PKF

Transparency Report 2025

Your Vision. Our Ambition.

A Message from Our Chairman

Ahmed Paruk

Chairman
PKF South Africa

It is my privilege to present the PKF in South Africa Transparency Report.

This report represents more than compliance. It reflects who we are as a network – how we lead, the standards we uphold, and the responsibility we share across all eight independent PKF in South Africa member firms.

Over the past year, we've continued to deepen our collaboration, strengthen our culture of quality, and invest in the structures that allow us to operate with greater consistency, integrity, and accountability.

We've made meaningful progress in enhancing governance, empowering our people, and embedding a shared commitment to excellence across the country. This report highlights that journey – the impact of our collective efforts, and the areas where we continue to raise the bar.

Thank you to every partner and team member who contributes to our purpose, and to our clients and stakeholders for the trust you place in us.

Together, we are shaping a stronger PKF in South Africa network – united in ambition, anchored in quality, and committed to continuous improvement.

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A Message from Leadership

We are proud to present PKF in South Africa's inaugural Transparency Report, a significant milestone in our journey as a network of independent member firms.

This report sets out who we are as a network, how we govern ourselves, the systems we rely on to ensure quality, and the values that guide our work. It reflects the progress we've made in fostering a culture of integrity, collaboration, and transformation. It also acknowledges the responsibility we carry to shape a profession that remains relevant, resilient, and trusted.

Waldek Wasowicz

Chief Executive Officer
PKF South Africa

Angie da Silva

Chief Operating Officer
PKF South Africa

Nishani Sudhoowa

Head of Quality & Risk
PKF South Africa

Our role within the PKF Global network is vital. While each PKF member firm is locally owned and managed, our reach and collaboration extend across borders, guided by the same purpose: to deliver quality with integrity and create meaningful impact for our clients, our people, and the communities we serve.

This transparency report is both a milestone and a starting point. It reflects the progress we've made and the accountability we embrace. It also signals our determination to continually improve and build lasting trust with all those who place their confidence in us.

Publishing this report reflects more than compliance. It affirms our commitment to accountability, audit quality, and serving the public interest. Trust is the cornerstone of our profession, and our stakeholders – clients, regulators, and the broader public – rightly expect us to uphold the highest standards of quality, ethics, and independence.

On behalf of the PKF in South Africa network, we extend our gratitude to our partners, teams, and clients for their continued support, and to our regulators and professional bodies for their oversight and guidance.

Together, we are shaping a profession that continues to thrive in the service of both business and society.

PKF

Thinking Globally, Acting Locally

As members of PKF Global, PKF member firms are part of a broader community – one that spans more than 150 countries and connects us to international standards, methodologies, and thinking.

PKF Global

$2.1Bn revenues

213+ firms globally

23,000+ people

150 countries

513+ offices

We don't just borrow from global frameworks. We contribute to them. And we bring them to life through deep local insight and meaningful client relationships.

PKF in South Africa's strength lies in its partnerships – between PKF member firms, with our people, and alongside our clients. It's this collaborative spirit that allows us to remain resilient in the face of change, and focused on quality in everything we do.

PKF in South Africa

- **4** Provinces
- **500+** Trainees
- **1000+** Employees
- **8 PKF** member firms
- **90+** Directors

PKF Africa

- **42** countries
- **61** offices
- **215** partners
- **2,887** team members

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About PKF in South Africa

The PKF in South Africa story is one of rebuilding with intent.

A Network Built on Purpose

PKF in South Africa is a national network of eight independent member firms. Each one is locally owned and managed. Together, we operate under a shared brand and purpose – combining accountability on the ground with the benefits of scale, collaboration, and global reach.

Our central services structure allows us to work as one cohesive platform. It gives PKF member firms* access to shared tools, consistent methodologies, and specialist skills across the network, while still retaining the agility and relationships that come from being locally led.

From Recovery to Relevance

In 2013, following a period of significant contraction, we began the process of renewal. With support from PKF International, and leadership from Theo Vermaak (current PKF Global CEO) and the late Kevin Gertenbach (then PKF in South Africa Chairman), the network took the first steps toward stabilising and growing again.

At a time when resources were stretched, our focus was clear – protect what matters most. National quality and risk management, and learning and development were prioritised, and carried forward through the efforts of PKF Durban, PKF Port Elizabeth, and PKF Welkom. This commitment allowed us to hold our position, preserve our credibility, and begin attracting new firms into the fold.

What followed was steady, deliberate growth. Today, we're represented in every major metro in South Africa, with over 1,000 professionals delivering audit, tax, and advisory services across sectors and geographies.

Revenue (R'm)

449 2020

442 2021

510 2022

572 2023

614 2024

705 2025

Looking back : Six Years of Progress

*For the purposes of this document, with the exception of the Appendix, references to 'PKF member firm(s)' should be interpreted as referring solely to the eight member firms that form part of the PKF in South Africa network.

Legal Structure and Ownership

Independent by Design. Connected by Purpose.

What brings us together is more than just a name. It's a shared commitment to quality, collaboration, and national consistency. Operating under the PKF brand, PKF member firms pool resources, align methodologies, and uphold common standards – all while retaining the agility and accountability that come from being independently run.

How We Operate

The PKF in South Africa network is supported by a central services team. This team provides coordination across the critical areas of quality and risk management, learning and development, marketing, and technology. It's funded by the PKF member firms and overseen by our National Board and Executive Committee.

Importantly, each PKF member firm remains a separate legal entity. That means clients contract directly with the PKF member firm they engage – not with PKF in South Africa as a whole. Each PKF member firm is fully responsible for its own operations, financials, and regulatory compliance.

It's a model that gives PKF member firms autonomy where it counts, and support where it matters.

Part of Something Bigger

All eight PKF member firms in South Africa are proud members of **PKF Global,** a worldwide network of legally independent firms of PKF international Limited operating in over 150 countries. Together, the network provides assurance, accounting, advisory, and tax services with a shared commitment to consistent quality and professional standards.

PKF International Limited is registered in England as a private company limited by guarantee. It does not provide services to clients or assume liability for the actions of its member firms. Instead, it supports the network through global brand standards, technical oversight, and the coordination of the **Global Monitoring Programme (GMP)** – a framework that helps ensure quality and consistency, especially for transnational and referred engagements.

Our network's governance is further strengthened by PKF Global's membership in the **Forum of Firms**, an international association dedicated to promoting high-quality auditing and financial reporting practices worldwide.

Further details on PKF Global's structure, legal basis, and quality assurance processes can be found in the **Appendix**.

Legal Structure and Ownership

The Three-Tier Structure

Global Level:
PKF International

- Registered in England as a company limited by guarantee
- Provides global monitoring, quality standards and brand governance
- Does not provide client services or assume liability

1.

National Level:
PKF in South Africa Network

- A network of eight independent member firms operating under the PKF brand
- Central services structure delivers national support across Quality and Risk Management, Learning and Development, Marketing and Technology
- Oversight provided by the National Board and Executive Committee

2.

Local Level:
PKF Member Firms

PKF Cape Town
PKF Constantia Valley
PKF Durban
PKF George
PKF Octagon (Johannesburg)
PKF Port Elizabeth
PKF Pretoria
PKF VGA

3.

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A Snapshot of Our People

The People Behind the Profession

At PKF in South Africa, our strength lies in our people. Across the eight PKF member firms, over 1,000 professionals bring our purpose to life every day - supporting clients, building trust, and delivering the high-quality work that defines our brand.

We are focused on more than our headcount. It's about capability, diversity, and shared ambition. We are committed to attracting, developing, and retaining talent that drives excellence in everything we do.

A Snapshot Of Who We Are

Our team includes 93 partners and over 1,000 professionals, representing a wide range of backgrounds, experiences, and specialisations.

Total professionals across 8 firms
1,000+

Gender representation
65% women, 35% men

93
Partners

Professional staff
1,022

45
Average partner age

12 years
Average partner experience

Black partners
29%

Black professional staff
58%

Staff-to-partner ratio
11:1

This diversity supports stronger thinking, better decision-making, and deeper client connection.

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Financial Information

Numbers That Reflect Our Focus

> *As a network rooted in quality and driven by ambition, our financial performance is one reflection of the trust our clients place in us – and the consistent value we aim to deliver.*

For the financial year ended **28 February 2025**, the PKF in South Africa network generated **R705 million** in total revenue. This marks a 1**5% year-on-year increase,** reflecting steady growth across all major service lines.

