

Group transparency report 2023/2024

forvis mazars



Contents

04 Foreword

06 Introduction

08 Who we are

22 Our Group quality management system

44 Delivering audit quality

Foreword
Built for what's next

A year ago, in the foreword to our 2022/2023 Group transparency report, I wrote that we were living in a time of uncertainty. Today, unfortunately, that is still the case. There is instability in the global geopolitical environment, with wars in Ukraine and the Middle East. In addition to the suffering this brings, it adds risk and uncertainty to the business environment.

Against this backdrop, it is challenging to plan for the long term, making agility more crucial than ever. On the positive side, the global economy is relatively strong, and with inflation easing, growth is steady and predicted to continue in the immediate future. Our organisation is well positioned to capitalise on this growth and equipped to provide our clients with the clarity they need to pursue their ambitions with confidence.

A new global player

With the launch of Forvis Mazars at the start of June 2024, our 40,000+ strong team now blends scale, capacity and coverage with agility, profound insight and a tailored approach, delivering audit, tax and advisory services in more than 100 countries and territories. This is a significant development in the history of our firm, and I am pleased with the very positive response it has generated from all stakeholders – the market, our clients, our partners and our people. The news also received an enthusiastic reception from regulatory bodies due to the increased competition it has brought to the market and the positive impact this is having on clients everywhere, especially as more obligations are placed upon them.

The formation of Forvis Mazars has propelled us into the ranks of the top 10 audit, tax and advisory firms in the world, creating an international platform that offers our clients a broader, seamless experience. In 2025, we will continue to focus on collaboration across the network, with ongoing investment in our quality and risk management framework and IT tools, which will deliver an enhanced client experience. We now have the right structure to consolidate our existing business and drive organic growth with our clients, wherever they operate.

Our financial performance in 2023/2024 is a testament to this strategy and the dedication of our partners and people. We continue to achieve double-digit growth across the Group, with 11.1% organic growth and an additional 0.9% in external growth. By service line, Audit & assurance achieved 11.8% growth, making 2023/2024 one of the strongest years ever for this part of our business, driven by a growing demand for assurance in many markets. Financial advisory, Consulting and Sustainability performed excellently, achieving 12.3% growth, followed by Tax and Legal at 12.2%, and Outsourcing at 8.0%, showing real resilience despite market conditions. The growth of our sustainability business also highlights a positive trend, where more of our clients are taking significant steps towards becoming environmentally and socially responsible firms.

Delivering quality and the best client experience

Building on these successes, we will continue to enhance the experience we offer to all our clients. We already use the Net Promoter Score metric to survey our clients and measure their satisfaction with our service. I believe it is crucial to know what our clients think about the services we deliver because it enables us to continuously improve and tailor our approach.

Delivering high-quality services requires highly motivated teams that are happy to be working in our firm, and this is also something we measure, with our Group-wide people survey. We aim to ensure our people enjoy working for our firm by tackling the challenges their feedback presents, and ensuring we are aligned with our culture and values. To further empower our teams to deliver their best, we continue to invest in our digital transformation, such as our custom audit platform, Atlas; our digital collaboration portal, Signals; and AI-powered tools that make working life easier and more productive for clients, while upholding the standards and behaviours of our Group code of conduct.

Foreword
Built for what's next

The quality of our audit services can also be measured by regulatory reports. There are currently nearly 80 countries where our audit & assurance work is overseen by independent regulators. We welcome these regular inspections as they give us a clear indication of our performance and highlight opportunities to improve. We continue to capitalise on the International Standard on Quality Management 1 (ISQM1), which supports us in enhancing our firm's processes, while also investing in teams to work alongside our professionals, helping them to refine their approach and quality of work. All of this drives continuous improvement in client experience, which is a major lever for organic growth.

Enhancing sustainability for our industry, our clients and our communities

As auditors and advisors, we are an essential element in our economies' chain of trust and have a critical role to play in securing the health of financial markets. We regularly contribute to discussions on the future of our industry, engaging with key stakeholders and regulators through our involvement in professional organisations, working groups and institutions around the world. For instance, we have been a key player in the European Financial Reporting Advisory Group's Project Task Force, which works on non-financial standards and metrics.

Our own sustainability targets have recently been approved by the Science Based Targets initiative (SBTi), indicating that our roadmap is in line with the SBTi's objective to keep global warming within 1.5 degrees Celsius. Our approved targets include a commitment to reduce scope 1 and scope 2 emissions by 64% by 2030 and achieve net zero greenhouse gas emissions across our entire value chain by the end of 2045.

Of course, our sustainability ambitions do not stop there. We are also working with many of our clients on their sustainability journeys, from measurement and mapping to emissions reduction. This is an increasingly dynamic area of our business and one that we believe has major growth potential for the future, making it a key element of our ongoing corporate sustainability strategy.

Built for what's next

The steps we have taken over the past year have been unprecedented. We have become a truly global player, with a unique platform formed by only two firms. We have the size, consistency and service quality to continue to move forward and grow, offering clients an unparalleled experience, increased choice in a concentrated but vital market, and teams that can truly work across borders for international organisations. We are built to serve clients of all sizes and needs, providing the global skills demanded by very large international businesses as well as the local understanding and insight required by medium-sized companies. This structure will continue to be very attractive to our clients, and, as Forvis Mazars Group, we have retained our integrated partnership model, which is a highly appealing proposition for attracting the best talent in the industry.

Stewardship is one of our core values, and as we have grown and strengthened our business, we have decided to evolve our governance framework. This will allow us to continue to grow our partnership as a distinctive and resilient force in the markets and societies in which we work and live. Under our new model, governance and oversight of key topics will be provided by a Group Governing Board, with a Group Executive Committee entrusted with leadership, decision making, and the day-to-day delivery and implementation of our Group's strategy.

While uncertainty may dominate the headlines and the current geopolitical situation, we are confident that we have never been in a better position to provide exciting, rewarding opportunities for our people and to deliver the exceptional multidisciplinary expertise that our clients and the market require.



Hervé Hélias
Chairman, Forvis Mazars Group

Introduction
Strong quality and risk focus

The significance of the role we play in protecting the public interest remains as vital as ever in the face of an increasingly complex landscape, one of evolving regulations, fast-paced technological advancements and global economic and political tensions. In response, at Forvis Mazars Group, we are aware of our responsibility in providing transparency and building trust. We remain focused on continuous improvement and on delivering quality engagements across our service lines, supported by a robust internal quality control framework.

We continue to take pride in our quality culture, a core pillar of our One24 quality roadmap, and our continued commitment to delivering professional excellence. All partners and staff of the Group are guided by the shared values that underpin our culture – values built upon the foundations set by our founder, Robert Mazars, in the 1940s, which remain relevant today.

2023/2024 saw us enter the final year of our four-year quality roadmap. I am delighted to report that we have once again made solid progress, with many achievements and change initiatives coming to fruition during the year. Key highlights for me include:

- **Creating a new global top 10 network:** The creation of the Forvis Mazars global network, which launched on 1 June 2024, involved a strong quality and risk focus, including key independence requirements, conflict identification and resolution, and alignment on reputation risk management.
- **Increasing focus on risk appetite:** Integral to delivering managed and sustainable growth, a clear understanding of our risk appetite enables us not only to grow, but to grow wisely. During the year we renewed our focus on our risk appetite, starting with new policies, training and guidance related to acceptance and continuance.
- **Delivering conflict checking tool enhancements and successful onboarding activity:** This year included continuous improvement to our existing independence and conflict checking tool, WeCheck, which is now fully implemented in all our member firms. In addition, the Group WeCheck team supported the onboarding of Forvis Mazars, LLP into the system, making it a truly global tool across our network. The operation of WeCheck was also enhanced to include integration of new know-your-client and anti-money laundering functionality embedded within the tool.
- **Continuing to refine our monitoring programme:** In 2022/2023, we overhauled our approach to Group-led monitoring programmes, which act as our third line of defence in our risk management and control system, to align with our new approach to testing and evaluating our system of quality management under ISQM1. During 2023/2024, we continued to refine our monitoring approach, leveraging the experiences of the previous year to full effect. In addition, we rolled out quality and risk indicators embedded within a non-financial country dashboard.
- **Reinforcing our quality and risk management (Q&RM) governance, leadership and resourcing:** During 2023/2024, we continued to reinforce the competence, capacity and skillsets of Q&RM related resources at Group and regional levels and navigated through leadership succession, identifying new Q&RM talent along the way. The future looks bright, with new emerging leaders across all aspects of Q&RM.

I am proud of the hard work, passion and dedication of our quality leadership and teams throughout the Group. They have invested significant time, effort and innovative thinking into refining our quality management framework, driving our network readiness Q&RM-focused projects, and continuously striving to improve, collaborate and learn from one another, including from our new friends at Forvis Mazars, LLP.

Introduction
Strong quality and risk focus

We may be drawing to a close on the One24 strategy with ‘quality as the backbone’, but the quality journey does not stop here. We look ahead with much excitement and with renewed energy to focus on doing all we can to make our new, unique top 10 global network a success – one with a culture we’re proud of, with quality at the core and a risk-focused mindset.

We recognise the continued importance of providing transparency and insights into our approach to quality management and our performance in this area. This transparency report sets out clearly that approach. We hope you find it insightful.



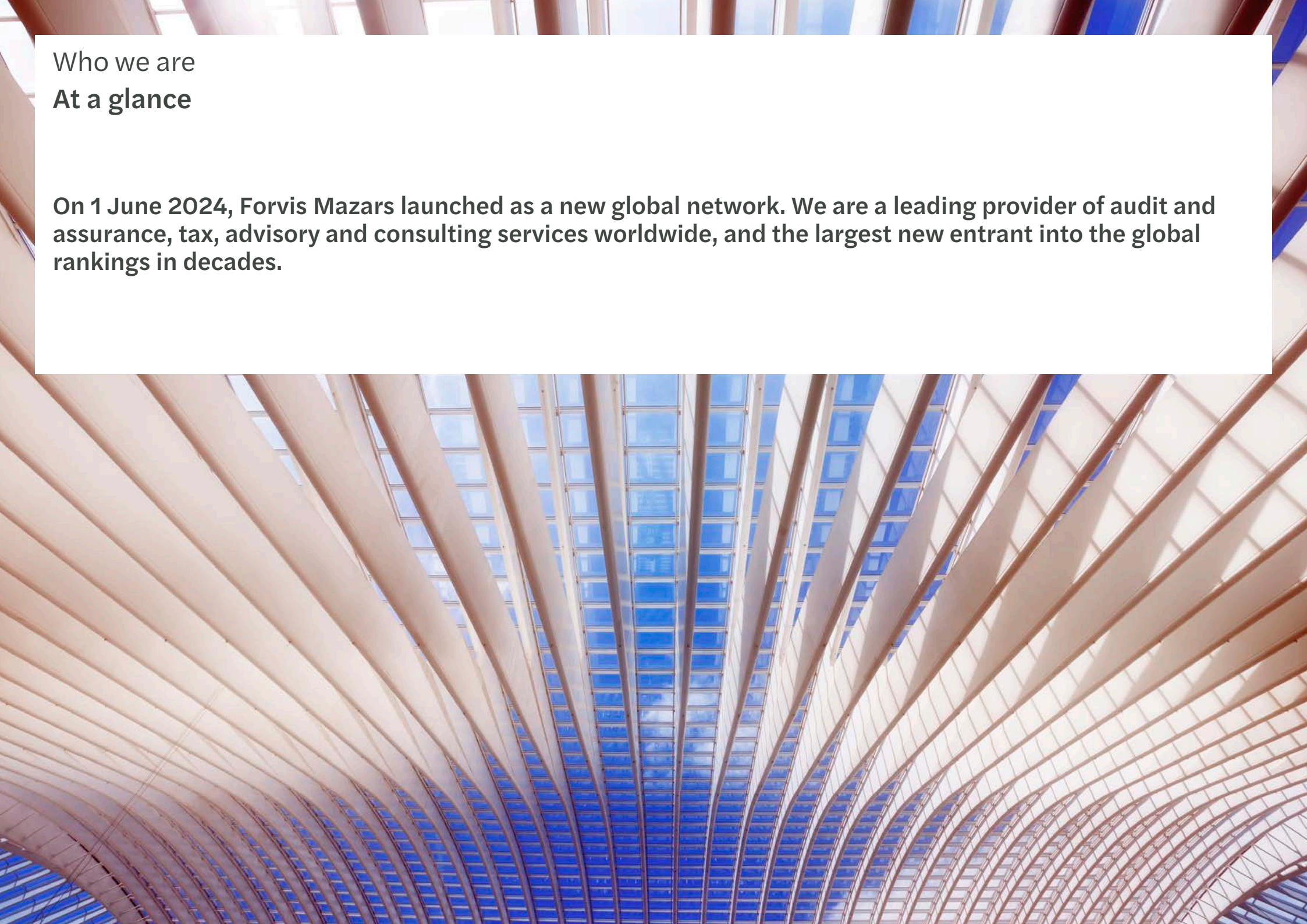
Jo Connolly
Group Chief Quality & Risk Officer



Who we are

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.



