

•••

We have subscribed to Prolaera Learning Management System (Prolaera) which is made available by Allinial Global. Prolaera has been created specifically for accounting firms. It permits us to select and purchase educational content and tools per the learning needs of our firm. Its insightful innovative design supports mobile learning and features visual dashboards that make it easy to access courses and track CPE.

Becker Professional Education (Becker CPE) offers educational resources for professionals in the areas of accounting, finance, project management, and healthcare. Our continuing inclusion of Becker CPE in our existing L & D module has provided us with an influx of self-study courses covering technical, technological, and non-technical content. Some of the topics covered by the courses include regular accounting and auditing updates, tax and regulatory matters, ethical requirements, etc.

During 2023, we have changed our subscription from Becker CPE to Surgent Accounting and Financial Education (Surgent CPE), which provides us with a wider range of training opportunities in areas such as accounting and auditing, business and industry, ethics, financial planning, personal development, taxes, practice management, etc.

The introduction of Lorman Education Services (Lorman) as an additional training provider has enriched the courses provided to our team members. Lorman's training courses cover a variety of financial and non-financial topics including but not limited to accounting, tax, financial services, business skills, personal development, legal, healthcare industry, construction industry, etc.

In addition to the subscribed learning portals and CPE providers, we encourage our team members to participate and attend external trainings per their personal and business requirements.

Additionally, we require our team members to undergo 10 hours of non-technical trainings which could span from informative topics such as information technology and security to personal development topics such as communication skills, leadership skills, etc.

An example of non-technical trainings provided to our team members include a mandatory annual e-learning course on cybersecurity and data security awareness.

Other than in-house non-technical trainings, our Learning and Development Team prepares a learning calendar which contains at least 10 hours of non-technical trainings provided by either the subscribed learning providers or external learning providers.



•••

KNAV Academy, our in-house leadership and soft skills training program, has assisted our senior management such as partners, directors, senior managers, and managers, in undertaking various leadership trainings to enhance their skillset. Leadership programs such as KNAV Transform 2023 were made available to all our managers, which enabled them to enhance their communication skills, leadership skills, and people skills. External leadership programs provided by Stanford Online were offered to partners and directors for enriching their leadership and management skills.

Completion of required CPE hours is an essential part of our Learning and Development efforts. The Learning and Development team tracks and ensures that all our team members complete their required CPE hours within the stipulated time. Inclusion of training and development in the performance evaluation also encourages our team members in timely completion of their CPE requirements.

Our learning and development team continuously monitors and adjusts training plans throughout the year, correlating these adjustments with findings from reviews. Regular reports are issued to supervisors for discussions and enhancements, ultimately driving improvements in individual performance and reflecting positively in our audit engagements.

Our partners, with extensive experience, oversee the auditing process, providing external CPE courses and conducting regular technical updates. We ensure strong attendance at training sessions, conducting follow-ups with absentees to ensure understanding and completion.

During the year, we imparted various trainings to our engagement teams, such as,

- Training workshops on the following newly introduced standardized audit working papers amongst other training topics.

<ul style="list-style-type: none"> • Related Party Transactions • Payroll • Trade Payables • Trade Receivables • Inventory • Loans & Borrowings • Fraud Risk 	<ul style="list-style-type: none"> • Property Plant & Equipment & Capital Work in Progress • Auditing of Accounting Estimates • Audit Sampling • Audit program on Non-compliance with laws and regulations (“NOCLAR”) • Going Concern • Journal entries testing
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------
- Training on ISA 240 and relevant national equivalents was conducted by the firm in February 2023, to ensure proper compliance and documentation of fraud risks. This training emphasized on the practical aspects of professional scepticism while assessing fraud risks and documentation of the same.



- A mandatory annual e-learning course on ‘ethics, integrity, independence, and objectivity’. This course is mandatory for all staff members upon initial employment and annually thereafter. This ensures that all KNAV team members are aware of KNAV’s ethical requirements, and they adhere to the same.
- A mandatory annual e-learning course on cybersecurity and data security awareness. This course is mandatory for all staff members of the Network member firms upon initial employment and annually thereafter.

These initiatives contribute significantly to our commitment to excellence in audit quality and performance.