2025	R705m	15%
February	turnover	increase

Service Line Breakdown

The composition of our revenue demonstrates both our continued focus on audit quality and our ability to support clients across a broader set of needs:

Audit & Assurance:

61% (R427 million)

Accounting:

14% (R97 million)

Tax:

12% (R81 million)

Other Services (Company Secretarial, Advisory and Compliance):

13% (R100 million)

Audit and assurance remain at the core of our business. However, the growth of our tax and advisory services reflects our ambition to serve as trusted, multidimensional partners – while maintaining clear boundaries and safeguards to preserve audit independence.

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Financial Information

Revenue by PKF Member Firm

	Revenue (Rm)	Audit & Assurance (Rm)	% Audit & Assurance
PKF Octagon (Johannesburg)	204	117	57%
PKF Durban	173	119	69%
PKF Cape Town	102	80	79%
PKF Port Elizabeth	69	32	47%
PKF VGA	54	9	16%
PKF Constantia Valley Cape Town	44	24	55%
PKF Pretoria	37	31	83%
PKF George	22	14	65%
Total	**705**	**426**	**61%**

Financial Information

Looking Ahead

Our ambition is to continue building a strong, resilient, and balanced national network - one that leads in audit quality while growing our capacity to support clients through specialised advisory and tax solutions.

We remain focused on:

Sustaining the strength and integrity of our audit services

Growing our advisory footprint where it adds client value

Preserving independence and managing risk

Financial results are just one measure of progress. What matters more is how we grow - and what we protect along the way.

Our growth is intentional and grounded in quality. We continue to invest in our people, strengthen our systems, and maintain the trust that clients and regulators place in us. Because for us, growth only matters if it reinforces the standard we've built our name on.

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PKF For Good – Our Social Impact Commitment

Creating Impact Beyond the Office

At PKF in South Africa, our purpose goes beyond the numbers. As trusted advisors, we carry a deeper responsibility - to uplift the communities we serve and contribute to a more equitable future.

In 2025, we formalised that commitment by launching PKF For Good - a national platform that unites the social impact efforts of all eight PKF member firms across the country.

This initiative reflects our broader purpose - to serve, support, and contribute beyond the balance sheet.

Why PKF For Good?

Each PKF member firm has long had a tradition of giving back - from supporting schools and youth programmes, to driving food security initiatives, to offering pro bono services to non-profits.

By bringing these efforts together under a single banner, we:

- **Amplify impact** by pooling resources and scaling what works
- **Strengthen identity** by showing a unified commitment to making a difference
- **Enhance accountability** by tracking our contributions in a transparent, measurable way

PKF For Good brings shared purpose to life - channelling our collective ambition into action that matters.

PKF For Good – Our Social Impact Commitment

Four Areas of Focus

Our PKF in South Africa programme is built around four key themes that reflect both local need and long-term impact:

Education & Skills:

Bursaries, mentorship, and training support for students pursuing careers in accounting and business

Food Security:

Collaborations with NGOs and local partners to support sustainable food relief and nutrition programmes

Youth Development:

Outreach initiatives that build career readiness, entrepreneurial skills, and self-confidence in young people

Community Resilience:

Contributions toward health, wellbeing, and disaster response efforts where urgent support is needed

From Initiative to Institution

To ensure longevity and transparency, **PKF For Good is being registered as a Non-Profit Organisation (NPO)**. This formal structure will enable stronger governance, more consistent reporting, and better alignment across PKF member firms.

Each of the eight PKF member firms will continue to lead their own local initiatives - but will also contribute to a network-level programme that reflects the power of working together.

Our goal is for PKF For Good to become the heartbeat of the South African network's social impact.
A platform that proves what's possible when purpose meets partnership.

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Sustainability and ESG Reporting

Building Trust in a Changing World

At PKF in South Africa, we recognise that the profession has a vital role to play in helping organisations navigate sustainability risks, strengthen ESG reporting, and build long-term trust with their stakeholders. We also see the value of these same practices in helping us better manage our own risks and opportunities.

As expectations shift - from clients, regulators, and society - we're evolving too. Our focus is on developing credible capabilities, leading by example, and supporting clients through this transition.

Equipping Clients for the ESG Era

We are investing in the systems, skills, and standards that will allow us to offer meaningful sustainability assurance and advisory services. These include:

ESG Assurance Capabilities

Developing methodologies for both limited and reasonable assurance over sustainability disclosures, aligned to the International Sustainability Standards Board (ISSB) and anticipated CSRD-style reporting in South Africa.

Climate Risk in Financial Reporting

Training audit teams to identify and assess climate-related risks in financial statements to ensure that material ESG impacts are properly reflected under IFRS.

Client Support

Expanding PKF member firms' advisory services to help clients establish ESG reporting frameworks, collect reliable data, and prepare for external assurance.

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Sustainability and ESG Reporting

Walking the Talk on ESG

PKF in South Africa is developing a national ESG policy intended for adoption across the network. The policy provides a best-practice framework that supports consistency, while allowing each PKF member firm to tailor its application to local context. It focuses on 11 material topics and outlines clear responses to sustainability-related risks and opportunities - aligning business practices with responsible growth and long-term resilience.

These 11 topics reflect the most significant ESG factors affecting PKF member firms and their operations:

Climate Change -
Understanding and managing climate-related risks supports long-term resilience and aligns with global reporting expectations.

Decarbonisation of Operations -
Reducing carbon intensity strengthens operational efficiency and demonstrates environmental accountability.

Environmental

Talent Attraction & Retention -
Attracting and developing skilled professionals enhances service quality and business sustainability.

Workforce Health, Safety & Wellness -
Supporting employee well-being fosters productivity, compliance, and retention.

Diversity, Equity & Inclusion (DEI) including Transformation & B-BBEE -
Advancing transformation and equitable representation aligns with national priorities and strengthens organisational culture.

Public Perception & Reputation -
Maintaining trust and transparency enhances stakeholder confidence and the firm's social licence to operate.

Social

Information Security & Cyber Resilience -
Protecting client data and digital systems safeguards reputation and regulatory compliance.

Audit Quality & Professional Independence -
Upholding independence and ethical standards ensures integrity in assurance and advisory services.

Organisational Culture, Governance, Ethics & Integrity -
Promoting ethical leadership and accountability supports effective decision-making and trust.

Regulatory Compliance -
Adhering to laws and professional standards protects legitimacy and mitigates risk.

Global Governance & Geopolitics -
Monitoring global trends supports strategic alignment and informed client advisory.

Governance

Going forward, PKF in South Africa is committed to continuously reviewing risks and opportunities across these areas - integrating them into strategic planning and building the data foundations needed to track progress and drive accountability.

Sustainability and ESG Reporting

Leading by Example:

The PKF Octagon Story

Led by the Head of ESG & Sustainability, PKF Octagon in Johannesburg has taken a pioneering role by embedding sustainability into its long-term business strategy - not as an add-on, but as a foundational principle.

Net Zero Commitment:

PKF Octagon's 2024 Carbon Report sets science-based targets and outlines a clear roadmap to Net Zero. It marks a major step in aligning business growth with a low-carbon future, bridging environmental science with social impact.

B Corp Certification:

PKF Octagon is also actively pursuing B Corp certification, embedding ESG considerations across governance, operations, and community engagement. This reflects a measurable commitment to doing business in a way that balances people, planet, and performance.

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Sustainability and ESG Reporting

Scaling Sustainability, Together

PKF in South Africa is scaling its sustainability efforts across the network. Inspired by PKF Octagon's approach, PKF in South Africa is working to build a network-wide sustainability roadmap - complete with shared measurement tools, reporting standards, and practical guidance.

Our goal is to ensure that each PKF in South Africa member firm is equipped to operate responsibly and offer credible ESG assurance and advisory services. By aligning our efforts nationally, we strengthen our collective impact and reinforce our role as trusted advisors in a changing world.

Through these steps, PKF in South Africa is helping shape a profession that supports a more sustainable, resilient economy, one where purpose and performance go hand in hand.

As we scale our capabilities, our goal is to ensure that each PKF in South Africa member firm is both operationally responsible and professionally equipped - so we can help clients meet rising ESG expectations with clarity and confidence.

PKF in South Africa Member Firms' Systems of Quality Management (SoQM)

Across PKF in South Africa, PKF member firms apply a risk-based approach to quality management in accordance with ISQM 1, to proactively manage and enhance the quality of the engagements performed.

The development of strong controls and strict oversight support and promote quality, accountability, consistency and transparency across the network.