About our global network

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.

In numbers[1]

Top 10
global network[2]

100+
combined countries and territories

40,000+
combined employees

$5bn+
combined revenue[3]

400+
combined offices

1,800+
combined partners

[1] Figures as at 31 August 2024.
[2] Based on IAB World Network rankings 2023 and 2023 revenues for Forvis Mazars Group and Forvis Mazars, LLP.
[3] Forvis Mazars Group $3,251m + Forvis Mazars, LLP $1,939m as at 31 August 2024.

Who we are
Forvis Mazars explained

Forvis Mazars is the brand name for the Forvis Mazars global network (Forvis Mazars Global Limited), a leading global professional services network 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.[4] 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 internationally 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 member firms in the United States, which, following the launch of the Forvis Mazars global network, became part of Forvis Mazars, LLP.

All partners are shareholders in their member firm and in the Group.

For more information, visit the Forvis Mazars Group website.

Forvis Mazars, LLP

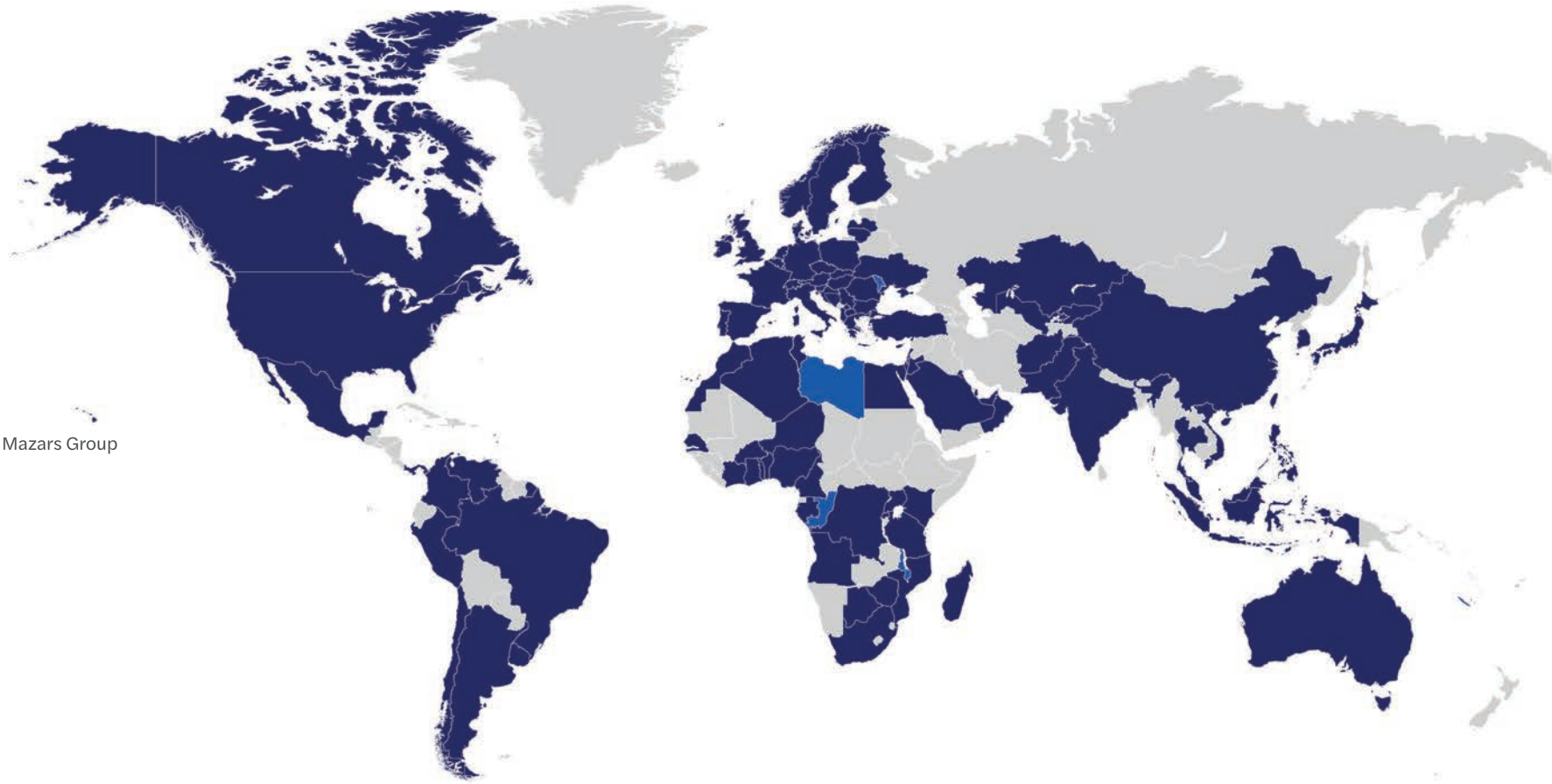
Forvis Mazars, LLP is ranked among the largest public accounting firms in the United States. The firm's 7,000 dedicated team members provide an Unmatched Client Experience® through the delivery of assurance, tax and consulting services for clients in all 50 states and internationally through the global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

For more information, visit the Forvis Mazars, LLP website.

[4] For more information, see Our leaders – Forvis Mazars Global.

Our global footprint

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.



As at 31 August 2024

- Forvis Mazars
- Correspondents of Forvis Mazars Group

Who we are

Forvis Mazars Group in a nutshell

This transparency report relates solely to the operations and activities of Forvis Mazars Group, an independent member of Forvis Mazars Global Limited.

The financial, operational and quality data presented in this report covers the period 1 September 2023 to 31 August 2024.

One international team

We work as one integrated, international team, leveraging our collective expertise, scale and cultural understanding to deliver exceptional, tailored services that help our clients make the most of opportunities, operate with transparency and grow responsibly.

Guided by our values

Our partners and staff are guided by our shared values, which are built upon the foundation set for us by our founder, Robert Mazars, in the 1940s. These shared values guide us in 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.

Integrity

Responsibility

Diversity and respect

Technical excellence

Independence

Stewardship

More information about our shared values and the behaviours expected of all partners and staff can be found in our Group code of conduct, which is available to download from our Group website.

Providing a wide range of services

Our organisation is built to deliver robust, nuanced and individual answers for every one of our clients. Our integrated approach is designed to leverage an international talent pool and serve organisations of all sizes. In order to provide our clients with the best, most relevant services, we continually invest in developing strong industry expertise as well as the technological, scientific and soft skills that will shape professional services in the near future.

Our multidisciplinary approach is key to supporting our clients' changing needs and helping them achieve sustainable growth.

- Audit & assurance
- Consulting
- Financial advisory
- Legal
- Outsourcing
- Sustainability
- Tax

Our services

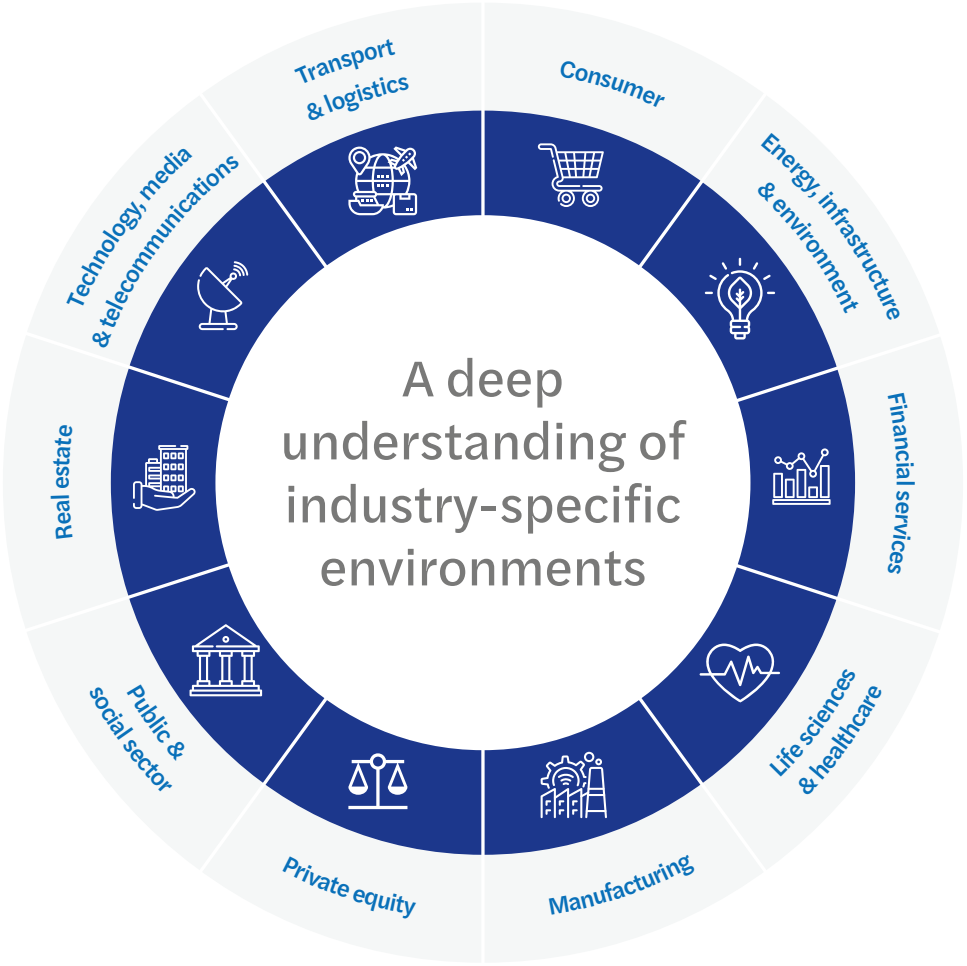
Forvis Mazars Group in a nutshell

Delivering deep industry expertise

A deep understanding of industry-specific environments, issues and trends is critical to delivering relevant services to our clients, anticipating and addressing evolving needs and capturing opportunities.

We put a strong focus on developing our sectoral expertise through our international industry communities. These bring together our professionals from all corners of the globe, who combine deep knowledge of specific industries and understanding of local contexts and cultures with an international perspective.

Our industries



Who we are

Forvis Mazars Group in a nutshell

Making a positive difference

Long-term thinking, planning and development to create positive change have always been an integral part of who we are. Our history is one of sustainable and inclusive growth driven by continued stewardship and a commitment to serving the general interest by the very nature of what we do. Above all, we want to uphold that long-term perspective and prepare for a seamless transition to future generations of leaders.

Corporate sustainability



Key facts and figures

Our 2023/2024 performance confirms the strength of our international growth strategy, as well as the quality and relevance of our multidisciplinary model, as we continue to build our international ambition.

