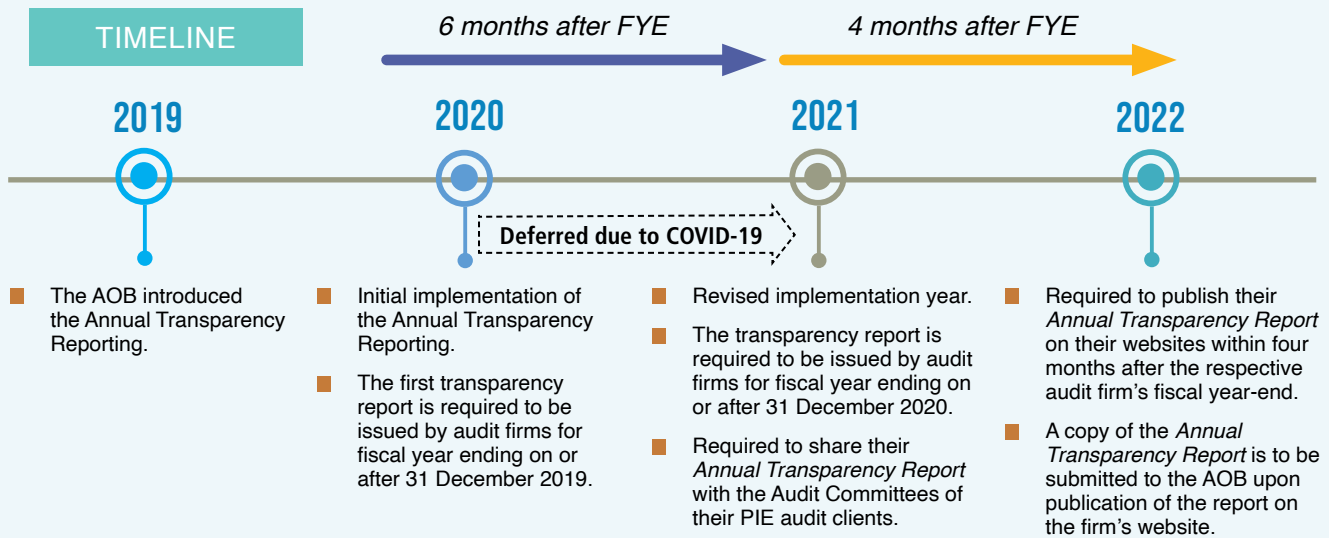


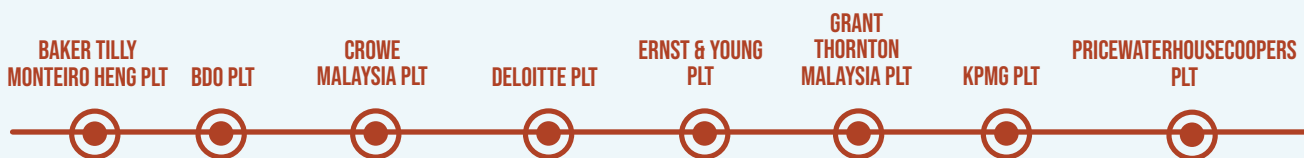
ANNUAL TRANSPARENCY REPORTING



In 2019, the AOB introduced the framework for Annual Transparency Reporting.

- Audit firms with more than 50 PIE audit clients and total market capitalisation of the audit firms' PIE clients of above RM10 billion for two consecutive years are required to produce an *Annual Transparency Report* commencing from the year 2021.
- If the audit firm is not required to issue an *Annual Transparency Report*, the Audit Committee is encouraged to engage the audit firm on matters typically covered in an *Annual Transparency Report*.

In 2021, eight audit firms registered with the AOB had met the criteria set to produce an *Annual Transparency Report* based on the audit firm's fiscal year-end. The eight audit firms were:



These firms were required to share their *Annual Transparency Report* with the Audit Committees of their PIE audit clients. As part of this process, the AOB reviewed the relevant firms' reports and provided relevant feedback to ensure that the reporting requirements stipulated by the AOB had been met.

As the *Annual Transparency Report* would provide useful information for investors and audit committees to facilitate decision-making on the appointment and reappointment of auditors, the Audit Committee members are reminded to obtain a copy of the report from their respective auditors.

The AOB views that this represents the first step in making more information available to Audit Committees to assist them in assessing their auditors. Plans are in place to gather feedback from Audit Committees and other stakeholders in the capital market to further improve the existing framework.

Mandatory Audit Quality Indicators to be highlighted in the Annual Transparency Report