A Structural Approach to ISQM 1

PKF International Limited (PKF International)

- Member of the Forum of Firms ("FoF"), an organisation committed to promoting consistent, high-quality standards of financial reporting and auditing practices worldwide.
- Required to ensure that the PKF Global network, and its firms, comply with the Forum's membership obligations, which includes adherence to the requirements of ISQM 1, and the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).
- Have incorporated the requirements of the FoF into the PKF International Professional Standards Manual (IPSM), which serves as the central repository of network-level quality and ethical requirements. In addition to embedding the requirements of ISQM 1 and the IESBA Code, the IPSM establishes additional network-wide requirements for PKF member firms to comply with that, while outside the scope of ISQM 1, are considered relevant and integral to maintaining and enhancing quality across the PKF Global network.
- To reinforce its commitment to quality, PKF International mandates the application of all requirements within the IPSM, including those relating to ISQM 1, across all service lines. These requirements, therefore, extends to engagements over and above, those engagements within the scope of ISQM 1.

PKF South Africa (RF) (Pty) Ltd (PKF SA)

- An entity that belongs to the PKF in South Africa network.
- Through its national team, provides strict oversight and support the SoQMs of each of the PKF in South Africa member firms, thereby promoting the consistent performance of quality engagements across the network.
- Oversees PKF member firms' compliance with local and international network requirements.
- Have established through the PKF SA Risk and Compliance committee (RCC), the PKF in South Africa network requirements and network level quality related services. These requirements and services relate to responses designed at the network level that PKF member firms are required to incorporate into their systems of quality management, thereby ensuring consistency across the network.
- Supports PKF member firms with guidance, tools and learning and development to drive consistency and promote adherence to relevant laws and regulations.

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PKF in South Africa Member Firms' Systems of Quality Management (SoQM)

A Structural Approach to ISQM 1

PKF in South Africa Member Firms

Each of the eight PKF in South Africa member firms has designed, implemented and operate their own SoQM in accordance with ISQM 1 under strict oversight and support from PKF SA.

Each PKF member firm developed their SoQM through a series of workshops held by PKF SA, making use of internal and external subject matter experts to assist with the identification of quality objectives and quality risks and the design of responses to address those quality risks.

PKF in South Africa Member Firms that perform audits of Public Interest Entities (PIEs)

During the period, 1 March 2024 – 28 February 2025, the following PKF member firms performed audits of PIEs:

PKF Cape Town | PKF Durban | PKF Octagon | PKF Pretoria

The PIE clients for which audit services were provided by each PKF member firm are listed below:

PKF Cape Town	
Fairtree Asset Management (Pty) Ltd	Campo de Borja Limited
GAIA Renewables 1 Limited	Cantabria Limited
GAIA Fibonacci Fibre REIT 1 Limited	La Mancha Limited
GAIA Renewables REIT Limited	Otazu Limited
Ora Pref Issuer One (RF) (Pty) Ltd	Ribera del Duero Limited
Ora Pref Issuer Two (RF) (Pty) Ltd	Somontano Limited
Capital Harvest Finance (RF) Ltd	Valdepusa Limited
Jumilla Limited	
Arinzona Limited	

PIE clients audited for the final time during the period:

PKF Octagon | African Dawn Capital Limited

PKF Durban	PKF Octagon	PKF Pretoria
Lenmed Investments Limited	Primeserv Group Limited	Pallidus Credit Connect RF Limited
Trellidor Holdings Limited	A2X Proprietary Limited	TWK Investments Limited
		Afine Investments Limited

Governance and Leadership

The PKF South Africa Board of Directors ("the Board") sets the network's strategic direction, approves budgets and monitors the management of quality and the network's adherence to professional standards and ethics.

The Board is supported by the PKF South Africa Executive Committee ("PKF SA Exco"), who have been delegated responsibility for coordinating these areas at a national level. In carrying out this mandate, the PKF SA Exco have established steering committees comprising senior individuals from across the network who drive the quality strategy and objectives of the network.

These committees include:

- The PKF in South Africa Risk and Compliance Committee ("RCC")
- The PKF in South Africa IT Steering committee
- The PKF in South Africa Learning and Development Committee
- The PKF in South Africa Technical Committee
- The PKF in South Africa National Tax Committee

The PKF SA national teams specialising in focused areas of Quality and Risk management, Learning and Development and Information Technology drive the objectives of the various steering committees and the network by:

Designing, implementing, monitoring and communicating strict policies and procedures to the network.

Establishing guidance and providing technical and risk management support and training to engagement teams thereby promoting audit and assurance quality.

Assessing and monitoring engagement quality including overseeing the various remediation processes thereby facilitating continuous improvement.

Involved leadership driving a culture committed to quality ensures that the network's values driven culture and strategic decisions consistently support high-quality engagements and ethical practice.

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Governance and Leadership

Quality Starts at the Top

As part of the PKF Global network, PKF in South Africa also benefits from an additional layer of governance and quality control:

- PKF International's Board of Directors provides international strategic oversight.
- International committees, such as the Quality and Risk Committee (QRC), guide technical standards and methodologies.
- The Global Monitoring Programme (GMP) reviews member firms regularly to ensure alignment with expected professional standards
- PKF Africa's Board of Directors oversee regional governance, membership matters, and compliance with network standards.

Assigning of Responsibility at a PKF Member Firm Level

Whilst the PKF Global network and the PKF in South Africa network create the framework of policies and network requirements that PKF member firms shall abide by and provide strict oversight through robust monitoring initiatives to ensure compliance, each PKF member firm's leadership is responsible for the delivery of quality within their firm.

Each of the PKF in South Africa member firms are responsible for establishing and maintaining a SoQM. Ultimate responsibility and accountability for each SoQM is assigned to suitable individuals, who have met the strict selection criteria imposed by PKF SA and ISQM 1 and is typically the firm's managing partner.

Operational responsibility for each SoQM, including specific areas within, are assigned to individuals within each PKF member firm who possess the appropriate experience, knowledge, influence and authority within the firm, including sufficient time, to effectively fulfil their assigned responsibilities. All individuals with assigned responsibility are accountable for understanding and fulfilling their roles. Depending on the nature and circumstances of each PKF member firm, these individuals are supported by various technical, risk management and learning and development teams/ individuals.

In addition, PKF member firms are subject to the PKF in South Africa network requirements and benefit from PKF in South Africa network services that support quality management and compliance. Annually, each PKF member firm is required to demonstrate to PKF SA the appropriateness of the assignment of roles, responsibilities and authority to enable the design, implementation and operation of their system of quality management.

Governance and Leadership

At PKF in South Africa, we recognise the importance of leadership's responsibility to cultivate a culture that supports the achievement of the objectives of each PKF member firm's SoQM. Policies and procedures facilitating an understanding of the network's culture and the demonstration of such actions and behaviours, have been designed and implemented to ensure that the network embodies its desired culture and reflects its values in its everyday actions.

All PKF member firms are required to and have agreed to follow a common set of values and ethical and quality standards. While leadership plays a critical role in setting the tone in the network, quality relating to the performance of engagements or activities within the system of quality management remains the responsibility of all professional staff.

This is reinforced through:

- Mandated network level requirements
- Mandated training
- Strict performance evaluation policies and processes.
- Strict and clear employment contracts
- Mandatory annual declarations, which require staff to acknowledge their personal responsibility for quality and the expectation that they will comply with their firm's SoQM and network level requirements,

Tone at the Top

Leadership is responsible for setting the tone that drives our values-based culture and promotes quality by consistently demonstrating their commitment through their actions and behaviours.

Engagement partners across the network are also held responsible and accountable for quality through a structured performance evaluation process. This commitment is strengthened by the mandatory network requirement requiring inclusion of quality-related key performance indicators (KPIs) related to:

- Compliance with the PKF member firm's system of quality management.
- Contribution to the PKF member firm's system of quality management
- Quality

The integration of these KPIs reinforces leadership's accountability and promotes a culture where quality is actively measured, monitored, and embedded in performance expectations.

PKF in South Africa member firms that perform audits of Public Interest Entities (PIEs)

- Reinforce their commitment to quality through the establishment of dedicated Executive Committees comprising experienced partners who oversee the delivery of quality within firms.
- To support continuous improvement, each firm also conducts formalised quality culture surveys at least annually to gather insight from staff on their experiences of the PKF member firm's culture, including their perceptions of leadership's commitment to quality. The feedback gathered through these surveys provides valuable insight into the extent to which the desired culture is reflected in practice. Survey results are evaluated, communicated to leadership and used to identify opportunities to further strengthen the culture of quality across the PKF member firm.