1
international integrated partnership

€3bn+
fee income[5]

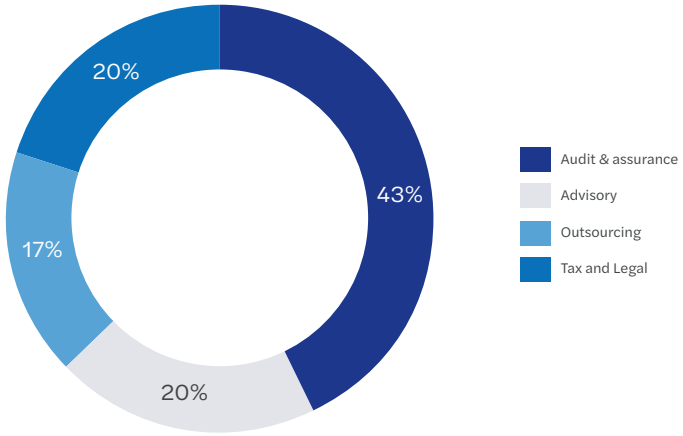
11.4%
year-on-year growth

1,200+
partners

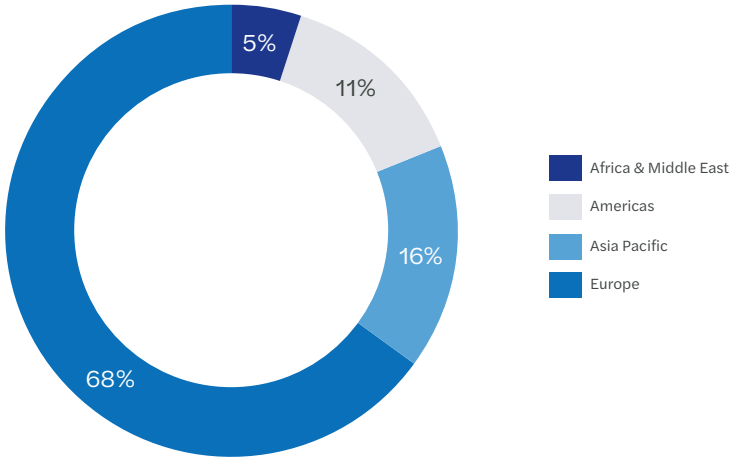
36,000+
professionals

2,250+
public interest entity audit clients*

2023/2024 fee income contribution breakdown by service line*



2023/2024 fee income contribution breakdown by region



*Excludes Zhong Shen Zhong Huan.

[5] Fee income covers the period of 1 September 2023 to 31 August 2024.



Who we are

Our governance and leadership

We are not simply a collection of member firms. We are 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 shareholders of Forvis Mazars Group SC, our partners acknowledge the internal rules defined in our charter of association and the other institutional documents and policies that govern our organisation. This allows them to vote at the General Assembly of Partners – a key decision-making process in the Group's leadership and governance bodies. As such, our 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).

Our governance and leadership

Our Group Executive Board

The GEB is our executive body. It is responsible for the operational management of the partnership with regards to collectively defined strategic objectives, under the supervision of the GGC. It focuses on pursuing and accelerating growth while ensuring the quality and sustainability of our activities. The chair and other members of the GEB are elected by the General Assembly of Partners for a four-year term. The mandate of the current GEB started in December 2020, with the next GEB elections due in December 2024.

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 (Q&RM), business development or corporate sustainability.

As of 31 August 2024, the GEB comprised 11 members.[6]



Hervé Hélias, Chairman
Based in France



Pascal Jauffret
Based in Switzerland



Mark Kennedy
Based in Ireland



Rudi Lang
Based in the United Kingdom



Julie Laulusa
Based in China



Olivier Lenel
Based in France[7]



Taïbou M'Baye
Based in Senegal



Dr Christoph Regierer
Based in Germany



Véronique Ryckaert
Based in Belgium



Ton Tuinier
Based in the Netherlands



Phil Verity
Based in the United Kingdom

[6] Victor Wahba (based in the United States) served as a member of the GEB up to June 2024.

[7] Elected as a member of the GEB in December 2023.

Our governance and leadership

Our Group Governance Council

The GGC is our supervisory body. 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's specific responsibilities include:

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

To facilitate the efficiency and focus of its oversight, the GGC is organised into risk, partnership development and remuneration subcommittees.

Since 2011, it has included independent external members. The current GGC was elected in 2020, and the next elections are due in December 2024.

As of 31 August 2024, the GGC comprised 10 members, including two external independent members.[8]



Tim Hudson, Chair
Based in the United Kingdom



Juliette Decoux, Vice Chair
Based in France



Åsa Andersson Eneberg
Based in Sweden



Gertrud R. Bergmann
Based in Germany



Frank Bournois
Independent member



Maria Cabodevilla
Based in Spain



Fabrice Demarigny
Based in France



Denise Fletcher
Independent member



Chris Fuggle
Based in the United Kingdom



Michelle Olckers
Based in the United Kingdom

[8] There were two changes to the GGC during the year. Liwen Zhang served as a member up to October 2023 and Wendy Stevens up to June 2024.

Our quality and risk management governance structure

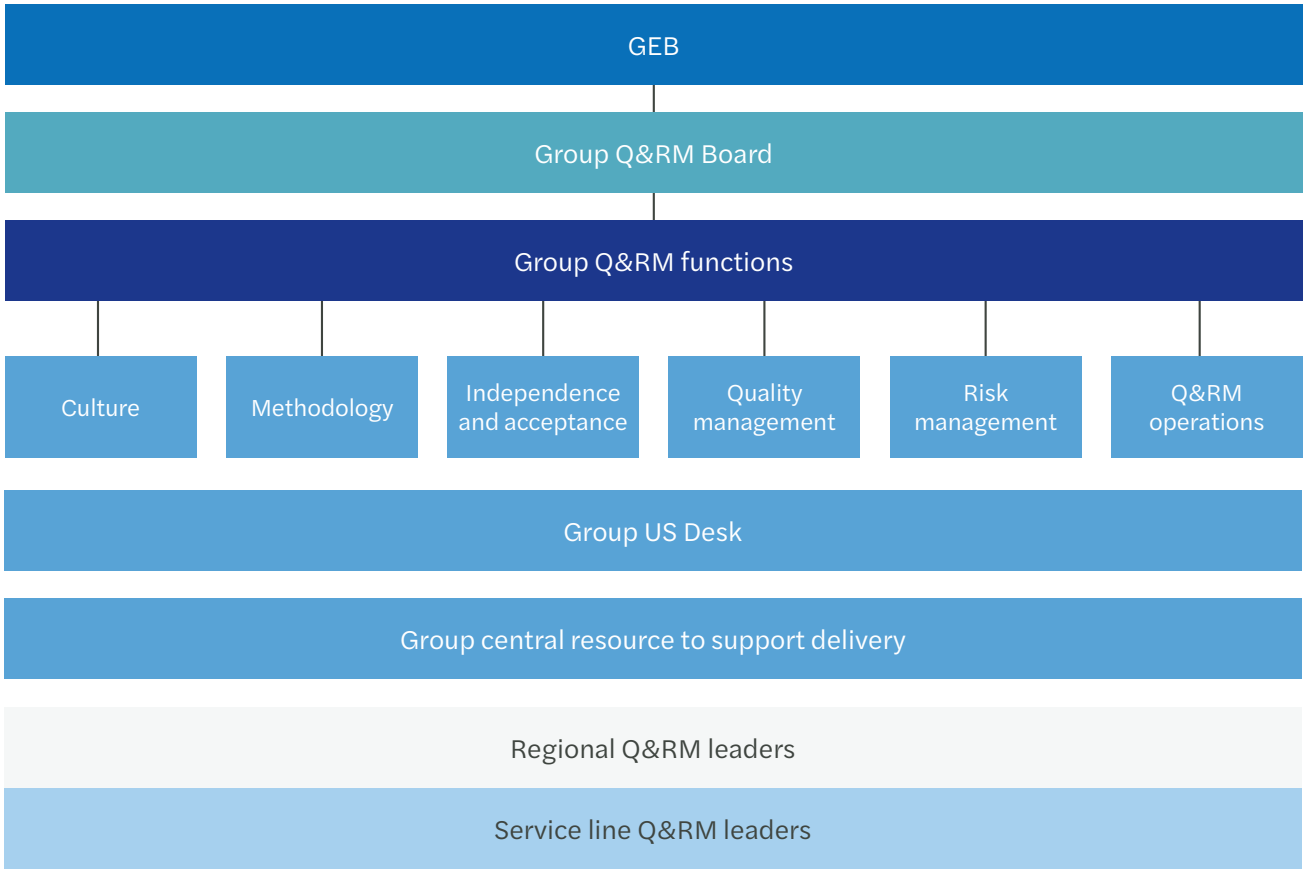
Group quality and risk management

Quality and risk management (Q&RM) is one of our strategic priorities and is brought to life through our Group Q&RM roadmap.

Group Q&RM: organisation and responsibilities

On behalf of the GEB, the Group Q&RM Board manages and oversees the execution of the Group Q&RM roadmap. Specifically, the board is responsible for setting our overall Q&RM framework, monitoring key risks and responses, setting expectations for quality assurance, overseeing compliance with standards and policies across the Group and driving a quality culture.

It is supported in its mandate by Group Q&RM central functions and resources as well as networks of regional and service line Q&RM leaders.



Our quality and risk management governance structure

During the year, the Group Q&RM Board was co-chaired by the Group Chief Quality and Risk Officer and the Group Chief Compliance Officer. Its permanent membership is comprised of Q&RM leaders from larger member firms and service lines, regional Q&RM leaders and Q&RM function leaders.

Over the past year, we have continued to devote significant efforts and resources to our Group Q&RM teams, investing in people, tools and processes to provide consistent and integrated systems to all member firms and to deliver on our promises.

Group Q&RM functions

The Group Q&RM Board is assisted in its role by five functions, each of which is overseen by a dedicated committee. Each committee is chaired by the relevant function leader, who also represents the function on the board and at board meetings. The five functions are supported by dedicated Group resources, a Q&RM operations team and contributions from member firms.

1. The **culture** function is responsible for building and maintaining a consistent quality culture across the Group, ensuring that the highest standards of quality and conduct are embedded in everything we do. This includes the design and maintenance of the Group code of conduct and related training.
2. The **methodology** function is responsible for managing and overseeing the development of the Group's audit and assurance methodologies, including designing and maintaining the Forvis Mazars Group Audit Methodology (MAM), the Public Company Accounting Oversight Board (PCAOB) methodology and the Sustainability Assurance Methodology (SAM).
3. The **independence and acceptance** function is responsible for implementing and monitoring rigorous independence and acceptance processes, which are intended to contribute to the sustainable growth of the firm, manage reputational risk and comply with relevant professional standards and regulatory requirements.
4. The **quality management** function is responsible for the design and operation of both the international quality monitoring (IQM) and Group system of quality management (SoQM) programmes. These two programmes previously operated independently, but with the launch of Forvis Mazars on 1 June 2024, their roadmaps and operational leadership were combined.

   The SoQM team is responsible for the design, implementation and operation of the International Standard on Quality Management 1 (ISQM1) across the Group. This includes understanding the requirements of ISQM1 and how they translate into the Group quality management framework.

   The IQM team is responsible for the monitoring and continuous improvement of our standards of quality, independence, ethics and professional competency across the Group.

   As one combined function, quality management is responsible for driving consistency across the Group through common methodologies, training and monitoring processes.
5. The **risk management** function is responsible for acting as a line of communication between member firms, regions and the Group Q&RM Board on risk management topics including enterprise risk management (ERM), data privacy and IT security matters, as well as analysis and discussion to enable mapping and consolidation for Group purposes.

To drive consistent quality for our member firms and engagements subject to U.S. regulatory frameworks and requirements, the Group Q&RM Board is further assisted by our U.S. Desk, which operates independently, but collaboratively, to provide centralised PCAOB and U.S. Securities and Exchange (SEC) subject matter expertise to support the various Q&RM functions and is staffed by professionals with deep PCAOB and SEC expertise. It is also responsible for the PCAOB-supplemental design, implementation and operation of our SoQM, including QC1000, and audit methodology across the Group, and serves as our Group's internal consultants for unusual and complex PCAOB and SEC matters.

Network Q&RM: organisation and responsibilities

With the launch of the Forvis Mazars global network on 1 June 2024, a Network Q&RM Committee was established. It focuses on alignment between, and providing oversight of, the two network members on quality and risk matters. The committee is chaired by the Network Chief Risk Officer (non-voting member) and is made up of three representatives from each network member. Two members of the Group Q&RM Board also participate in the committee.

