Approach to quality by line of service



Table of contents

Advisory 03

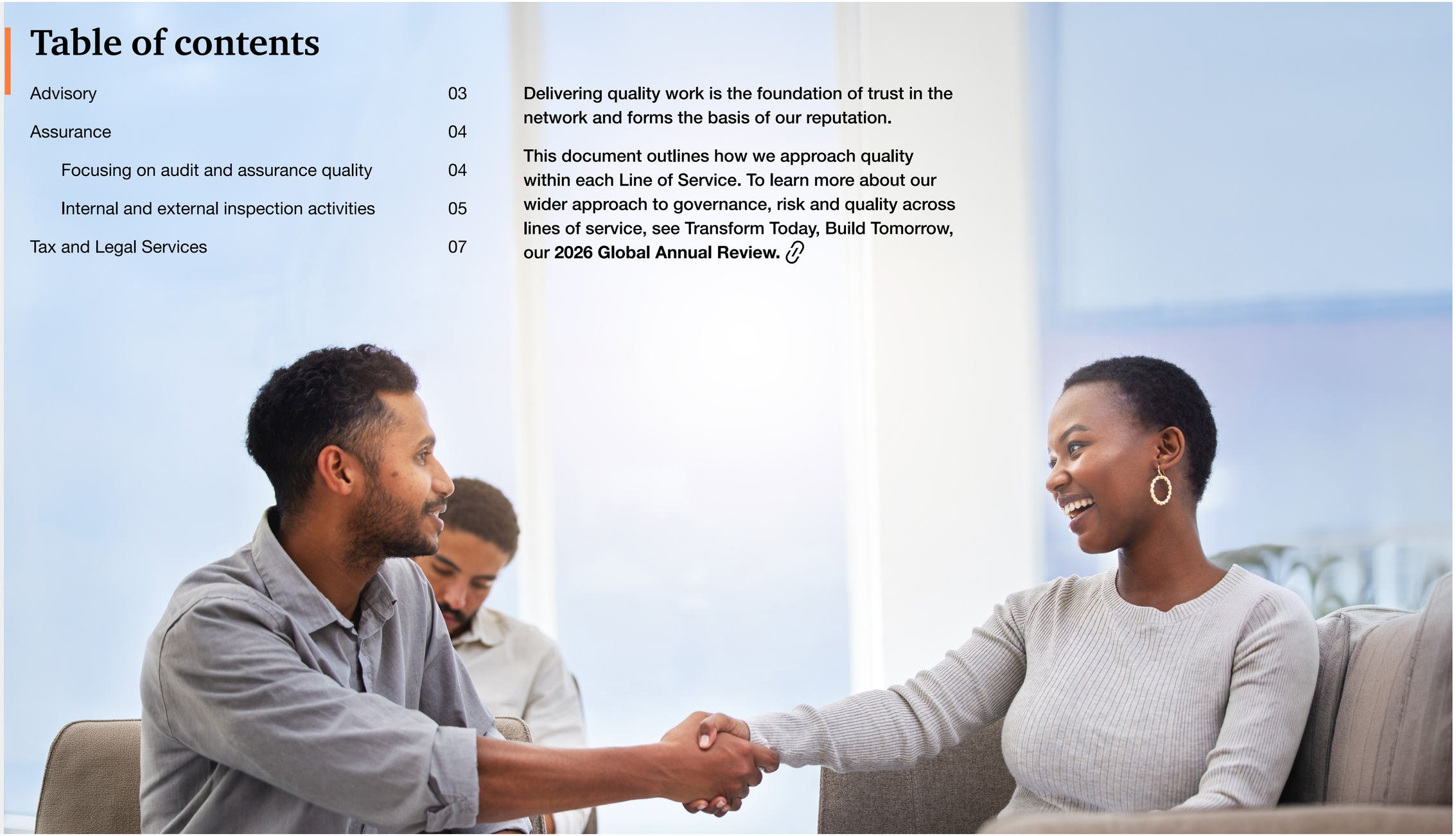
Assurance 04

- Focusing on audit and assurance quality 04
- Internal and external inspection activities 05

Tax and Legal Services 07

Delivering quality work is the foundation of trust in the network and forms the basis of our reputation.