Identifying and Assessing Risks to Quality Objectives

By implementing robust risk assessment processes, PKF in South Africa member firms proactively identify and assess risks to quality objectives and continuously improve their systems by addressing areas impacted, thereby enhancing reliability and client trust.

At least annually, PKF member firms perform an iterative risk assessment process. The risk assessment processes of PKF member firms are designed to establish quality objectives, identify and assess quality risks and design responses to address the identified quality risks.

PKF member firms ensure that as a minimum, the quality objectives as specified by ISQM 1 are established. When identifying and assessing quality risks, PKF member firms are required to obtain an understanding of the conditions, events, circumstances, actions or inactions that may adversely affect the achievement of the quality objectives. This understanding covers the nature and circumstances of the PKF member firm, and its engagements performed. PKF member firms make use of various sources of information when identifying and assessing quality risks and in the design and implementation of responses. Sources of information include:

- An analysis of the results from the PKF member firm's monitoring and remediation activities.
- Results of any external inspections including regulatory and international inspections.
- Results of inspections performed by PKF SA.
- Any complaints and allegations.

Both PKF International and PKF SA mandate additional quality responses that PKF member firms are required to incorporate into their systems of quality management. These responses are designed to address quality risks which have the potential to affect the PKF network and individual PKF member firms. By mandating these additional responses, the network promotes consistency and enhances the overall quality and reliability of services delivered across all PKF member firms.

Relevant Ethical Requirements

Auditor independence is the cornerstone of the auditing profession. Embedding ethical standards into our daily operations safeguards the PKF in South Africa network's integrity and reputation.

Independence and Ethics

PKF in South Africa member firms are part of a global network and are required by the network to adhere to the International Ethics Standards Board for Accountants' International Code for Professional Accountants (including International Independence Standards) (the IESBA Code). In addition, they are required to comply with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (the IRBA Code), which aligns with and, where applicable, imposes more stringent requirements than the IESBA Code.

All firms adhere to the fundamental principles of ethics as set out in these codes. These include:

- Integrity
- Objectivity
- Professional Competence and Due Care
- Confidentiality
- Professional Behavior

Training and Confirmations

To ensure that PKF member firms and their personnel understand the relevant ethical requirements to which PKF member firms and their engagements are subject to, all professional staff, including non-assurance staff, are required to, upon induction and annually thereafter, attend mandated training on their PKF member firm's SoQM including ethical and independence requirements which covers both local and international requirements.

On the date of employment and annually thereafter, all professional staff, including engagement partners, are required to confirm their compliance with the network's independence requirements.

Additionally, the individual assigned operational responsibility for compliance with independence requirements within each PKF member firm, is required to annually confirm the firm's compliance with the relevant ethical requirements including independence. This confirmation is reviewed by the individual assigned ultimate responsibility for the firm prior to submission to PKF SA for further assessment and analysis. These annual confirmations are supplemented by engagement level confirmations for all assurance engagements.

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Relevant Ethical Requirements

Gifts and Hospitality

Strict policies related to inducements, including gifts and hospitality, have been designed and implemented by each PKF in South Africa member firm. These policies establish a Rand-value threshold applicable for partners and all personnel, defining what constitutes a trivial and inconsequential inducement, thereby identifying acceptable gifts or forms of hospitality.

PKF member firms are also required to maintain a register of all inducements received.

The design, implementation and compliance with the related policies and processes including supporting evidence is inspected and evaluated by PKF SA through the performance of annual compliance inspections.

Threats to and Breaches of Relevant Ethical Requirements Including Independence

Any personnel of a PKF member firm, upon becoming aware of any circumstance(s) or relationship(s) which creates a threat to or breach of relevant ethical requirements, including independence, are required to promptly report the matter by detailing the circumstance(s) or relationship(s) identified to the individual assigned operational responsibility for the PKF member firm's compliance with independence. This individual is responsible for evaluating the matter and implementing appropriate safeguards or corrective actions.

PKF SA provides oversight and monitors this process strictly through various compliance inspections.

Conflict of Interest Management

During the client acceptance and continuance process, PKF member firms are mandated to perform specific conflict-checking procedures established by PKF International and PKF SA to identify circumstances which may pose a threat to the independence of the firm or other firms within the network. This process ensures that all potential conflicts, are identified and appropriately addressed.

Relevant Ethical Requirements

Partner Rotation and Compliance Monitoring

PKF member firms adhere to the partner rotation requirements established by the IRBA Code, which aligns with the IESBA Code, as well as the Companies Act 71 of 2008.

Engagement partners on audit engagements subject to the Companies Act are required to rotate after five consecutive years. For audit clients that meet the definition of a Public Interest Entity (PIE) in terms of the IRBA Code, engagement partners are required to serve a cooling off period of five years. For other key audit partner roles on PIE audit engagements, including the engagement quality reviewer, the rotation and cooling off periods per the IRBA code are applied.

Compliance with key partner rotation requirements is monitored by the individual assigned operational responsibility for independence compliance within each PKF member firm.

Each PKF member firm is required to maintain a long association schedule; documenting details of all key audit partner rotations and succession plans for all audit engagements. This schedule is reviewed annually by PKF SA to ensure compliance with the applicable requirements.

PIE Engagements: Non-Audit Fees as a Percentage of Total Audit Fees

For the 2024 calendar year, fees from the provision of non-audit services as a percentage of total audit fees for PKF in South Africa member firms' PIE audit clients were as follows:

PKF member firm	Non-audit fees as % of total audit fees
PKF Cape Town	0,19%
PKF Durban	7,78%
PKF Octagon	0,00%
PKF Pretoria	1,94%

Prohibited Entities Register

A prohibited entities register is centrally maintained by PKF SA, containing:

- A complete list of all Public Interest Entities (PIEs), as defined in the IRBA Code, for which PKF member firms provide assurance services.
- For PIEs that are Publicly Traded Entities (PTEs), all related entities (as defined in the IRBA Code), regardless of whether services are provided to them by a PKF member firm.
- For PIEs that are not PTEs, all related entities over which the client has direct or indirect control, regardless of whether services are provided to them by a PKF member firm.

While this register is maintained centrally by PKF SA, each PKF member firm is responsible for updating the register with information relating to its own PIE clients and their related entities. The register is made available to all staff who provide professional services, as defined in the IRBA Code, enabling them to identify any circumstances or relationships that create a threat to relevant ethical requirements, including independence.

To ensure completeness and accuracy of the register, controls are established and implemented by PKF SA.

Client and Engagement Acceptance and Continuance

A structured approach to client and engagement acceptance supplemented with strict policies and processes ensures that PKF in South Africa member firms only undertake work that aligns with its capabilities and values, reduces risk and enhances service quality.

PKF Global and PKF SA Network requirements

PKF member firms, through established network requirements, are required to exercise sound professional judgment when deciding whether to accept or continue a client relationship or specific engagement.

These judgements shall be based on sufficient information obtained about the nature and circumstances of the engagement, the integrity and ethical values of the client (including management, and, when appropriate, those charged with governance), and the PKF member firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements. This includes evaluating whether the PKF member firm and the engagement team can comply with relevant ethical requirements, including independence.

Robust Policies and Procedures

To support objective decision-making and to ensure that the financial and operational priorities of PKF member firms do not lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement, PKF member firms have established strict policies and processes in accordance with the relevant standards.

PKF member firms are mandated to use the PKF SA approved client acceptance and continuance suite of forms which contains mandatory procedures to be completed by engagement teams. These suite of forms, which have been designed in accordance with applicable standards, enable engagement teams to document their understanding of the prospective or existing client, identify areas of potential concern or risk, including those related to fees, engagement resource requirements and proposed non-audit services to audit clients, and evaluate whether the potential risks can be mitigated by the application of safeguards.

To ensure effective application of PKF member firms' acceptance and continuance policies and processes, training is required to be provided to all relevant staff at least annually.

Conflict Checking Procedures

Before accepting a new client or new engagement or when continuing existing client relationships or engagements, PKF member firms are mandated to perform certain conflict checking procedures established by PKF international and PKF SA to identify circumstances which may pose a threat to the independence of the PKF member firm or other PKF member firms within the network, evaluate the significance thereof and apply safeguards when necessary to eliminate the threat or reduce it to an acceptable level.

These conflict checking procedures are performed in accordance with PKF member firm level and network level established policies and procedures, which include making use of the Transnational Entity Database (TREND) to research the nature and extent of any relationships between the current/prospective client and other PKF member firms. TREND is a PKF Global network platform (tool), that contains information about the transnational client entities of all PKF member firms, thereby serving as a key network resource, supporting PKF member firms in their international conflict checking procedures.