Quality in our Group service lines

Our Group Q&RM Board includes representation from our largest Group service lines. This helps to ensure consistent messaging and implementation of Group quality initiatives, as well as the relevance and application of our principles of quality management internationally.

Each service line has taken our Group definition of quality and made it relevant to its activities through the implementation of service-line-specific Q&RM programmes.

In our **Audit & assurance** service line, we believe constructive challenge, based on mutual trust and respect, builds confidence in how organisations report to their stakeholders. Providing a quality audit means delivering insight, promoting transparency and applying professional scepticism. There are also a number of key projects underway, all of which are aimed at enhancing the quality of services delivered to organisations of all sizes and in all industries. These are detailed further in the 'Delivering audit quality' section of this report.

For **Consulting**, by working collaboratively as one integrated, international team, our partners and professionals support our clients in achieving their most critical business objectives, from strategy to implementation, wherever they operate. To further support our commitment to quality, we have undertaken a multi-year effort to build and update Group methodologies and delivery tools to enable our partners and professionals to provide consistent and high-quality services in every part of the world where our clients call upon us for assistance.

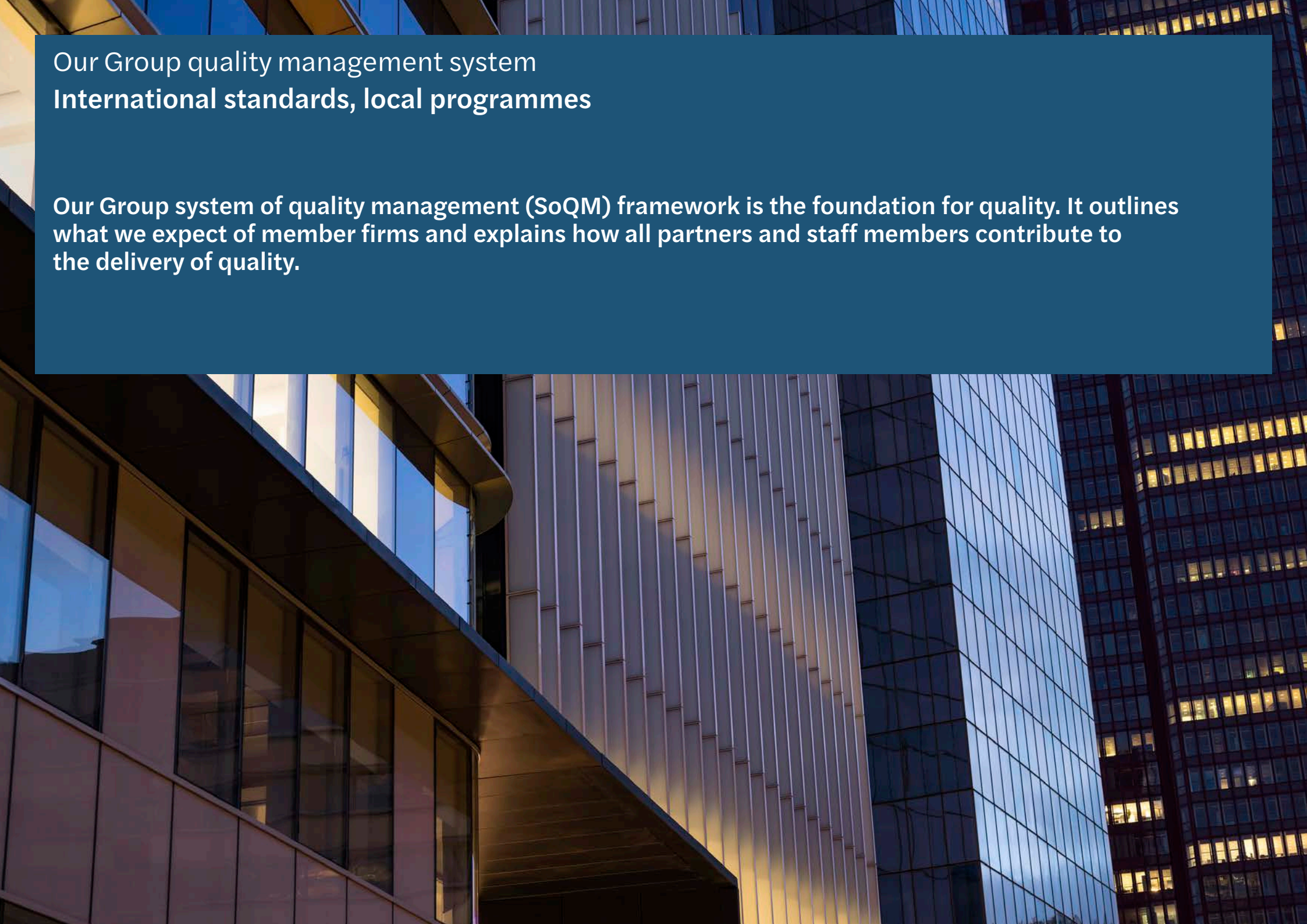
Across **Financial advisory**, the scaling up of our quality monitoring programme continued throughout 2023/2024, with almost 30 practices now having had a Q&RM review. The selection of practices for review is now helped by revamped Q&RM data, submitted by member firms through an annual self-assessment exercise, which helps inform decisions by giving a better understanding of potential risks.

Our **Legal** service line provides our clients worldwide with comprehensive expert legal advice tailored to their needs on a wide range of business law matters. We stand for innovative and smart solutions to complex legal issues and work closely with our clients to help them make smarter and better-informed decisions. We advise clients on both complex legal matters and their day-to-day needs, helping them to become more successful sustainably. The key to this is the outstanding quality of our services. Excellent work, a deep understanding of our clients' needs, a precise analysis of their legal challenges and our integrated, collaborative, pragmatic and business-orientated approach are the basis for this.

In **Outsourcing**, we support clients in a variety of ways, including accounting and tax compliance, reporting and payroll. These services are delivered for both local and international clients. Over the past year, our centralised approach, supported by international delivery centres, has helped drive double-digit percentage fee growth and improve the quality and efficiency of our delivery. This approach has also facilitated increased consistency in the quality of our processes and systems. The ongoing phased roll out of our new platform, Signals, which began this year, will bring further consistency and improved security in the way we communicate with our clients both locally and internationally.

Our **Sustainability** service line builds on our deep experience of audit and consulting to assist companies along their sustainability journey. Quality is evidenced through a combination of the satisfaction of stakeholders, technical expertise, innovation and contributions to sound business practices. For our sustainability assurance work, we are updating our Group methodology, tools, templates and guidance materials to enable our partners and professionals to provide a consistent and high-quality service.

For **Tax**, we work closely with clients to build transparent and integrated solutions that give them confidence and help them excel while following a sustainable path. Quality means several things, including continuous reinforcement of the importance of ethics and professional behaviour and maintaining a rigorous system of internal quality controls and monitoring procedures. Importantly, it also involves developing our teams' skills, knowledge and capabilities through ongoing professional and personal development opportunities. In 2023/2024, this included the introduction of a Transfer Pricing licensing programme to ensure that certain types of tax engagements are delivered by appropriately licensed people – a process that is currently ongoing. Additionally, our focus on quality entails investing heavily in innovation and new technologies tailored to support the specific needs of our service line.



Our Group quality management system

International standards, local programmes

Our Group system of quality management (SoQM) framework is the foundation for quality. It outlines what we expect of member firms and explains how all partners and staff members contribute to the delivery of quality.

Our Group quality management system
International standards, local programmes

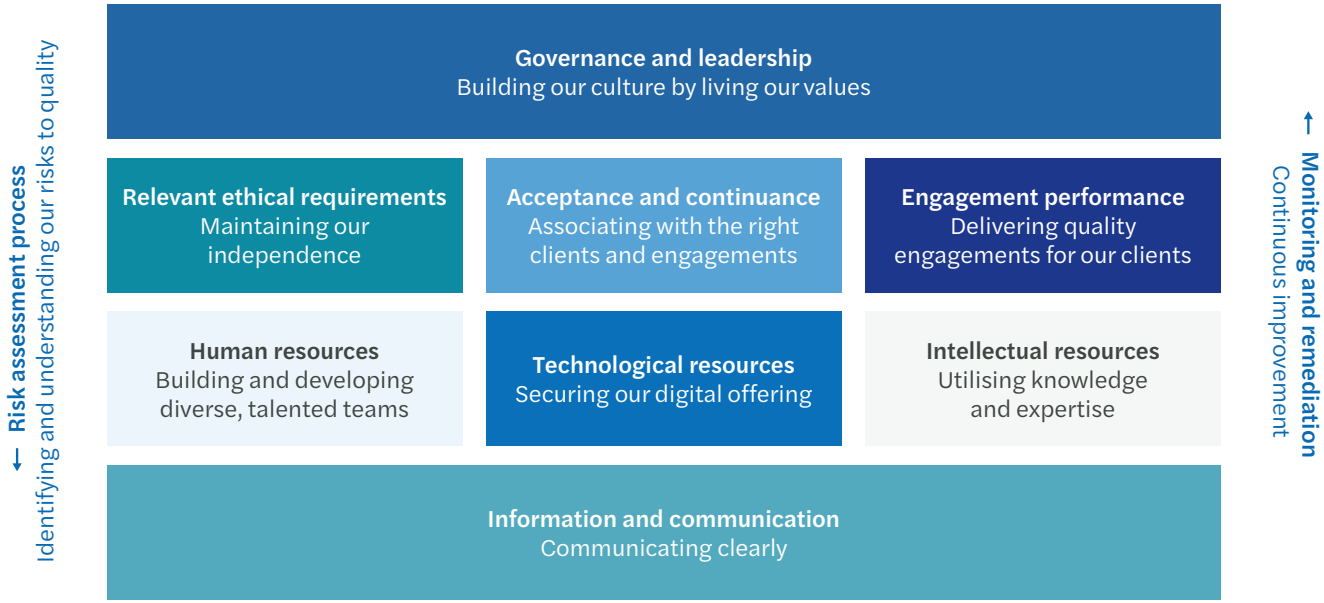
We set minimum quality management standards for member firms in Group policy manuals. Member firms must design, implement and operate a local quality system or framework which is based on the Group requirements, includes additional local requirements and mitigates identified quality risks.

International Standard on Quality Management 1

To provide a consistent, robust, proactive and effective approach to quality management, we use a consistent SoQM structure aligned with the requirements of ISQM1. The key elements of our framework are shown in the image to the right. This system is supported by an innovative Group tool which facilitates the integration of the SoQM components while allowing member firms to make local adjustments as needed.

This transparency report describes how the Group effectively operates each of these elements.

Forvis Mazars Group's system of quality management



Our Group quality management system **International standards, local programmes**

Non-audit services quality framework

During the year, we worked on the development of a non-audit services quality framework, starting with our Financial advisory, Outsourcing and Tax service lines. The framework is inspired by the principles of ISQM1 and was developed in collaboration with professionals from these service lines. It provides a more controls-based approach to quality management for non-audit services and, going forward, will enable more proactive ownership of these controls by member firms. Full implementation of the framework is a priority for 2024/2025.



Building our culture and living our values

Our values are what drive us to do the right thing, guide us in the decisions we make and motivate us to behave in a way that demonstrates our commitment to both quality and transparency.

Embedding quality into our culture

Our culture initiatives focus on listening and learning as a means of driving continuous improvement. This includes listening to our partners and staff through our Group-wide people survey and listening to our clients through our client listening programme.[9]

During the year we have progressed a number of the projects in our quality culture roadmap, to further support member firms in embedding quality into their culture.

Group code of conduct training

Our latest mandatory training module on the Group code of conduct was delivered across all member firms during the year. The focus of the training, the second in the series, was on unconscious and other biases that can impact the quality of our conduct and decision-making. It was mandatory for all partners and client service professionals.

We monitored completion rates closely, as did regions and member firms. Non-compliances were addressed through annual performance reviews in each member firm. International oversight was maintained by the Group Q&RM Board through the inclusion of completion statistics as one of the KPIs in the non-financial reporting dashboard that was developed during the year.[10]

Partner quality and risk reports

Further to the launch of a partner quality and risk report (PQRR), which includes multiple metrics to assess the quality contribution, quality performance and risk environment of each partner during the annual year-end partner performance reviews for 2022/2023, additional guidance was provided to member firms this year. A robust implementation framework was applied across all regions, and we conducted ongoing monitoring of its implementation, including its impact on partner remuneration.

