

Global vision  
backed by local  
knowledge

## RSM INTERNATIONAL TRANSPARENCY REPORT 2016



**Jean Stephens**  
Chief Executive Officer

## MESSAGE FROM THE CEO

Welcome to the 2016 RSM International Transparency Report. The report provides top-level information on the structure and functions of our network and how our policies and procedures govern the provision of services our member firms provide to their clients.

As a global network of independently owned and operated firms, all now trading under one name, RSM International's main purpose is to bring RSM firms around the world closer together to allow the provision of seamless cross-border services for our member firm's clients. This can only be achieved through uniting under the same high-quality standards, by staying true to our core beliefs of Understanding, Collaboration, and Ideas and Insight, and ensuring our clients consistently experience our client commitment – The Power of Being Understood.

I would like to take this opportunity to express my gratitude and appreciation to Bob Dohrer, RSM's Global Leader – Quality and Risk. Bob is respected across the industry for his experience and stature which is demonstrated through his previous role of Chairman of the Forum of Firms for four years and his current seat on the International Auditing and Assurance Standards Board.

Through his influence and direction, RSM has an asset that brings stability, focus and strategy to the network. Bob is assisted by the RSM Transnational Assurance Services Executive Committee (TASEC) whose role it is to ensure our policies and procedures meet or exceed international and national standards.

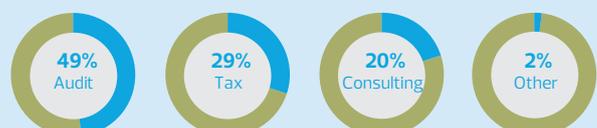
As you will read in this report, the focus of Bob, TASEC and other teams of experts from within RSM, is on ensuring we are continually innovating; by looking at new technologies and processes, by being at the forefront of the profession and by developing our specialist sector offering, we are making sure that we are in the best position possible to service our clients.

After an extremely busy year in 2015, culminating in the unified global brand launch, 2016 has been a year of settling down and embedding our new brand within our markets. We look now to the future with a much greater sense of unification and an enhanced responsibility that we have for each other, our staff, our clients and others who we engage with through our work.

My thanks go to Bob, and all those professionals in the network who contribute their time, expertise and commitment to helping develop RSM.

- 6th largest network of independent audit, tax and advisory firms in the world
- 120 countries
- 38,000 staff
- Combined fee income US \$4.6bn

### Global fee income by service line





**Robert Dohrer**  
RSM Global Leader – Quality and Risk

## INTRODUCTION

Trust, integrity, honesty, independence, objectivity, expertise – these are more than just words at RSM, these are values that we strive to live daily in serving the public interest. However, we continue to hear the drum beat of many stakeholders in the financial reporting supply chain clamouring “the audit is dead” or that “the audit is simply a commodity.” While it is sometimes difficult to understand (or accept) how users of our services make these assertions, there is one thing that is certain: we as a profession must reconcile the franchise that we have been granted by the markets and regulators to provide audit services, with the cries from other stakeholders that the audit is no longer relevant.

So how do we at RSM continue to live our core values while remaining viable and relevant in the provision of assurance services for our constituents? The answers are innovation and creativity – perhaps words not often associated with our profession! However, if we do not innovate, other service providers will, and they will fill the void left by us if we simply continue to provide our services as we have in the past.

The good news is that innovation is taking place currently both within the profession as well as at RSM. For example, from a profession wide perspective, the old pass/fail auditor’s report on historical financial statements has been replaced by more informative auditor’s reports where more information is provided by auditors about how the audit was conducted and where applicable, the auditor’s views on key audit matters.

This new auditor’s report is responsive to extensive outreach performed with our stakeholders seeking information about what users of auditor’s report and financial statements believed would be valuable to them.

More specifically with RSM, innovation is taking place as we are in the midst of a multi-year comprehensive project to revise and improve our global audit methodology and tools including specifically incorporating high quality data analytics in the audit process and how we can share insights gained through the use of data analytics with client management as well as other users of the financial information. And, RSM has formally recognised the importance of innovation across the network by forming an RSM Innovation Committee this year.