As part of the client acceptance and continuance procedures, PKF member firms assess and conclude on whether the client/prospective client meets the PKF network definitions of a Transnational Audits (TNA) or Transnational Entity (TNE). Clients assessed as being a TNA or TNE are recorded on TREND.

To ensure effective use of this tool, mandatory annual training on TREND is provided by each PKF member firm to all relevant personnel.

Higher risk conflict checks are centrally monitored by PKF SA whilst all other conflict checks are monitored by dedicated teams within each PKF member firm with oversight from PKF SA.

Client and Engagement Acceptance and Continuance

Additional Considerations Related to Public Interest Entity (PIE) Engagements

Acceptance

For all prospective assurance and non - assurance engagements of PIEs as defined in the IRBA Code, the proposing PKF in South Africa member firm is required to present the required client acceptance procedures performed during the proposal phase and the results thereof to the PKF SA Head of Quality and Risk and the PKF SA Chief Operating Officer. Based on the information provided including the related supporting evidence, PKF SA evaluates and assess any risks in relation to the proposed engagement and communicates their conclusions to the proposing PKF member firm before the engagement team submits a proposal to the prospective client.

Where the PKF member firm is subsequently appointed as the auditor, before the engagement commences and prior to the signing of the engagement letter, the PKF member firm is required to complete additional client acceptance procedures in accordance with its client acceptance policies. The results of these procedures are approved by designated individuals within the PKF member firm and thereafter, submitted to PKF SA for evaluation.

PKF SA assesses the approved documentation to determine whether:

- the PKF member firm has the necessary competence, capabilities, including time and resources to perform the relevant engagement,
- the PKF member firm has followed an adequate client acceptance process; and
- the PKF in South Africa network is not exposed to any significant reputational risk associated with the proposed new client.

Based on this evaluation, PKF SA communicates to the PKF member firm the outcome of the assessment.

Continuance

For all assurance and non-assurance PIEs, PKF member firms submit their client continuance and related supporting documentation to PKF SA for review on an annual basis.

Our People

Investing in the right people, tools, and technology empowers our engagement teams to deliver consistent, high-quality work efficiently and effectively.

The PKF in South Africa network is committed to attracting, developing and retaining highly competent and capable staff to ensure the consistent delivery of quality engagements across its PKF member firms. To ensure accountability and effective human resource management, each PKF member firm is required to appoint a dedicated partner to be responsible for the management of human resources.

Vacation Work

Each year, the network offers structured vacation work programmes aimed at students pursuing SAICA-accredited undergraduate degrees or the Postgraduate Diploma in Accounting (PGDA), with a strong academic record in core mathematics and accounting subjects and who do not hold a SAICA training contract or bursary with another training office.

Recruitment

Recruitment across PKF member firms is guided by formally documented policies and processes that promote consistency and fairness. Candidate application screening is conducted with consideration given to relevant skills, qualifications, and experience, among other job-related criteria. Reference checks form an integral part of the recruitment process, reinforcing the network's commitment to integrity and professional competence.

Performance Evaluation and Consequence Management

The importance of being committed to quality and the demonstration thereof is evaluated through timely performance evaluations.

SAICA trainee accountants are required to follow as a minimum, SAICAs formal assessment program which includes tracking and monitoring of development areas.

PKF member firms foster an environment where feedback is shared regularly to identify opportunities for career progression and promptly address performance challenges.

Where willful non-compliance with a PKF member firm's SoQM is identified, it is addressed in several ways, including but not limited to, instituting a plan to improve performance, performance reviews and reconsideration of opportunities for promotion and increased compensation, and ultimately termination of employment.

Our People

Assignment of Engagement Team Members and Other Individuals to Engagements

Engagement partners are required to confirm that engagement teams and any experts and internal auditors who are not part of the engagement team, collectively have the appropriate capabilities, competence, time, skills, techniques and expertise in financial reporting to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements, and to enable the report that is appropriate in the circumstances to be issued.

To support engagement partners in ensuring that appropriate personnel are assigned to engagements in a timely manner, taking into account the facts and circumstances of the audit engagement, PKF member firms maintain formal planning policies and processes for personnel allocation which is reviewed and approved by relevant individuals within the PKF member firm, including the assigned engagement partner.

Furthermore, only those engagement partners who have met the stringent requirements imposed by PKF SA and have been formally approved by PKF SA, in accordance with the PKF SA network requirements, are permitted to perform assurance engagements for entities listed on a stock exchange.

Learning and Professional Development

Each PKF member firm as required, has appointed a partner/ director of the firm to represent the firm on the PKF SA Learning and Development Committee. This individual is responsible for the direction and implementation of the professional development programme (PDP) within the PKF member firm and is responsible for assessing the learning and development needs of all levels of professional personnel within the related firm.

From 1 March 2025, the Training and Development partner from PKF Cape Town has assumed management responsibilities of the PKF SA Learning and Development department under a national service level agreement.

This structure ensures alignment with quality objectives and consistent delivery of learning across the network.

Our People

Core Courses for Trainees:

PKF SA develops and delivers structured core training courses annually, tailored to the respective levels of trainee accountants. These include the Fresher's Course, Intermediate Course, and Senior's Course. Each course is designed to support the progressive development of technical and professional competencies. Tutors are selected from across PKF member firms based on strict criteria established by PKF SA and are assigned to groups of trainee accountants to facilitate learning and mentorship.

Induction Training:

All trainee accountants attend an induction course within the first three months of commencing their training contracts. PKF member firms may elect to make use of the induction training material provided by PKF SA. Where a PKF member firm elects not to do so, it must ensure that its induction programme addresses all topics specified in the annually issued PKF SA induction checklist.

In addition to trainee induction, PKF member firms are required to develop appropriate induction programmes for all other levels of staff. PKF SA has mandated that all PKF in South Africa member firms conduct induction training sessions on ISQM 1, to the extent applicable, for all new professional staff appointments other than trainees.

Mandatory Training:

Each year, the Learning and Development Committee, coordinated and directed by PKF SA, prepares a memorandum outlining mandatory learning and development topics beyond the core and induction training courses. This list is intended to address the professional development needs of a broader range of personnel, including partners and directors. The proposed training topics are reviewed and approved by the PKF SA Exco. Each PKF member firm, through its designated Learning and Development representative, is responsible for ensuring completion of the mandated training.

Continuing Professional Development

PKF SA requires that all personnel across PKF member firms who are members of relevant professional bodies comply with all applicable Continuing Professional Development (CPD) requirements of those bodies.

In addition, where reportable deficiencies are raised on engagements inspected either by the regulator or by PKF SA, through its internal inspection process, engagement team members on the inspected engagement, who are qualified CA's, are required to incorporate the reportable deficiencies raised as specific learning areas in their individual reflective learning plans.

Tools and Technologies

PKF member firms are committed to ensuring that appropriate technological resources are obtained or developed, implemented, maintained, and used, to enable the operation of the system of quality management and the performance of engagements.

ISQM 1 Digital Workspace

A key resource supporting firms in ensuring compliance with ISQM 1 across the PKF network is the ISQM 1 digital workspace. The workspace is a web-based platform designed to facilitate PKF firms' compliance with the requirements of the International Standard on Quality Management 1 (ISQM 1). Use of the Digital Workspace to demonstrate compliance with ISQM 1 is a PKF International network requirement.

The platform facilitates a structured approach to quality management by prompting firms to document the tasks and activities that are necessary for compliance with the requirements of ISQM 1.

IT Steering Committee

Technology is no longer a back-office function. It is a key enabler of audit quality, operational resilience, and client experience. That's why, in 2025, PKF in South Africa established a national IT Steering Committee to provide leadership, coordination, and oversight of digital strategy across the network.

This committee plays a central role in shaping how we adopt and integrate technology – with a clear focus on improving quality, managing related risk, and unlocking value for both PKF member firms and clients.

The IT Steering Committee is chaired by an IT Audit Partner from PKF Durban who is also the Chair of the PKF Global Digital Strategy Group with operational support from the COO of PKF South Africa. Two dedicated sub-committees lead specific areas of focus:

- **IT Audit Sub-Committee:**
  Led by the Head of IT Assurance and Digital Innovation at PKF South Africa
- **Infrastructure Sub-Committee:**
  Led by the Head of IT at PKF Cape Town

This structure ensures that national decisions are informed by specialist knowledge, operational insight, and cross-firm collaboration.