Ensuring accountability

Through our policies, member firms are expected to appoint responsible individuals to key leadership roles to ensure responsibility and accountability for quality at the very top levels of the firm. They must be sufficiently competent, skilled and knowledgeable to perform the role, and their role descriptions must provide clear information regarding defined authorities and decision-making, and supervisory as well as reporting and communication lines.

At the Group level, work on our quality accountability framework continued throughout the year, focusing on documenting and communicating core Q&RM responsibilities for these key leadership roles. Several member firms piloted the framework locally, and the revised version will be launched to all member firms in 2024/2025.

[9] For more information, see the 'Communicating clearly' section of this report.

[10] For more information, see the 'Continuous improvement' section of this report.

Building our culture and living our values

‘Lived experiences’ campaign

One of the core elements of our culture is how we offer a human, caring and modern work environment for our people. During 2023/2024, we shared this authentically via our ‘lived experiences’ campaign. This featured partners and employees from South Africa, Spain, Malaysia, Singapore and Switzerland sharing real stories about designing a career, working smart, going the extra mile and reaching their potential.

Impact awards

2023/2024 marked the second edition of our Group impact awards, which recognise outstanding achievements in six categories: quality, brand and communications, business wins, business innovation, corporate sustainability, and talent and people.

Partners voted on the finalists, and the winners were announced at the 2023 Annual General Assembly of Partners, showcasing some of the high-quality projects rolled out across the Group over the preceding year.

This year, the quality award was won by the Group’s Methodology and Policy Library Explorer (MAPLE) platform – a digital tool, powered by leading content management software, which makes the MAM and associated Q&RM policies available to all team members in one convenient location.

Continuing the tone from the top

Our leadership continues to demonstrate their commitment to our values and to creating an environment that supports quality through an emphasis on the importance of our Group code of conduct and accountability in all aspects of the business. During the year, quality culture topics were communicated to all leaders through a number of our internal channels.

As one of our core values, we have continued to focus on integrity as critical to underpinning trust in our profession. During the year, we put particular emphasis on the importance of integrity in professional education, reinforcing vital messages by shining a spotlight on this topic.

Encouraging speaking up

We are committed to dealing responsibly, openly and professionally with concerns that partners or staff may have about possible misconduct within our firm without fear of reprisal.

To support this commitment, we operate a whistleblowing hotline, which is available on our Group website. It is a mechanism for partners, employees, clients or other stakeholders to confidentially report any concerns they may have.

Identifying and understanding our risks to quality

Risk assessment is at the core of our SoQM and enables us to design and implement policies, procedures and controls that address identified risks, based on the nature and circumstances of our member firms and the engagements we perform.

Our approach to quality risk assessment

Each member firm is ultimately responsible for the design, implementation and operation of its local quality management systems and frameworks, which apply across all service lines.

For services within the scope of ISQM1, the Group quality risk assessment process is used. This includes risk assessment and evaluation methodologies, as well as minimum baseline quality objectives, quality risks and responses. It also requires member firms to:

- Perform their own risk assessments to identify any additional local quality objectives and the related quality risks.
- Design and implement responses and controls to mitigate those risks, reflecting the nature, circumstances and complexities of the member firm, in line with the requirements of the Group.
- Test the design, implementation and operating effectiveness of the controls in line with the requirements of the Group.

Our ISQM1 risk assessment process is an annual, iterative exercise which considers various inputs, including the results of each year's effectiveness testing, information about relevant conditions and events, available quality and risk indicators, and the impacts on the objectives and risks for the next cycle, and makes amendments as necessary.

For services not subject to ISQM1, we are strengthening and standardising risk identification and assessment processes and controls.

Enterprise risk management

In 2023/2024, our Group enterprise risk management (ERM) programme regularly engaged with the largest member firms and regions across the Group. This allowed the sharing of best practices, enhancements to the risk framework and discussions on risk evolution, trends, market needs and regulatory requirements.

This process, in conjunction with external engagement, has helped throughout the year to identify top Group risks, including 'quality' as one of the key risks facing our business.

Building and developing diverse, talented teams

As a people-centred organisation, attracting and developing talent are the non-negotiable aspects of our strategy. Having the best people helps to ensure we deliver the highest quality to our clients.

Hiring the best people

Gen You – attracting the next generation of auditors and beyond

In 2023/2024, we continued our international employer branding campaign, 'Gen You', aimed at promoting the attractiveness of audit to a younger, more diverse talent pool, particularly those aged 18-25. The campaign, which was delivered in close collaboration between our Talent and Communications teams, ran throughout the year. It highlighted the important role audit plays in society, the transformative nature of the profession, the endless learning and career opportunities, and ultimately why a career in auditing at Forvis Mazars Group is a smart choice.

The campaign featured our own auditors and took a regional approach, launching first in Europe and North America in March 2023. Following the success in these regions, the campaign was rolled out in Asia Pacific from October 2023 and in Africa and the Middle East from January 2024.

We also explored how to leverage the Gen You concept across service lines so that it became our firm-wide campaign for our young target audience, launching Gen You Graduates in January 2024. There was notable use of the campaign in Ireland, Italy and Sweden, to name a few.

Adapting our Employer Value Proposition

From 1 June 2024, we adapted our Employer Value Proposition (EVP) to reflect our new network and brand. In addition, we have started work on promoting our new employer brand and highlighting the enhanced career opportunities the global network offers.

One international onboarding process

Additionally, we updated our onboarding process for all member firms, providing local HR teams with consistent guidelines and tools to integrate new joiners in an efficient manner, allowing them to quickly grasp our culture, the way we work, and our core quality and risk compliance requirements, including those related to independence, and to connect with colleagues, both locally and internationally.

Talent acquisition strategy

Our annual Group talent acquisition seminar was held in Paris in 2023/2024 and was attended by 65 participants from Europe and the Americas. The seminar focused on how we can hire high-quality and diverse talent by looking at employer branding, recruitment best practices and our new onboarding guidelines.

As part of our efforts to strengthen regional integration further, another 60 HR colleagues from our Africa and APAC regions participated in our local seminars in Johannesburg and Seoul.

Building and developing diverse, talented teams

Valuing diversity

Diverse by nature

As an international partnership with local roots around the world, we are, by nature, a geographically diverse organisation that has grown thanks to the different nationalities, languages and educational backgrounds of our teams.

We create value for our business, our clients and our communities by embracing different perspectives, empowering our people and bringing varied experiences, views and skills to the table. Making the most of these differences as an inclusive organisation allows us to solve problems, drive our business forward and ultimately serve our clients more effectively.

Equity in essence

We believe in the fair treatment of all people. This ensures that through our practices and policies, our people are hired, developed, promoted, listened to and recognised in a fair and equitable way. Our strategy is designed for everyone to have equal access to opportunities and resources.

Gender diversity insights

Women represent:

23% of partners

55% of C-suite executives in our Group management team[11]

Inclusive by design

Our commitment to diversity starts at the top with our GEB and GGC, where 11 nationalities are represented and 38% of members are female. But we know that diversity goes far beyond geography and gender. We are committed to fostering an inclusive environment where our differences lead to greater value and success.

These differences include, among others, differences in ability, age, culture, education, gender, gender identity and expression, language, religion, sexual orientation, socioeconomic background and working style. As such, many of our member firms are actively working on dedicated programmes covering all aspects of diversity, in addition to gender.

Inclusion insights from our Group-wide people survey (GPS)

88%

of our people feel respected in the workplace

81%

feel they can be their authentic selves at work

78%

believe that everyone can achieve their full potential

[11] Leading our finance, marketing and communications, quality and risk, innovation and general secretary functions.

Preparing our next generation of leaders

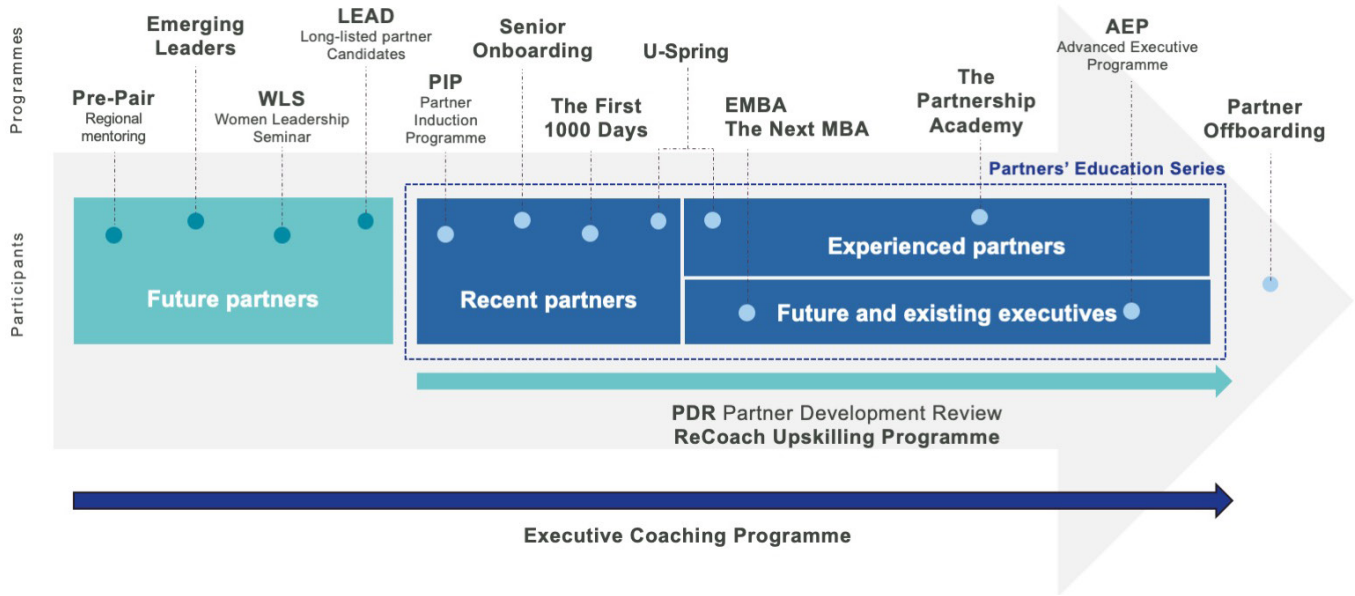
We have always paid close attention to continuously developing our leadership pipeline, at the Group, regional and member firm levels. By December 2024, we will renew and evolve our main governing bodies, a critical process that has been carefully prepared and monitored over the past two years.

Developing responsible leaders from the start

Developing responsible leaders is not just for our own benefit – it is part of our broader societal responsibility. While only a few of our newly recruited staff will eventually run our Group or its member firms, leadership is required to be demonstrated by all our people, regardless of their grade. Therefore, exposing our teams to responsible, modern management and leadership practices as early as possible is crucial. This is why leadership skills are an integral part of our educational efforts. Currently, leadership development programmes represent 25% of our total training offerings on U-learn, our international training platform, which is accessible to all partners and staff worldwide, regardless of their grade.

Our responsible leadership programmes

Beyond this initial international effort, we have built a unique executive education ecosystem over the years, with world-class connections to top faculty and high-end programmes like the Next MBA and a wide range of leadership programmes for partners and future partners. For example, in 2023/2024, we launched a new version of Emerging Leaders, a development centre aimed at identifying and nurturing leadership potential before individuals reach partnership status.



Further, our twice CLIP-accredited corporate university offers 15 different programmes covering our entire spectrum of leadership positions, from pre-partner to Group executive roles. In 2023/2024, over 500 participants from across the Group attended our leadership programmes. As a result of our recognised expertise in developing our leadership, we have, this year, successfully established a consulting offering in this field, winning three large corporate clients.

Building and developing diverse, talented teams

Assessing and compensating our partners

Every four years, our Group partners complete a comprehensive Partner Development Review. 2023/2024 is a review year. The process involves a self-assessment which evaluates their performance on a variety of topics, including quality, over the past four years. It also includes 360° feedback, endorsements from other partners and an independent review with conclusions.