This document outlines how we approach quality within each Line of Service. To learn more about our wider approach to governance, risk and quality across lines of service, see Transform Today, Build Tomorrow, our 2026 Global Annual Review.



Advisory

PwC Advisory works with clients during critical moments that matter to them, driving sustained value.

Our global, multidisciplinary Advisory capabilities span strategy, consulting, managed services, deals, and risk.

PwC's strength is grounded in the trust we build with clients and our firms' ability to bring together deep industry knowledge and a broad range of multidisciplinary capabilities across strategy, consulting, managed services, deals, and risk. We continued to strengthen how these capabilities connect across markets and territories, in ways that help clients address increasingly complex challenges.

We are redefining Managed Services, moving past traditional outsourcing to deliver what clients actually need: continuous transformation and measurable business outcomes. PwC's Managed Services 2.0 unites our deep multidisciplinary strength across industries, domains, risk, regulatory, tax, and cybersecurity, and powers it with advanced AI from the world's leading technology alliance partners. The result sets a new standard for the market: sharper operational efficiency, relentless innovation, and lasting business value.

That breadth lets us bring the right combination of skills to a client's challenge. We manage quality consistently across different solutions delivered by teams with a variety of professional backgrounds.

PwC Advisory's professionals focus on stakeholder expectations by enhancing quality through three lenses:

We implement programmes to monitor and promote quality across Advisory engagements. These include regular reviews of completed and in-flight engagements performed by teams independent of the engagement. The engagement reviews assess whether the work met our standards and feed findings back into methodology, training and, where necessary, individual accountability.

01

The quality of our people. We continuously upskill and invest in our people—including developing our people's capabilities and empowering them to responsibly integrate the latest technologies—so we can create sustained value for our clients.