Tools and Technologies

Where Innovation Meets Intention

The IT Steering committee's mandate covers five core priorities:

Strengthening Audit Technology:

Driving the adoption of technological tools and piloting the use of data analytics and AI in audit testing

Supporting Infrastructure and Systems:

Coordinating shared IT platforms to ensure interoperability, cost-effectiveness, and ongoing platform security

Promoting Digital Innovation:

Exploring new technologies, including workflow automation, AI applications, and collaborative platforms that improve efficiency and client service

Enhancing Cybersecurity and Resilience:

Setting network-wide information security policies, delivering targeted training, and monitoring digital risks

Enabling Future-Focused Initiatives:

Investigating how technology can support emerging services such as ESG data solutions, digital advisory, and client collaboration tools

Guardrails That Grow With Us

Technology decisions are made with quality in mind – not novelty. The IT Steering Committee's work is closely aligned with audit risk priorities, leadership goals, and firm-level readiness. Sub-committees provide deeper focus in key areas such as cybersecurity, AI, and infrastructure, ensuring that innovation is balanced with accountability.

Our commitment to digital enablement isn't about keeping up. It's about moving forward with intention – strengthening the systems behind our work so that audit quality, security, and client experience are always improving. By embedding technology into the core of our operations, we're building a network that is not just digitally capable, but digitally confident – ready to serve with relevance, speed, and care.

PKF

Tools and Technologies

Technology in the Audit: Driving Innovation and Assurance

Dedicated Leadership:

The PKF SA Head of IT Assurance and Digital Innovation provides national leadership, technical oversight, and coordination of IT audit activities across the network. This dedicated role ensures alignment of methodology, consistent quality of execution, continuous support, and a forward-looking approach to innovation in technology enabled auditing.

Governance in Action:

Oversight of our technology enabled audit activities is provided by the PKF in South Africa IT Audit Sub-Committee, chaired by the Head of IT Assurance and Digital Innovation, which brings together senior IT audit specialists from across the network.

The committee focuses on:

- Maintaining and evolving our IT audit methodology and related workpapers;
- Designing and rolling out IT audit specific training as well as capability development
- Managing and evaluating IT audit tools used in our practice; and;
- Facilitating knowledge sharing and continuous improvement across the PKF member firms.

Technology-Enabled Audit:

Leveraging technologies to enhance audit effectiveness and data security.

Quality Through Data

Data driven audit techniques and automation improve risk focus and efficiency.

Integrated IT Audit Methodology:

PKF SA has established a defined IT Audit Methodology, which is fully embedded within the overall audit methodology. This ensures that IT assurance is a core component of our audit philosophy, and therefore that technology related risks and controls are consistently considered across all engagements, reinforcing the integrity of financial information and supporting the reliability of audit conclusions.

Future-Focused:

Continuous investment in training, automation, tools and data analytics to ensure audits remain relevant and resilient.

Through strategic initiatives led by the PKF SA Head of IT Assurance and Digital Innovation, we have embedded a robust IT audit methodology into our audit approach, established national working groups to drive collaboration, and adopted leading-edge tools to support secure, data-driven, and client-focused audit delivery. These efforts reflect our ongoing commitment to innovation, governance, and excellence in a rapidly evolving digital landscape.

Tools and Technologies

Technology Enabled Audit Tools

PKF in South Africa member firms employ secure and modern audit technologies to deliver high quality engagements efficiently, such as:

- **CaseWare**
  our core platform for audit documentation.

- **DataSnipper**
  used within our documentation environment to streamline evidence gathering, cross referencing, and substantive testing procedures to enhance productivity.

In addition to the core tools used across the network, supplementary technologies employed by some PKF in South Africa member firms' to further drive efficiency include:

- **CaseWare IDEA**
  leveraged for data analytics, enabling efficient data driven audits, and insight generation;

- **Suralink**
  an encrypted client collaboration platform, ensures secure and efficient exchange of sensitive client data.

These technologies, while enhancing efficiency, support compliance with international auditing standards and our own quality - and data protection objectives.

Intellectual Resources

Through strong audit methodologies, comprehensive technical guidance, digital learning hubs, and specialist expertise, PKF member firms are equipped with the knowledge needed to consistently deliver high-quality, compliant engagements.

Our Audit Methodology

During 2025, the PKF in South Africa network transitioned from the CaseWare Audit International methodology to the Probe Audit Premium Plus methodology, both of which are based on the International Standards on Auditing (ISA) and embedded within CaseWare, our audit documentation platform.

The CaseWare Audit International methodology was supplemented to comply with local auditing standards, regulatory or statutory requirements.

The Probe Audit Premium Plus methodology is a South African risk-based audit methodology designed to enhance efficiency and compliance in audits.

Our methodologies emphasize the application of professional skepticism throughout the audit engagement and require compliance with relevant ethical requirements, including independence.

Intellectual Resources

Technical Guidance and Knowledge

The PKF in South Africa Technical Committee

The Technical Committee plays a central role in supporting PKF member firms with the resources required to maintain audit quality and compliance with applicable standards. In line with its annual technical workplan, the committee develops and issues technical guidance, templates, and tools to the network, thereby facilitating consistent application of standards and methodologies across all PKF in South Africa member firms.

PKF Audit Identity

PKF SA, together with several PKF member firms, are actively involved in the PKF Audit Identity project, an international initiative involving more than 20 network firms across the globe. The project aims to strengthen the global perception of our audit capabilities, ensure consistently positive client experiences and promote our “Audit Identity” across the markets of international PKF member firms.

One of the workstream committees established to support this initiative, and which PKF SA serves on, is the Audit Methodology workstream committee. This committee is responsible for developing and piloting global guidance and working papers on key audit topics. These materials are reviewed by the PKF in South Africa Technical Committee to assess their implementation within the PKF in South Africa network. This additional layer of collaboration reinforces PKF in South Africa’s commitment to delivering quality on every audit.

PKF Hub

The PKF Hub is a secure, web-based platform developed by PKF International, accessible via both desktop and mobile browsers. It serves as a centralized resource hub, offering PKF member firms and their staff across the PKF Global network access to a wide range of Learning and Development content, as well as PKF International’s virtual events programme.

The PKF Hub is designed to support continuous professional development and includes CPD-accredited resources.

Intellectual Resources

Key Components of the PKF Hub Include:

BEAN Facilitator

A stand-alone digital audit training tool embedded within the Hub, that guides trainees through the full audit journey of a fictional entity. The learning materials are available by section with each section broken down into the following key phases of an audit:

- Pre-engagement and planning
- Execution
- Concluding and reporting

IFRS Fundamentals

A desktop and web-based learning management application that delivers technical updates and guidance on IFRS and IFRS for SMEs.

Mind Tools

A comprehensive digital library containing thousands of resources in a range of formats, including infographics, animated videos, self-assessments and skill books. These materials are designed to develop personal and professional wellbeing in key areas such as leadership, communications, decision-making, teamwork, problem-solving, project management, and strategic thinking.

PKF Pulse

PKF Pulse is a resource portal developed by PKF SA to support firms across the PKF in South Africa network with access to key learning and development materials. The platform includes, among others, national training course content, audit methodology manuals, guidance papers, as well as engagement working papers and templates.

Use of Specialists

Where external service providers are engaged to provide learning and development resources to the network, PKF SA, ensures that the provider possesses the appropriate competence, experience and skill to support the development and delivery of high-quality content.

Engagement Performance

PKF member firms apply consistent methodologies through a culture of consultation, effective auditing tools and structured review, supervision and oversight to ensure every engagement meets professional standards and client expectations.

Fostering a Culture of Consultation

At PKF in South Africa, we have created an environment that reinforces the importance and benefit of consultation across PKF member firms. Policies and processes have been established to ensure that consultations on difficult or contentious matters occur and that conclusions reached are implemented.

Our network requirements set out the specific circumstances for which consultation with PKF SA is mandatory. In addition, ad hoc consultations on audit, risk and accounting technical matters are available to PKF member firms. These consultations are provided by PKF SA's experienced technical and risk teams, with external specialists engaged when necessary to ensure the highest standard of technical support is available to firms.

Engagement teams are further supported by technical and risk teams with relevant skills and expertise within their own PKF member firms. The composition of such teams is dependent on the nature and circumstances of individual PKF member firms.

Tools and Technologies Supporting Our Audit Engagements

CaseWare, our network-wide audit documentation platform, supports teams in effectively applying our methodology through built-in, customizable tools and templates that guide teams through each stage of the audit process. By responding to profile questions, each audit file is automatically configured based on the entity type, enabling a tailored audit approach. The platform facilitates risk-based auditing by creating clear links between identified risks, related controls, planned responses, and the audit procedures performed.