Under the supervision of the GGC, and based on the recommendations received from country executives, the profits of the Group are divided among partners according to the number of base points (BPs) they are allocated.

The value of BPs is calculated based on both the overall performance of the Group and the performance of the member firm to which the partner contributes. Both criteria have equal weighting. BPs are allocated to partners for a period of four years, according to the overall average performance of the member firm and the individual performance of each partner in the previous year. The assessment of each partner's performance includes a detailed evaluation of their contribution to quality through the inclusion of the Partner quality and risk report (PQRR) results.[12]

Assessing non-partners

At all grades, our annual performance evaluation cycle includes goal setting and assessment of performance in line with approved goals, as well as both formal and informal feedback mechanisms. Goal setting must include quality-related goals, and our annual assessment processes include consideration of both the quality of work performed and the maintenance of independence, integrity and objectivity.



[12] For more information, see the 'Building our culture and living our values' section of this report.

Communicating clearly

The information we obtain, generate, use and communicate is another key aspect of our approach to quality management. Without relevant and timely information, communicated effectively, we cannot make informed decisions, provide insights or monitor our performance appropriately.

Communicating with colleagues

At the core of our brand is a strong emphasis on quality, consistency and excellence in everything we do. We regularly launch a variety of international communications campaigns to help support, educate and inform our partners and employees regarding some of the most important matters impacting quality. Highlights from 2023/2024 include the following.

CEO live broadcasts

2023/2024 saw the continuation of our all-hands CEO broadcasts, which give our Group leaders a platform to communicate directly with all partners and staff, setting the tone at the top on critical issues for the firm, including quality matters. The CEO live broadcast is an important engagement event, aimed at educating and inspiring our people, creating a sense of belonging to one international firm and, ultimately, driving performance towards shared goals. Two broadcasts took place during the year, gathering over 10,000 participants in 100 countries.

Announcing and launching the Forvis Mazars network

We are extremely proud to embark on this exciting journey with our teams. Success relies in part on ensuring our teams are aligned with our strategy and aware of where to find key information. As such, we created and shared regular content about our new global network, including a dedicated intranet section, a video series, a Forvis Mazars starter pack, brand guidelines, Q&RM policy requirements, training and key presentations. From November 2023 to June 2024, this information was complemented by internal articles, emails and townhall meetings, as well as specific country or regional roadshows for all partners, typically attended by members of the Group leadership team.

Firm-wide communications

Throughout the year, we continued to progress our all-staff communications through our internal communications channels, regularly posting ‘News from Group’, ‘Life at Mazars’ and ‘Tips & tricks’ articles on our Group intranet, as well as launching three brand trainings on U-learn.

Listening to our partners and staff

Our people survey

We believe that communication should be a two-way dialogue, and so a key aspect of our communication strategy is listening to our partners and staff. Only with engaged, talented people can we deliver quality and excellence in line with our expectations.

Employee engagement surveys are a great way to give a voice to our people and hear what they really think about life at the Group. In October 2023, we piloted a Group-wide people survey (GPS) in 25 countries. Previously, employee engagement surveys were run locally by member firms. We had a 57% response rate, and the responses provided valuable, international insights across all our regions into the lived experiences of our people.

Communicating clearly

GPS insights:

86%

believe in our shared values

83%

agree that they have access to the resources needed to do their job effectively

80%

agree that we are committed to ethical business decisions and conduct

79%

agree that we deliver the outstanding quality we promise

The GPS was designed to gather insights through a set of scientifically validated questions related to employee engagement and quality. Once the insights had been gathered, the results were interpreted centrally to provide in-depth analysis across service lines, geographic areas, grades and gender. These subsets of the data helped to provide additional focus for action and defined action plans, supported by toolkits. Some key quality indicators from the GPS results are displayed to the left. Following this pilot, we now have a baseline against which we can track and review our progress as we continue to deliver on our Group-wide quality programmes.

Connection with managing partners

The GEB engages with the managing partners of all member firms on a regular basis through virtual dialogue sessions which take place three times a year. These engagement sessions provide an opportunity to cascade key Group messages, hear feedback and encourage open dialogue and communication.

In addition, in-person interactions between Group leadership and member firm managing partners occur through:

- **Regional country forums** – taking place every year between March and May, these forums gather all managing partners from the region with the GEB and other Group leadership, including members of the Group Q&RM Board, to progress on key strategic priorities. They are also an opportunity to dive deeper into regional specificities and programmes.
- **Our global country forum** – taking place every year in September, this forum convenes all managing partners, the GEB, the GGC and other Group leadership.

Annual General Assembly of Partners

Annually, all our 1,200+ partners are invited to the Group's partner conference, which serves as the Group's General Assembly. In December 2023, the event was held in Montreal and provided an occasion to look back at key successes, share business priorities, celebrate the upcoming launch of the Forvis Mazars network and align for the future. It also marked the formal approval of 139 new partners, coming from 41 countries – a record number, representing all service lines and regions.

Every four years, all partners vote on the firm's strategic manifesto and elect our leadership bodies at the General Assembly. 2024/2025 is an election year, and the conference will take place in Barcelona.

Our Group quality management system **Communicating clearly**

Engaging with our clients

Understanding the needs, perceptions and experiences of our clients helps us to deliver and continuously improve the quality of our service. One way we do this is through our client listening programme, encompassing a formal client feedback survey which, in 2023/2024, received over 2,400 responses from private and organisational clients spanning a wide range of industry sectors, across all regions of the world.

Within the survey, clients are asked to evaluate the service they have received against a range of criteria related to overall quality. These questions assess metrics commonly used in the industry, including the Net Promotor Score (NPS), which is an indicator of customer loyalty, and Customer Satisfaction Score (CSAT), which measures overall satisfaction.

From the feedback received, we understand where we are doing well and where we can make improvements. This enables us to identify and solve issues and continuously improve the service we provide to our clients.

For more information about other ways that we are ensuring we deliver quality outcomes for our clients, see the ‘Delivering quality engagements for our clients’ section of this report.



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.

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 everywhere we operate. This includes all applicable laws and regulations, the requirements of our regulators, and the standards and policies we set ourselves.

Upholding ethical standards

Under the oversight of the Group Independence and Acceptance Committee (GIAC), we continue to review and update our policies and guidance to ensure that all member firms follow the most up-to-date ethical rules. Our 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 twice in 2023/2024 to reflect the latest changes to the IESBA Code and our internal rules, including those on partners' financial interests. Webinars were held with member firm acceptance officers, country risk managers and risk teams, to explain the 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 to address potential conflicts of interest and manage identified threats to our independence, including the implementation of appropriate safeguards.

As part of our client due diligence and know your client (KYC) processes, member firms perform independence checks for every new client and every new engagement. To ensure consistency across the Group, we have deployed a global tool – WeCheck. This tool, which is now available in 100% of member firms (up from 86% of member firms last year), 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, we introduced a new policy prohibiting partners from holding a direct or material indirect financial interest in the shares or debt of our worldwide listed clients. This is more restrictive than the requirements of the IESBA Code, which serves as our baseline.

Our Group quality management system
Maintaining our independence

Anti-bribery and corruption

Our policies prohibit bribery and corruption and urge caution when offering 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.

As a general rule, 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. Member firms are required to set local limits for the giving and receiving of gifts, hospitality and entertainment, in accordance with the relevant local and international laws and regulations.

Breaches of ethical standards

Our processes 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.

Member firms are required to produce a summary of any breaches identified and report it to the Group Acceptance team on an annual basis. The Group Acceptance team reviews the information and provides a report to the GIAC and Group Q&RM Board to ensure oversight by the Group.

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 locally, and results are shared with the Group Acceptance team, which summarises the results for the GIAC, the Group Q&RM 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 process requiring all partners worldwide to confirm their independence from all restricted clients of both the Group and Forvis Mazars, LLP. This process was facilitated by the compilation of a restricted entity list covering both firms.



Associating with the right clients and engagements

Rigorous client and engagement acceptance and continuance policies and procedures are vital to provide high-quality professional services and to effectively manage our reputation risk. We are committed to ensuring that we only associate with third parties who share our values.

Our acceptance and continuance procedures are key to managing our business and reputation risks.

Risk appetite

Our risk appetite is integral to delivering managed and sustainable growth. Clear understanding of our risk appetite enables us not only to grow, but to grow wisely. During 2023/2024, we developed a new risk appetite policy and guidelines to help member firms identify, monitor and report high-risk clients.

The policy requires member firms to:

- Establish acceptance and continuance committees, or equivalent, to bring clear senior management focus to acceptance and continuance decisions. This includes considering associated risks, such as reputation, resource availability and competence, strategic alignment and engagement delivery.
- Conduct an annual partner portfolio review, which includes consideration of the complexity and size of the partner's client portfolio, along with their capabilities, capacity and other commitments.

Member firms are required to demonstrate that decisions as to whether to initiate or continue with client relationships are aligned with the Group's risk appetite policy and based on making an informed judgement on the integrity of the third party. This includes obtaining reasonable assurances that:

- Ethical requirements concerning independence are complied with and that no conflicts of interest exist.
- The member firm has the competence and sufficient resources to complete the engagement effectively.
- The integrity and reputation of the client do not constitute a threat to our image or the client relationship.
- Any other risk element of the acceptance process has been correctly assessed and taken into consideration.

To ensure that member firms continue to operate in a way that is aligned with our risk appetite policy, they must regularly review decisions to continue client relationships. As part of both our pre-engagement acceptance and ongoing continuance procedures, we also provide Group questionnaires, which apply to both audit and non-audit clients.

GIAC subcommittees

During the year, in alignment with our updated risk appetite policy, we formed dedicated subcommittees within the GIAC to issue guidance and review acceptance and continuance requests in specific cases, such as those involving the digital assets sector, companies with connections to international economic and trade sanctions, and ESG assurance-related assignments.

Monitoring and review

We conduct annual reviews to ensure our independence and acceptance processes are followed by member firms and that in-scope assignments have been properly escalated to the GIAC for review before being accepted locally. This includes checks on the completeness and accuracy of WeCheck data.

Delivering quality engagements for our clients

Performing quality engagements is fundamental to our approach. Our engagement teams and partners are committed to ensuring that our clients receive outstanding service from us, every time.

Engagement supervision and oversight

We have not made any significant changes to our engagement supervision and oversight requirements during the year. Engagement partners are expected to understand and fulfil their responsibilities for managing and ensuring quality on each engagement and for being appropriately involved throughout engagements.

We require engagement partners to complete a number of tasks at the different stages of each engagement, where key responsibilities include:

- During the planning phase – engaging effectively with the client, taking responsibility for the engagement strategy, acquiring appropriately skilled, qualified and competent resources, and setting reasonable budgets and timetables.
- During the execution phase – managing the relationship with the client, addressing queries that arise and ensuring ongoing compliance with methodologies, policies and applicable standards, among other matters.
- During the final phase – reviewing conclusions reached, approving deliverables and presenting them to client management.

Engagement supervision and oversight are not limited to engagement partners – our processes require that work performed by less experienced colleagues is directed, supervised and reviewed by more experienced colleagues, as appropriate.

Exercising professional judgement and professional scepticism

Our engagement teams are expected to exercise appropriate professional judgement and professional scepticism in all engagements. Professional judgement requires teams to remain alert to biases that may threaten their judgements. Professional scepticism involves a questioning mind.

Consultation and resolution of differences of opinion

For difficult or contentious matters, we promote a culture of consultation to arrive at appropriate conclusions. In certain cases, formal consultation by the engagement team is required. To support this, member firms are required to make a pool of competent individuals available who are capable of addressing technical and methodology related queries. Member firms are also required to establish protocols for consultation and documentation of significant matters. Where differences of opinion exist, member firms are required to have mechanisms in place to facilitate resolution, including a process to escalate matters to the Group where necessary.