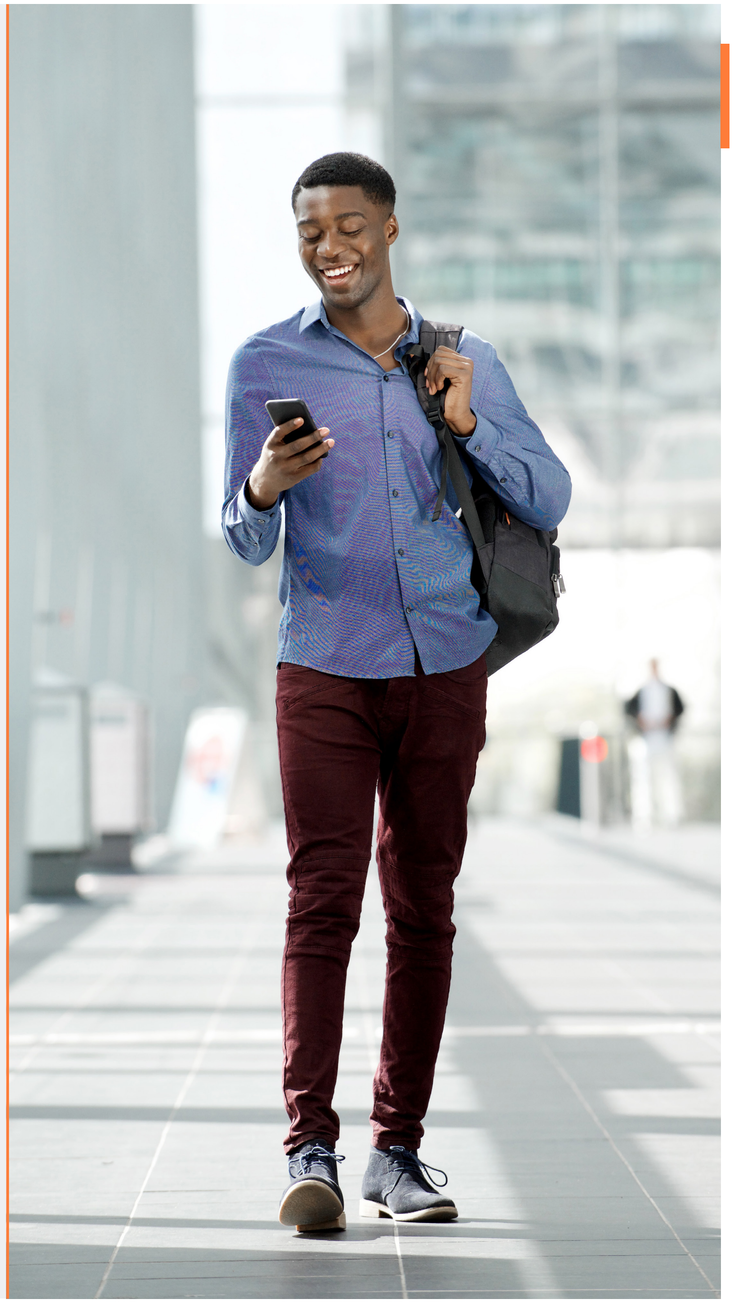
02

The quality of delivery. We proactively identify, manage, and mitigate risks associated with complex transformations. In addition, we use leading methodologies and AI-powered innovation to enable consistency and quality while delivering measurable impact.

03

The quality of client experience. We combine capabilities, technologies, industry expertise, and functional know-how, so that our clients receive solutions they value, and we look to long-term collaborations as evidence of our lasting impact.





Assurance

PwC is committed to meeting expectations for assurance quality, which is fundamental to building trust and confidence in financial and non-financial reporting. Effective assurance must comply with professional standards and address the increasingly complex expectations of a growing range of stakeholders. Our firms are therefore committed to continuously improving the quality of our assurance services through the responsible use of technology, underpinned by independence, objectivity and the ethical requirements of our profession, and in accordance with the applicable professional standards. In doing so, we help our clients and their stakeholders navigate complexity, respond to change and create sustainable value.

Focusing on audit and assurance quality

We welcome the increased public focus on audit and assurance quality, and the dialogue on how auditors, assurance practitioners, investors and other stakeholders can work together to strengthen confidence in financial and non-financial reporting and support growth. We actively contribute to this dialogue with audit committees, boards, regulators, and standard-setters worldwide, both directly as PwC, and collectively as a profession.

Delivering high-quality audits and assurance engagements is central to our purpose. We treat instances of substandard engagements with the utmost seriousness, assessing and mitigating their impact, identifying their root causes, and using the lessons learned to enhance quality of future audits and assurance engagements.

Member firms emphasise the importance of quality, in both outcomes and behaviours, when evaluating, recognising, and holding partners and leadership accountable. Quality is a key consideration in performance evaluations and career progression decisions for our partners and people.

Framework that enables quality

The quality of our audit and assurance engagements rests on a strong culture and the right people, supported by effective methodologies, governance, processes, and technologies. PwC's Assurance quality management framework—Quality Management for Service Excellence (QMSE)—requires each firm to assess its specific quality risks and respond appropriately to its individual circumstances. Our approach embeds quality management in how each firm operates its audit and assurance business and manages risk, rather than treating quality and risk management as standalone activities.

The QMSE framework is designed to enable member firms to meet the objectives and requirements of International Standard on Quality Management (ISQM) 1. This objectives-based standard requires firms to maintain a system of quality management (SoQM) that operates continuously and iteratively, taking into account the conditions, events, circumstances, actions, and inactions that affect their ability to deliver quality engagements. It sets out each firm's monitoring and remediation responsibilities, emphasising proactive, real-time monitoring of the SoQM, effective and timely root cause analysis, and timely and effective remediation of deficiencies.