Additionally, Caseware enhances collaboration and efficiency by allowing multiple users to work simultaneously on the same file. Its real-time review notes and sign-off functionalities streamline the review process, supporting the timely completion of engagements.

PKF

Engagement Performance

Direction, Supervision and Review

Engagement partners recognise their overall responsibility for the management and achievement of quality on audit engagements and for creating an environment that emphasizes the PKF member firm's culture and expected behaviour of engagement team members. They achieve this through ensuring that they are sufficiently and appropriately involved in each stage of the audit engagement. During the planning phase, engagement partners hold discussions with the engagement team members regarding, among other matters, the areas of the financial statements which are susceptible to material misstatement. These discussions also emphasise the importance of exercising professional skepticism throughout the audit engagement and encourage open communication without fear of reprisal.

Engagement partners, managers and supervisors where applicable, are responsible for coaching, reviewing and supervising the work completed by junior team members. Engagement partners are required to perform timely reviews of significant matters and judgements, including those involving complex or contentious matters and assess the appropriateness of the conclusions reached. To support compliance, PKF SA has established mandatory working paper review lists for engagement partners, covering areas of significant risk, judgement and independence. Compliance with this requirement is monitored by PKF SA through cyclical inspections of completed engagements for each engagement partner.

Annual PKF Member Firm and Engagement Partner Accreditation Process for Stock Exchange Assurance Engagements

PKF SA assesses individual PKF member firms and engagement partners against strict criteria before approving them to perform audits of entities listed on stock exchanges. This assessment is performed annually by suitably skilled and experienced individuals within the PKF SA risk management department and is approved by the PKF SA RCC and the PKF SA Exco.

PKF member firms submit required documentation each year demonstrating that the PKF member firm and relevant engagement partners meet the strict network level accreditation.

An accreditation process ensures that the PKF in South Africa network has a pool of suitably qualified engagement partners to draw from, to perform audits of entities listed on stock exchanges. This process does not in any way replace our robust client acceptance process.

Some of the criteria which engagement partners are assessed against may include:

- Evidence to support the attendance of certain related mandatory training including evidence of understanding or implementing such training.
- Experience of the individual requiring accreditation.
- Demonstration of the understanding of the requirements of the relevant stock exchanges.
- A demonstration of the resources in place to carry out engagements requiring accreditation for.
- Evidence of the results of inspections of completed engagements including evidence to support the implementation of remediation within the stipulated and strictly monitored timelines.

PKF

Engagement Performance

Engagement Quality Reviews

All PIE audit engagements are subject to an engagement quality review. The engagement quality reviewer is required to be a Registered Auditor with the IRBA, and any assistants to the reviewer must have a minimum of three years of relevant expertise.

Second Partner Reviews

In addition to engagement quality reviews, PKF member firms are required by PKF International, as set out within the IPSM, to establish policies and procedures requiring that, for relevant engagements, a second partner review is carried out. This review provides an objective evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating the reports, advice and/or other deliverables.

While the second partner review is not a role which is defined by international standards on quality, it is recognised as good practice that supports the achievement of quality objectives on engagements.

Differences of Opinion

PKF member firms have established policies in place to facilitate the resolution of differences of opinion. Where such differences arise on an engagement, engagement partners are prohibited from signing the report until the difference of opinion is resolved. Where necessary, issues are escalated to senior technical personnel including PKF SA, to ensure that the appropriate expertise are applied.

Assembly of Engagement Documentation

The timely assembly of engagement documentation is a high priority for the PKF Global network. Engagement documentation for all assurance services is required to be assembled no later than 60 calendar days after the date of the engagement report. For all non-assurance engagements, PKF member firms are required to establish policies and procedures to address the assembly of such engagements. Engagement documentation for all engagements is required to be retained for a minimum period of five years from the date of the engagement report.

PKF SA maintains robust preventative and monitoring controls over the timely archiving of engagement files.

Monitoring and Remediation

Supplementing PKF member firms' own monitoring and remediation activities, PKF SA's inspections of completed engagements, ISQM 1 inspections, theme-based inspections, compliance inspections and robust root cause analysis and remedial action process, promote continuous improvement, accountability, and the consistent delivery of high-quality engagements across the PKF in South Africa network, further strengthening PKF member firms' ability to achieve their quality objectives.

At PKF in South Africa, we recognize that establishing an effective monitoring and remediation process is essential to provide relevant, reliable and timely information about the design, implementation and operation of a SoQM and to ensure that appropriate actions are taken to respond to identified deficiencies such that deficiencies are remediated on a timely basis.

Each PKF member firm has designed and implemented monitoring activities for each component of their firm's SoQM.

PKF SA ISQM1 Inspections

PKF SA, as part of a network risk management approach, adopted by the PKF in South Africa Risk and Compliance Committee, conducts annual inspections of each firm's SoQM in accordance with an annually approved PKF South Africa ISQM 1 inspection approach.

The ISQM 1 inspection approach adopted by PKF SA varied year on year (2023 – 2025), with initial focus being on design and implementation of each PKF member firm's SoQM (2023). During 2024 and continuing into 2025, PKF SA's inspections focused on assessing the operating effectiveness of those systems and the inspection of each PKF member firm's monitoring and remediation activities for each year.

Any deficiencies identified through these inspections are subject to a strict root cause analysis and remedial action process.

Monitoring and Remediation

PKF SA Inspections of Completed Engagements

During 2024, PKF SA conducted network-wide inspections in accordance with the approved PKF SA network level policy which incorporates inspections of the following types of completed engagements:

- audit engagements,
- review engagements,
- other assurance engagements
- related services engagements

As mandated by PKF International, the types of completed engagements inspected were extended to include all other non-assurance engagements from 2025.

Completed engagements are selected on a risk-based approach and incorporates an element of unpredictability, ensuring that engagement partners and engagements within the network are analysed and selected for inspections at the appropriate frequency, based on inherent and identified risk factors.

At least one completed engagement for each engagement partner is selected for inspection on a cyclical basis. The cycles to which engagement partners are allocated is dependent on the risk profile of the engagement partner and type of portfolio allocated to the engagement partner.

Where the engagement partner's portfolio consists of more than one engagement type, the engagement partner is assigned to the shortest applicable cycle. Engagement partners who audit public interest entities are inspected at least once every two years.

Factors considered when selecting engagements for inspection include, but are not limited to:

- The types of engagements performed by the PKF member firm and the engagement partner, including the extent of experience in performing the type of engagement.

- The types of entities for which engagements are undertaken, for example:

- PIEs
- Entities operating in emerging industries
- Entities operating in industries associated with a high level of complexity or judgment.
- Entities operating in an industry that is new to the PKF member firm
- Negative media reports
- Fees
- The results of previous inspections of completed engagements
- Any relevant information provided by the PKF member firm

Monitoring and Remediation

Inspections are performed by the PKF SA Quality and Risk managers whose competence, and capabilities, including time, are annually assessed by the PKF SA Head of Quality and Risk. The objectivity of the inspectors are assessed on a per inspection basis and are reviewed and approved by the Quality Reviewer prior to the commencement of each inspection.

These inspections assess whether the engagement was performed in compliance with the applicable professional standards, other legal/regulatory requirements and the PKF in South Africa network requirements.

Subsequent to inspection queries being raised by the inspector and cleared by the engagement partner, a quality review of the findings raised by the inspector is performed by a quality reviewer to confirm the validity and accuracy of inspection findings and to ensure that deficiency ratings and the overall outcome of the inspection is appropriate and consistent.

During 2024, fourteen engagement partners, and correspondingly, fourteen completed engagement files, were inspected.

For the 2025 inspection cycle, inspections have been scheduled for sixteen engagement partners, encompassing a total of eleven audit engagements, four independent reviews and one non-assurance engagement.

Where reportable deficiencies are identified on the inspection, these are reported to the engagement partner who is responsible for analysing the deficiencies and submitting a root cause analysis and a remedial action plan promptly to the inspector. Both the root cause analysis and remedial action plan is required to be approved by the individual assigned operational responsibility for the PKF member firm's system of quality management. The inspector and quality reviewer, thereafter, evaluate the appropriateness and adequacy of the root cause analysis and remedial action plans including timeliness.