Our Group quality management system
Delivering quality engagements for our clients

Engagement documentation

Delivering quality engagements is dependent on high-quality engagement documentation that is assembled in a timely manner and in compliance with our policies. We ensure that engagement documentation is properly maintained and retained to meet our needs and comply with relevant laws, regulations, ethical requirements and professional standards. This includes policies and procedures to ensure the secure storage of all engagement documentation.

Our engagement teams are required to prepare documentation that is sufficiently detailed to enable an independent party to understand the work that has been performed and how conclusions or recommendations were reached.

Communications with those charged with governance

During the delivery of professional services to clients, communication with management personnel, board members and others responsible for the governance and strategic direction of the client is integral to our service provision. We communicate with clients about our quality management systems and frameworks and how they support the consistent quality of our services, including where required by law or regulation.

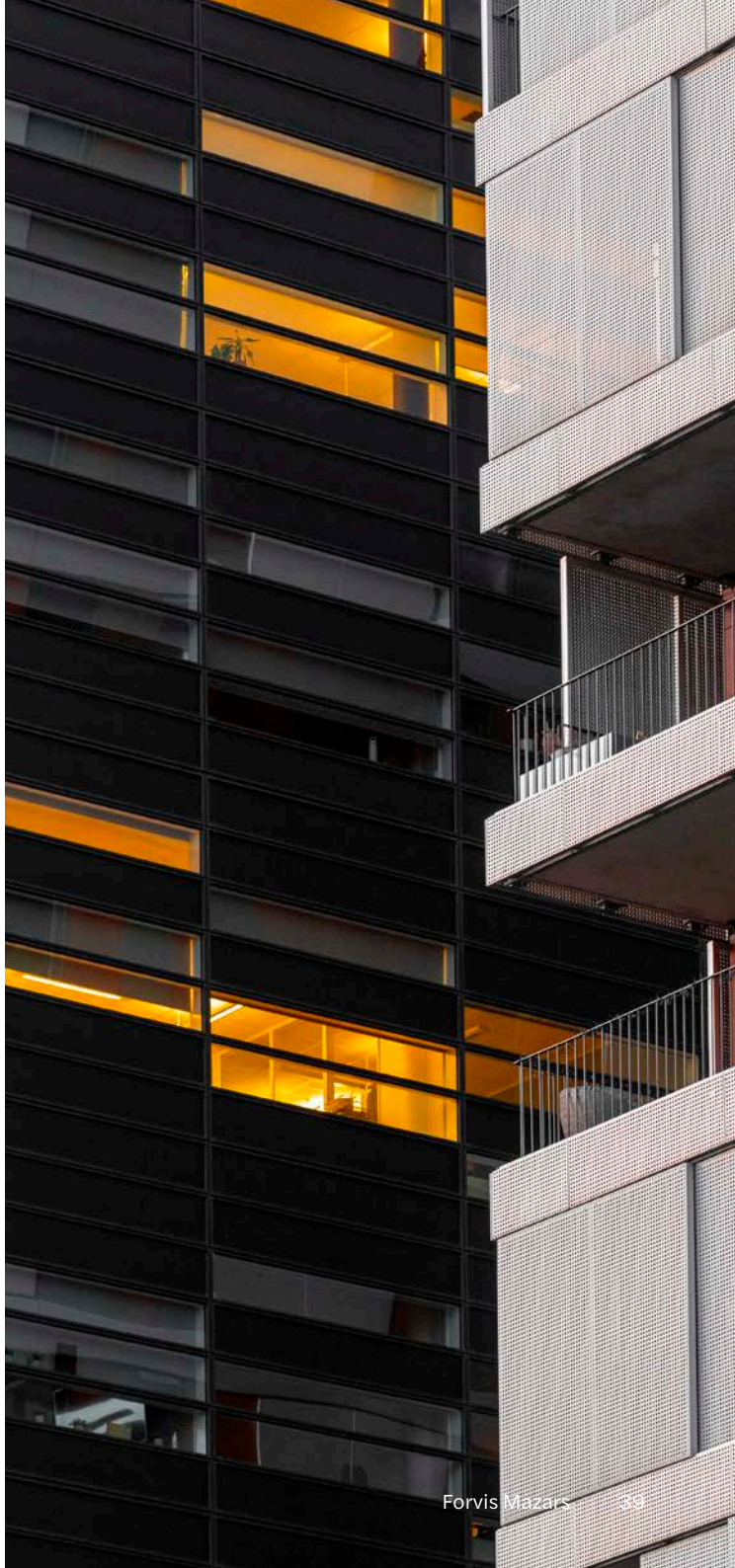
Engagement quality reviews

Engagement quality reviews are an important part of our approach to quality. They enable a real-time objective evaluation of significant elements of the engagement and the judgements made by the engagement team. These reviews are conducted by approved individuals with suitable seniority, appropriate experience and technical expertise, all of whom are independent of the engagement team.

International delivery platforms

Our service lines and support functions are further assisted in the timely and high-quality delivery of engagements by international delivery platforms. With a growing number of dedicated staff in our delivery centres, we are able to provide expertise and centres of excellence to support the local delivery of our work. In 2023/2024, many countries across the Group benefitted from the work of these international delivery platforms in areas such as digital, audit and outsourcing.

To provide a consistent delivery experience across member firms, we are currently focusing on aligning and harmonising our quality frameworks for our international delivery platforms.



Securing our digital offering

We provide safe, modern and sustainable technology and digital solutions to enable a seamless experience for our people and consistent delivery of quality services to our clients.

How we use technology

The need for technology and digital solutions is constantly evolving. Our teams expect to be able to collaborate easily across geographies and scale offerings to clients quickly. Clients expect robust protection of their data and desire a unified Forvis Mazars experience worldwide. To help us meet this need, we are mid-way through the delivery of our ambitious global IT transformation project – a key commitment of our One24 strategy.

We utilise various technologies to support our people in the delivery of quality across the Group, but we are aware that failure to effectively manage technology resources, information security and data governance requirements exposes us to a number of risks, including financial loss, reputational damage, quality and delivery continuity risks and reduced competitive ability. Therefore, all our technology complies with strict IT governance controls and meets minimum IT security standards as defined by the Group.

Training and education

To help keep our people up to date on the latest innovations, threats and requirements, we have annual training and education programmes and require all new joiners to acknowledge that they have read and understand our IT security policies. Existing staff are also required to confirm continued compliance with these standards on an annual basis.

Information security

To ensure that information is sufficiently protected, we only grant access to authorised personnel, and our Group standards ensure that member firms have local policies in place to safeguard information security. This minimises the risk of information in our possession being inadvertently lost or corrupted.

Our Group requirements mandate a number of information security protocols for all member firms. Our operational and governance structures for information security at the Group level are embedded within the Group risk management function, enhancing the independence of our information security oversight. Information security KPIs form part of our non-financial country dashboard and are integrated into the performance assessment and BP allocations of country managing partners. This approach prioritises information security at the highest leadership levels across our member firms.

Since 2019, we have conducted Group-wide cyber awareness training campaigns. During 2023/2024, the latest trainings were positively received across our teams, and we continued to see improvements in awareness as demonstrated by a substantial decrease in the number of colleagues entering their information in response to controlled phishing tests. This year, we also conducted a ‘building cyber awareness’ internal communications campaign, including designating October 2023 as ‘cyber awareness month’, delivering a cyber security toolkit, and conducting a fake phishing campaign related to the Paris 2024 Olympic Games.

Data privacy

Data privacy is managed within each member firm in accordance with local and international regulations, as applicable. This decentralised approach is reinforced by our Group requirements and guidance provided by our Group Data Privacy Lead, supported by the Group Data Privacy Steering Committee.

Our Personal Data Protection Policy, which forms part of our Group Policy Manual (GPM), sets the baseline standards member firms are required to implement in order to protect personal data.

Utilising knowledge and expertise

Our intellectual resources, developed internationally, supplemented locally and supported by guidance and tools, enable our teams to consistently deliver a high-quality service to our clients. These include our various methodologies, policies, technical resources and more.

Forvis Mazars Group Policy Manual

Our mandatory Q&RM requirements are applicable to all member firms and all service lines and are updated at least annually. They are communicated in our GPM. The GPM is supplemented by policy manuals covering the Audit & assurance, Tax, Outsourcing and Financial advisory service lines, with others under development. Several of our service lines are supported by detailed methodologies, as explained below. We have baseline for the regular review and maintenance of our significant intellectual resources, ensuring they are accurate, relevant and available when our teams need them.

Forvis Mazars Group Audit Methodology

The Forvis Mazars Group Audit Methodology (MAM), together with related guidance, sets out our audit methodology in accordance with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). It is supplemented by applicable local, regulatory and legal requirements for all member firms.

The MAM applies to all audits performed by member firms, giving our clients confidence in the consistency and quality of our audits. It is complemented by application guidance, FAQs, templates and tools for auditors and supplements for Public Company Accounting Oversight Board (PCAOB) audits.

Using this common methodology drives a consistent approach and a high level of quality across our engagements throughout the Group, irrespective of the size and scale of the client. The MAM is available via our MAPLE platform. Our Group MAM team also provides support to member firms through a consultation helpdesk and other outreach initiatives.

Sustainability Assurance Methodology

We have developed an innovative and modern Sustainability Assurance Methodology (SAM) to ensure a level of quality that meets the expectations of regulators and wider stakeholders. As standards are finalised, we continue to evolve and update the SAM to ensure alignment. To support this, we have representation in and regularly communicate with standard setting, advisory and regulatory bodies.

We also engage in ongoing discussions with internal practice professionals and actively seek their input to ensure our methodology and solutions meet user expectations.

IT Assurance Methodology

We have also developed an IT Assurance Methodology (ITAM) to ensure a level of quality that meets the requirements of the most common international standards, such as the International Standard on Assurance Engagements (ISAE 3402 or ISAE 3000) and SOC 1, SOC 2 and SOC 3. The ITAM is integrated into the MAM in its key phases to guarantee consistency in shared activities, and provides our teams with guidelines and practical templates for assurance engagements. In addition, we have set up a Group team to provide further support to all member firms in their implementation of this methodology.

Continuous improvement

To facilitate continuous improvement, we regularly monitor, review and seek to improve our approach whenever necessary.

Robust internal monitoring

We use a broad range of mechanisms internally to monitor quality and compliance, perform root cause analysis (RCA) to identify opportunities for improvement, and respond to feedback.

Group level programme

Our international quality monitoring (IQM) team, part of our Group quality management function, acts as the third line of defence, applying a risk-based approach to overseeing the robust and consistent delivery of quality engagements by member firms.

Annually, we execute an inspection campaign for a selected sample of member firms. The IQM team is supported by regional quality monitoring leaders and teams, which provide further oversight of member firm quality and compliance.

Our annual inspection programme is conducted by core members of the Group IQM team, regional teams and independent and objective reviewers from various member firms, who are selected based on their experience, competence and capacity to perform the work.

Our programme covers two main areas:

1. SoQM reviews, and
2. Engagement file reviews

Both elements of the programme include checklists, documentation and related training, all of which are housed in our innovative Q&RM IT solution.

SoQM reviews

Our SoQM review programme involves detailed evaluations of selected member firms each year. These evaluations relate to the testing and evaluation requirements of our SoQM, which are necessary to support our annual compliance with ISQM1. These detailed reviews are predominantly conducted onsite but can be conducted remotely as required. They may include reperformance of testing. A higher-level desktop review of SoQM is conducted for all remaining member firms using our Group SoQM tool.

Member firms are selected for detailed review using a risk-based approach and other KPIs, such as when they were last inspected, prior-year results and progress against action plans. Detailed inspections are generally conducted every three to five years for each member firm. In 2023/2024, we carried out detailed reviews of 22 member firms.

Engagement file reviews

Engagement file reviews (also referred to as ‘cold reviews’) are designed to inspect the quality of work of engagement partners. Each year, the Group IQM team issues guidance, training and questionnaires for these reviews. The questionnaires cover various topics and areas of focus, including acceptance and continuance practices, ethical and independence considerations, resource allocation, competency and engagement documentation. As with SoQM reviews, a risk-based approach is used to select engagements for review.