Under ISQM 1, each firm is required to conclude whether its SoQM provides the firm with reasonable assurance that the system's objectives are being achieved. The QMSE framework and related guidance also support member firms that are registered with the US PCAOB in meeting the objectives and requirements of the PCAOB's standard on a firm's system of quality control.

We amended the framework and related guidance to support registered member firms in implementing the PCAOB's new quality control standard, QC 1000, which takes effect on 15 December 2026.



Values, judgement, objectivity, and professional scepticism

Delivering high-quality audit and assurance engagements requires more than just the right tools and processes; it also depends on a strong culture of quality, integrity, and accountability. In a financial statement audit, the auditor's role is to form a professional judgement, based on reasonable assurance, as to whether the financial statements prepared by the entity's management are, as a whole, free of material misstatement and fairly present the entity's financial performance and position in accordance with the appropriate financial reporting framework.

To perform this assessment effectively, PwC auditors apply professional scepticism, objectivity, specialist skills, and judgement. PwC's values guide our people in their work with clients and in performing engagements, promoting ethical behaviour and trustworthy conduct, as outlined above in the Ethics and Independence sections. We aim to recruit, train, develop, and retain values-driven people who share our strong sense of responsibility for delivering quality services.

To prepare our people and partners to deliver high-quality audit and assurance services, we provide access to a comprehensive curriculum of formal and informal learning and technical courses, with a particular focus on professional scepticism, risk assessment, independence, ethics, data, technology and AI skills. We also support their development through coaching, on-the-job training and diverse experiences, together with access to expertise through our multidisciplinary model, which combines a broad range of disciplines with deep industry knowledge.

Internal and external inspection activities

Internal inspection activities

PwC firms carry out Engagement Compliance Reviews (ECRs) on a selection of completed engagements. These periodic reviews are designed to determine whether engagements were performed in accordance with PwC Audit guidance, applicable professional standards, and other applicable engagement-related policies and procedures.

ECRs are led by experienced, objective Assurance partners, supported by teams of directors, senior managers, and specialists. Review teams are resourced with the specialist knowledge and experience needed to assess the selected engagements objectively and are independent of those who are either subject to the review or are potentially affected by its results.

External inspection activities

At PwC, our commitment to audit quality is reinforced by monitoring and external inspections conducted by audit regulators and professional bodies. Rigorous regulatory scrutiny helps ensure that our audits complywith professional standards and regulatory requirements. This external oversight strengthens accountability and provides the public and our clients with additional confidence in the reliability and integrity of our audit services.

Tax and Legal Services

Tax and Legal Services provide advice to clients, leveraging technical expertise grounded in quality and reflecting our professional standards. In FY26, Tax and Legal Services continued to strengthen quality via a more integrated, evidence-based, and business-facing risk and quality model.

Our quality standards are reinforced by a culture of accountability and anchored in **PwC's Global Tax Code of Conduct.** They are delivered through a territory governance model that embeds ethics, risk considerations, and professional judgement into the way in which the network serves clients. This extends from the way engagements are accepted and delivered, through how complex matters are reviewed, monitored, and improved over time, with a focus on identifying risk early, applying professional judgement, and helping clients understand the wider context in which they operate.

In addition to our network standards and risk management policies, our Tax Policy Panels support sensitive, complex, and cross-border engagements, bringing together experienced partners and subject matter experts to provide holistic advice that considers the broader business and societal context. Consultation with a Tax Policy Panel is applied to these categories of engagements, and a panel may recommend additional safeguards or may decline to support a proposed engagement.

In FY26, we continued to focus on extending our standardised, data-driven approach to reviewing engagement quality, supporting consistent escalation, and enabling proportionate action plans.

Together, these steps support earlier involvement, accountability, and continuous improvement across the network, supporting clients as they create and protect value in an increasingly complex environment.





At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 360,000 people in more than 130 countries and territories. Across audit and assurance, tax and legal, deals and consulting, we help clients build, accelerate, and sustain momentum. Find out more at www.pwc.com

© 2026 PwC. All rights reserved (2026-743-31)