7

Our knowledge library

KNAV considers team-based audit service delivery, which includes timely executive (partners and managers) involvement throughout the audit, and allows alternative solutions depending on client circumstances, professional judgment, and audit team input.

We make enhancements to our audit methodology and related guidance regularly because of new standards, emerging auditing issues, or implementation experiences:

- **New or Amended Audit Standards**

Changes to policies and procedures are made whenever auditing standards are changed by the recognized standard setting body.

- **New Accounting Pronouncements**

Changes in guidance occur when new accounting pronouncements are issued.

•••

We provide online subscription-based access to several updated reference libraries and access to technical helplines. These libraries include subscriptions to Thomson Reuters Checkpoint tools and include materials related to clients served that should be consulted to assist professional staff in their research of technical issues. These online services and technical helplines include access to:

- EP-100 Code of Professional Conduct and Ethics
- EP-200 Anti Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines Professional Accountants in Singapore
- Accounting Standards Council Singapore (ASC) pronouncements and interpretations, including original pronouncements and amended pronouncements.
- ISCA audit and assurance resources
- MAS rules and regulations.
- PCAOB audit guide.
- Allinial Global Knowledge Connect
- E&Y Accounting and E&Y Tax part of the Allinial Global website (Technical Research Tool)
- PPC management letter comments - operations and internal control and expense reduction recommendations
- Becker Professional Education – guides and updates on professional ethics, accounting standards, and auditing standards as prescribed by AICPA, SEC, and PCAOB
- Surgent Accounting and Financial Education (Surgent CPE) – trainings on accounting and auditing, business and industry, ethics, financial planning, personal development, taxes, and practice management.
- Lorman Education Services (Lorman) – trainings on accounting, tax, financial services, business skills, personal development, legal, healthcare industry, construction industry, and other sectors.
- Greentick Technical Resources - Accounting & Ind-AS Platform, encompassing Editorial Insights, Audit Checklists, Accounting Matters Compilation, and other details.



KNAV has charted a course to be one of the world's leading accounting and consulting firms over the last two decades. We provide an expansive suite of public accounting services which includes accounting, assurance, taxation, international transfer pricing, global risk consulting, and business advisory services. With over 500+ professionals in 6 countries, our team combines local insights with global expertise to design powerful strategies and help our clients stay ahead of the curve. Our commitment to customer service, integrity, and innovation makes us the best choice for businesses of all sizes.

US | India | Singapore | UK | Netherlands | Canada

© KNAV 2023

USA

Atlanta

One Lakeside Commons, Suite 850, 990 Hammond Drive NE, Atlanta, GA 30328

New York

1177 6th Ave 5th Floor, New York, NY 10036, USA

Houston

6430 Richmond Ave., Suite 120, Houston, TX 77057-5908

India

Mumbai

7th floor, Godrej BKC, Bandra Kurla Complex, Mumbai 400051

Bangalore

306, 3rd Floor, Embassy Square, 148, Infantry Road, Bangalore 560001

Canada

55 York Street, Suite 401, Toronto, ON M5J 1R7, Canada

Singapore

70 Shenton Way, #13-03 Eon Shenton, Singapore 079118

UK

Ground floor, Hygeia Building, 66-68 College Road, Harrow, Middlesex HA1 1BE

Netherlands

Fokkerstraat 12, 3833 LD Leusden, The Netherlands

Disclosure

KNAV Services LLP is a member firm of KNAV International Limited, a network of legally independent accounting and consulting firms providing services in six countries, and of Allinial Global, an association of legally independent accounting and consulting firms.

References to 'KNAV' mean one or more members of KNAV International Limited and /or any of their affiliated businesses as the context requires. KNAV Services LLP is registered with and regulated by The Institute of Singapore Chartered Accountants and The Accounting and Corporate Regulatory Authority.

KNAV Advisory Services Pte. Ltd. is a member firm of KNAV International Limited, a network of legally independent accounting and consulting firms providing services in six countries, and of Allinial Global, an association of legally independent accounting and consulting firms.

References to 'KNAV' mean one or more members of KNAV International Limited and /or any of their affiliated businesses as the context requires.

KNAV Advisory Services Pte. Ltd. provides tax and business consulting services. It is neither registered with nor regulated by The Institute of Singapore Chartered Accountants.