During 2023/2024, a total of 88 inspections were completed at the Group level, covering our Audit & assurance, Tax, Outsourcing and Financial advisory service lines, for engagement file reviews relating to work conducted during the year. Some 21 of these reviews were conducted on audit engagements. In 2023/2024, 60% of member firms were subject to a Group-coordinated IQM engagement file review for at least one of their service lines, with 20% of member firms reviewed for their Audit & assurance service line.

Continuous improvement

The results and lessons from these monitoring and compliance programmes are communicated to member firms, which are then required to establish action plans and make improvements as needed.

Member-firm-level monitoring

All member firms are required to establish monitoring programmes that provide relevant, reliable and timely information about the design, implementation and operation of their local SoQM.

To support member firms in conducting their local SoQM reviews, we have incorporated all our baseline quality objectives, quality risks and controls into our innovative Q&RM IT solution. The tool can also be customised to meet the specific needs of individual member firms through the inclusion of additional items identified through local risk assessment processes. In addition, the tool facilitates the documentation of member firm testing of the effectiveness of the ISQM1 responses and controls, as well as the overall annual evaluation of each member firm's SoQM. It also captures appropriate actions to drive the timely resolution of identified findings and deficiencies.

To ensure quality, the local programme must be overseen by an individual who is suitably senior and independent of the design and implementation of the SoQM. In addition, the monitoring activities must be carried out by individuals who are sufficiently objective with regard to the SoQM itself. Where member firms publish their own local transparency reports, these include a summary of their annual ISQM1 effectiveness assessment and evaluation.[13]

Root cause analysis

Our SoQM provides the foundation for the consistent delivery of quality engagements. Effective RCA is a key component of a robust monitoring and remediation mechanism within that system. Where deficiencies related to the operation of the SoQM are identified, member firms conduct further analysis to identify the cause(s). Our Group RCA Guide and supporting toolkit provide consistency in our approach to and implementation of robust RCA by member firms. In addition to the Group guide, RCA must be supplemented locally by member firms to include a broad range of inputs from local SoQM testing and the Group's IQM campaign results. Remedial actions must then be developed by member firms to address the identified root causes.

Identification and remediation of known issues

Findings identified through Group monitoring procedures are analysed in accordance with Group standards. Corrective action plans with clear timelines for improvement are agreed, and responsibility is assigned to relevant stakeholders to ensure timely resolution.

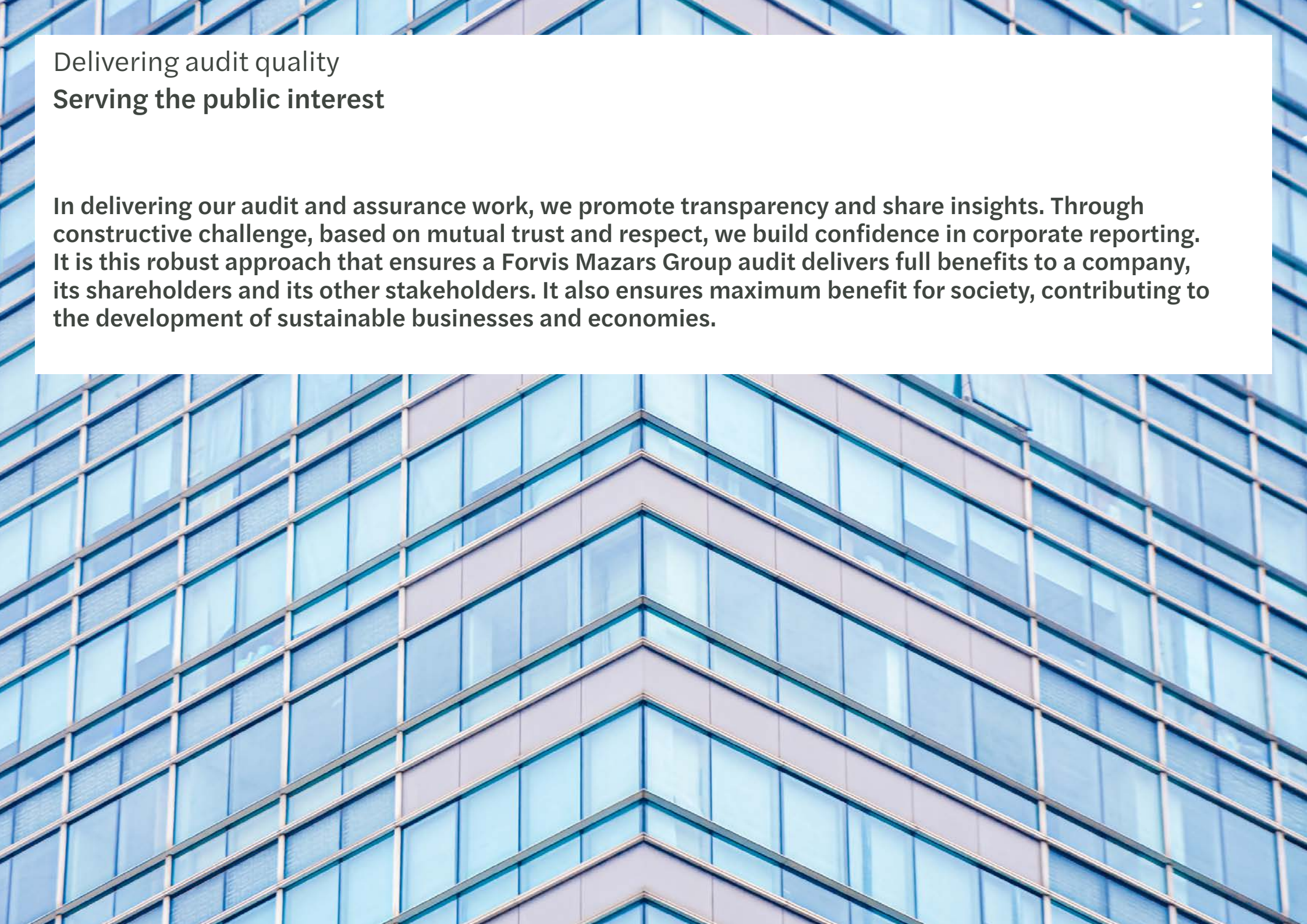
Non-financial indicators quality dashboard

During the year, we introduced a non-financial indicators quality dashboard for use in all member firms. The dashboard tracks internal key quality and compliance measures, such as Group code of conduct training completion statistics and WeCheck KPIs. The dashboard has been made available to the leadership of all member firms. It aims to help both Group and member firm leadership identify and understand the challenges, as well as the areas of strength and best practices. The monitoring and tracking of the dashboard by the Group and regional leadership act as a means of holding country leadership accountable for quality metrics.

External monitoring

All member firms subject to external oversight have processes in place for responding to the requirements of any relevant external regulatory or oversight body inspection or review. This includes designating relevant personnel to lead liaison with regulators.

[13] A list of member firms that publish their own local transparency reports can be found on our website.



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 Group 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.

Delivering audit quality
Serving the public interest

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

We offer a distinctive, human-centric approach that goes beyond compliance, with an integrated structure that allows us to work seamlessly as one team internationally. We serve regional, national and international companies of all sizes and structures by combining the right people with the right skills for every engagement, leveraging our collective knowledge and using consistent tools and methodologies.”



David Herbinet
Head of Audit & Assurance,
Forvis Mazars Group



Delivering audit quality
Audit quality programmes

Our Audit & assurance service line is governed by the Group Audit Board (GAB), which is chaired by our Group Chairman and made up of 15 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 our 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.

The key priorities for the GAB in 2023/2024 were technology and tools, talent management and quality. The highlights for the year are summarised below.

Atlas NextGen

Atlas NextGen continues to be our core audit platform, providing a complete audit solution for our staff. Throughout 2023/2024, the platform was enhanced to facilitate ISA220R and ISA600R compliance. We also introduced tools to improve the efficiency and quality of the audit process, developed sector-specific content, and conducted annual pen testing to maintain required IT certifications and platform security.

Global Reinventing Audit

We have dedicated an innovation and R&D programme exclusively for Audit, called 'Global Reinventing Audit'. This programme involves quality, risk and methodology experts developing digital audit solutions. It ensures a transformed audit experience for teams and clients while guaranteeing quality across all our procedures. Additionally, the programme provides enhanced security for the data entrusted to us by our clients by centralising all information in a single location and applying the highest security standards.

Audit learning path

Our audit learning path (ALP) is regularly updated to incorporate the latest mandatory training courses related to key technical topics for our auditors, including audit documentation, audit evidence, understanding the entity and internal controls. Implementation of the ALP is monitored as an audit quality indicator (AQI) across all member firms.

Audit quality survey

As in previous years, the results from our 2023/2024 audit quality survey dedicated to Group audits are monitored and communicated to the relevant stakeholders. This information is shared in order to foster discussions among engagement teams and promote continuous improvement in the quality of Group audits.



Audit quality programmes

Flyer programme

Revamping international mobility has been at the top of our talent management priorities. Our new Flyer programme, one of several projects prioritised by the GAB in 2023/2024, facilitates resource and expertise sharing internationally and ensures teams can deliver the highest quality audits to our clients. Through the programme, auditors are offered the opportunity to bring their expertise and experience to other offices to assist local teams, enhance quality and build skills and competencies internationally.

Audit quality indicators

Our AQIs include information on supervision, client survey feedback, feedback from member firm audit leaders, internal and external inspection results, and adherence to the ALP. These AQIs are regularly analysed to determine the relevance and reliability of the information as it relates to audit quality.

Our KPIs

73

hours of training on average per auditor (63 hours in 2022/2023)

Independent audit oversight took place in

79

member firms (75 in 2022/2023), of which **28** were subject to regulatory inspections (34 in 2022/2023)

3.6/1

staff/manager ratio (3.5/1 in 2022/2023)

13.0/1

staff/partner ratio (12.5/1 in 2022/2023)

Two-partner teams and rotation

In certain member firms, all large engagements are placed under the responsibility of at least two partners. Having teams of partners on engagements strengthens objectivity and brings broader technical expertise to the engagement, to the benefit of our clients.

Key audit partners are rotated on PIE audit engagements, in compliance with national and EU laws and regulations, including the EU Statutory Audit Directive, as well as the IESBA Code. This rotation reduces the risk of 'closeness' to the audited company and the potential for impaired independence. It also enables our auditors to maintain greater objectivity in dealing with client issues and in expressing an opinion on financial statements.

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, but 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 environmental, social and governance (ESG) reporting is aligned with our auditors' duty to serve the public interest by contributing more reliable, relevant and transparent information in public reporting.

Consequently, further to our previous investments in our Sustainability service line, this year we have continued to invest in our 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, we offer international solutions, global and local expertise and consistent project methodologies and technical standards worldwide. By doing this, we help clients put sustainability at the centre of their business. We also regularly publish sustainability thought-leadership pieces on our Group website.

We have developed a substantial training programme for our 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 international sustainability teams have access to technical resources and tools developed to assist them in the application of the CSRD, including our 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 and 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 we are paving the way, helping to shape new approaches to a fuller understanding of company performance, including establishing new benchmarks in these fast-evolving areas.

That is why we contribute to conversations on the future of audit and the need to adapt audit regulations, standards and frameworks to the new context. We share our expertise, experience and feedback on the most efficient levers to improve audit quality and build confidence by engaging with key stakeholders and regulators through our involvement in professional organisations, key working groups and institutions around the world. In 2023/2024, 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.
- Participation in key working groups of national audit institutes around the world.

We are active participants 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.

We participate in these conversations by sharing our views and responding to public consultations at the national, regional and international levels. Our key recommendations include:

- Incentivising the opening of the PIE audit market to additional audit players to build trust, improve 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.
- Mandating a level playing field for sustainability reporting by implementing reliable, consistent and comparable sustainability standards such as the European Sustainability Reporting Standards in EU member states and the IFRS Sustainability Disclosure Standards in other jurisdictions.

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

Contact

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Forvis Mazars Group SC is an independent member of Forvis Mazars Global, a leading professional services network. Operating as an internationally integrated partnership in over 100 countries and territories, Forvis Mazars Group specialises in audit, tax and advisory services. The partnership draws on the expertise and cultural understanding of over 36,000 professionals across the globe to assist clients of all sizes at every stage in their development. Visit forvismazars.com to learn more.

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