In addition to engagement-level deficiencies, where firm-wide quality matters, thematic deficiencies, or weaknesses in firm-level controls are identified during engagement inspections, these are communicated to the individuals assigned ultimate responsibility for the PKF member firm's system of quality management in a firm-level observation report. Each PKF member firm is then required to assess the identified deficiencies, including performing a root cause analysis and developing a remedial action plan. The PKF member firm's response, together with its root cause analysis and remedial action plan, is evaluated as part of PKF SA's subsequent ISQM 1 inspection of the PKF member firm.

Monitoring and Remediation

PKF Global Monitoring Program (GMP)

The GMP process provides assurance over PKF member firms' compliance with quality requirements. The program consists of periodic inspections conducted by PKF International and is performed in two separate phases:

Firm-Level Inspections

These inspections monitor the design and operational effectiveness of a PKF member firm's SoQM, including an evaluation of whether the SoQM:

- supports compliance with relevant network requirements presented in the IPSM.
- is designed to ensure that internal monitoring and remediation activities support the PKF member firm's conclusion on its annual ISQM evaluation, as submitted on the PKF ISQM Digital Workspace.

During 2024, PKF Octagon, PKF Durban, PKF Pretoria and PKF Constantia Valley were subject to a firm-level inspection conducted by PKF International. Key observations arising from the inspections were presented and discussed during a GMP inspection workshop hosted by PKF SA.

For each deficiency identified, detailed remedial action plans were developed by PKF SA and communicated to PKF member firms. The implementation of remedial actions that fall under the responsibility of PKF member firms is monitored strictly by PKF SA.

Engagement-Level Inspections

The purpose of these inspections is to evaluate:

- compliance with relevant standards applying to the engagement and
- the effectiveness of the PKF member firm's internal monitoring and remediation processes over completed engagements.

The frequency of inspections is cyclical, with both the frequency and scope being responsive to changes in a PKF member firm's inspection grades. No engagement-level inspections were conducted by PKF International in 2024. During 2025, however, engagement-level inspections are currently being performed by PKF International at three firms and cover the following types of engagements:

PKF Octagon	PKF Durban	PKF Pretoria
Two audit engagements	Two audit engagements	Two audit engagements
One accounting service engagement	One accounting service engagement	
One advisory service engagement	One tax engagement	

Monitoring and Remediation

IRBA inspections

The PKF SA network is inspected annually by the Independent Regulatory Board for Auditors (IRBA). The IRBA concluded its 2025 annual inspection during October 2025. This inspection consisted of:

- Inspections of seven high-risk audit engagement files and
- Theme-based inspections related to independence, archiving and journal entry testing

Inspections of Audit Engagement Files

While some reportable deficiencies were identified at an audit engagement file level, none of the deficiencies were thematic in nature and thus, no network level deficiencies were noted by the IRBA. The majority of the audit engagement files inspected obtained positive outcomes.

For each deficiency identified, the related engagement partners are required to perform detailed root cause analyses and develop corresponding remedial action plans to ensure that these deficiencies do not recur. PKF SA monitors this process strictly to ensure that PKF member firms design and implement sufficient and appropriate remediation timeously.

Theme-Based Inspections

It should be noted that no reportable deficiencies were noted related to the independence theme-based inspection performed by the IRBA.

Whilst some deficiencies were noted by the IRBA during the theme-based inspections related to journal entry testing and archiving of engagement files, the outcomes of the inspections indicate improvement from the prior year specifically in the area of archiving. This demonstrates that the remedial actions implemented in the prior year have yielded positive outcomes.

PKF SA continues to maintain robust preventative and monitoring controls over the timely archiving of engagement files. The PKF in South Africa Technical Committee have enhanced the journal entry testing working paper template to further strengthen audit quality and the Learning and Development function have provided related training. We believe that the implementation of the timeous remediation to address these matters will facilitate continuous improvement, thereby enhancing audit quality.

Network-Level Outcome

Overall, whilst reportable deficiencies were identified, a notable improvement was observed, reflected in a reduction in the number of deficiencies across inspection types when compared to the prior year. This progress is reflected in the positive 2025 network level outcome of: ***Some improvement required.***

The PKF in South Africa network is pleased with this result which demonstrates the tangible impact and effectiveness of the enhanced quality management measures implemented across the network.

PKF SA Network-Level Observation Report

Annually, the PKF SA Head of Quality and Risk submits a comprehensive report to the PKF SA Exco Chairman, the PKF SA CEO and the PKF SA RCC including the chairman, summarising pertinent information arising from the different types of inspections outlined above, performed by PKF SA, the IRBA and PKF International during the preceding year.

This report outlines the scope of each type of inspection performed, key observations, and identified deficiencies. It also includes PKF SA's evaluation of each member firm-level deficiency and network-level deficiency including the related root cause analyses and remediation, where applicable. The report further assesses the sufficiency and appropriateness of remediation initiatives and confirms the implementation of planned remediation or timelines to implement such remediation.

Deficiencies identified by PKF SA during inspections of completed engagements at each PKF member firm are analysed to determine whether these relate to firm-wide quality matters, thematic deficiencies, or weaknesses in firm-level controls. These firm-level deficiencies, where applicable, are communicated to the individuals with ultimate responsibility for the specific PKF member firm's system of quality management. These firm-level observations for each PKF member firm, along with the subsequent actions taken or to be taken by either PKF SA or the PKF member firm, are also included in the network level report.

Additionally, feedback related to the remediation process at an engagement partner level is also included in the report.

The PKF SA Exco Chairman, the PKF SA CEO and the PKF SA RCC including its chairman, review and discuss this report, to assess whether deficiencies were addressed sufficiently, appropriately and timeously at the engagement partner level, individual PKF member firm level and the network level.

Appendix
PKF Global Network

Introduction

PKF Global is the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

Legal Basis

The network formed by PKF Global and the member firms ('the Member Firms' or 'Members') is regulated by adherence to an agreement ('the Agreement') between PKF Global and individual Members. The Agreement authorises the Members to use the PKF name as defined under specific circumstances, under specific conditions, for specific purposes and in a specific territory, in consideration for which the Members pay a membership fee to PKF Global.

PKF International Limited is a private company ('the Company') registered in England and limited by guarantee (registered number 03816253). The Company's Articles of Association require a Board of Directors who conduct the business of the Company and network. The Board has a strategic and coordinating role but has no executive authority over or involvement in the operations of individual Member Firms.

Each Member Firm is a legally independent entity owned by partners or shareholders and managed in each location. The Company has no financial or management interest in any Member Firm. None of the directors of the Company has a financial or management interest in any Member Firm other than his or her own.

Contractual relations are only formed between a client and the Member Firm engaged by the client; no other Member Firm has responsibility for the services provided and cannot be held liable

Appendix
PKF Global Network

Structure

Member Firms are organised into five geographical regions. Each region has a Regional Board and elects or nominates representative(s) to the Company's Board of Directors.

There are two international committees responsible for professional and practice standards – the Quality and Risk Committee (including Assurance) (QRC) and International Tax Committee (ITC). A number of additional practice area committees operate both regionally and internationally.

Quality Assurance

PKF Global operates a Global Monitoring Programme (GMP) covering Member Firms. The principal objectives are to ensure that the standards expected for the performance of certain types of professional work by Member Firms are established and communicated to Members, that those standards meet appropriate recognised professional practice requirements at least for transnational and referred work, and that a programme of monitoring of compliance with expected standards is operating effectively.

Member Firms and Correspondent Firms

PKF Global distinguishes between Member Firms and correspondent firms. Correspondent firms do not form part of the network as defined by the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA), do not have equivalent rights and privileges or responsibilities of Member Firms, and are covered by the GMP only to the extent of assessing correspondent firms as part of their admission to full membership. An up-to-date list of Members and correspondent firms, including the firm names and countries in which they are registered and operate from, can be found on the website www.pkf.com.

PKF

This Transparency Report reflects PKF in South Africa's ongoing commitment to clarity, trust, and long-term impact - for our people, our clients, and the communities we serve.

Every insight shared, every metric disclosed, is part of a broader promise: to build a more accountable, human, and forward-looking profession.

While this report highlights our current journey, our ambition reaches further. We remain dedicated to shaping a better tomorrow, grounded in shared values and driven by a clear sense of purpose.

Together, we'll continue to move beyond compliance into something more meaningful - a culture of confidence, transparency, and progress.

Your Vision. Our Ambition.

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PKF South Africa is the network of member firms of PKF South Africa (RF) (Pty) Limited which is a member of PKF Global, the network of member firms of PKF International Limited. Each member firm of these networks is a separate and independent legal entity. PKF South Africa (RF) (Pty) Limited coordinates activities of PKF South Africa but provides no services to clients, and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s) of PKF South Africa or PKF Global.

PKF