However, we do not have the luxury of having time for excuses about why we cannot innovate – the time is here for action and we must seize the moment to innovate in order to retain the franchise granted to our profession in serving the public interest and create value for constituents.

So please join me and all of our colleagues at RSM in maintaining the trust our stakeholders have in us by acting with integrity in everything we do, by being honest in all of our dealings with constituents, by maintaining our independence and objectivity in both fact and appearance in discharging our responsibilities and by always providing services in the public interest that reflect the highest levels of quality and expertise.



## OVERVIEW OF RSM INTERNATIONAL

RSM is an international network of independent professional firms. It was formed in the early 1960s, evolving to be known as DRM. In 1993, the organisation restructured and changed its name to RSM International, an acronym reflecting the names of the three principal members at that time.

The 2015 survey of the International Accounting Bulletin ranks RSM as the sixth largest network of independent accounting and advisory firms. The network now comprises members and correspondents in 120 countries with more than 760 offices, 38,000 total staff, and combined revenues in excess of US\$4.6 billion (at October 2016).

Many RSM member firms are among the top seven in their respective countries, and possess some of the best professional resources and experience available. The member firms have a broad client base from large listed and international companies to smaller, owner-managed businesses in the public and private sector. In addition to traditional assurance services, RSM possesses significant resources and experience in tax, transaction support, risk advisory, internal audit and corporate recovery and insolvency.

### **Membership in the Forum of Firms**

RSM is a member of the Forum of Firms, an organisation formally established in 2002 as an association of international networks of accounting firms that perform transnational audits.

RSM is active in and fully supports the objective of the Forum of Firms which is to promote consistent and high quality standards of financial reporting and auditing practices worldwide and to support convergence of national audit standards with the International Standards on Auditing. Susana Martínez of RSM Mexico currently represents RSM as member of the Forum of Firms' Transnational Auditors Committee.

Bob Dohrer, RSM Global Leader – Quality and Risk, chaired the Forum of Firms from July 2010 with his second term ending in 2014. Commencing in 2015, Mr. Dohrer began serving his first term on the International Auditing and Assurance Standards Board (IAASB), the independent standard setting board supported by IFAC responsible for establishing international standards and guidance for auditing and other assurance services.

## OUR VISION, MISSION & VALUES

RSM exists to connect member firms through common methods and processes, including commonly agreed and applied quality standards. This connection provides comfort to RSM member firm partners and their clients that the quality of service and advice to referred clients will be to a consistently high standard – everywhere in the world.

### Vision

RSM's vision is for our members to be the provider of choice to internationally active and growing organisations who are looking for audit, tax and consulting services that will create lasting success and help them reach their goals.

To ensure we always remain focused on working toward our vision we apply four crucial success factors that we call the 'Four Cornerstones'. All activities within RSM serve the development of at least one of these cornerstones. This ensures focus and clarity in everything we do.

- **Quality:** Quality is the absolute cornerstone for RSM
- **Business Development:** It is vital to work together to strengthen our international client base
- **People:** High quality professionals attract high quality clients
- **Brand/profile:** A strong, internationally recognised brand is critical to our success

### Mission

We will consistently add value to all of our stakeholders by supporting the sustainable growth of our member firms, supporting the continuous development of human talent in our member firms, and strengthening and expanding the quality and service capabilities within our global network.

### Values

We will build trust, act ethically and responsibly, and respect differences, we are ambitious for each other and for our clients and we will understand first and deliver with quality.

### Brand promise and client commitment

Our brand purpose is to empower all our clients to make confident decisions. To achieve this, we focus around a single, clarifying thought. This is the idea that sits at the heart of our brand and guides us in our decisions, behaviours, values and actions. Our brand positioning is: **The Power of Being Understood.**

RSM's strategy into 2017 includes increased global presence, top rankings in major economies, proactive business development plans, growth of member firms' international client bases (including listed clients and cross-border work), a focus on specific sectors and service lines, and enhanced training initiatives to support members in their development. There are centrally funded programmes and activities to deliver these objectives in addition to local initiative.



## FOUNDATION OF QUALITY

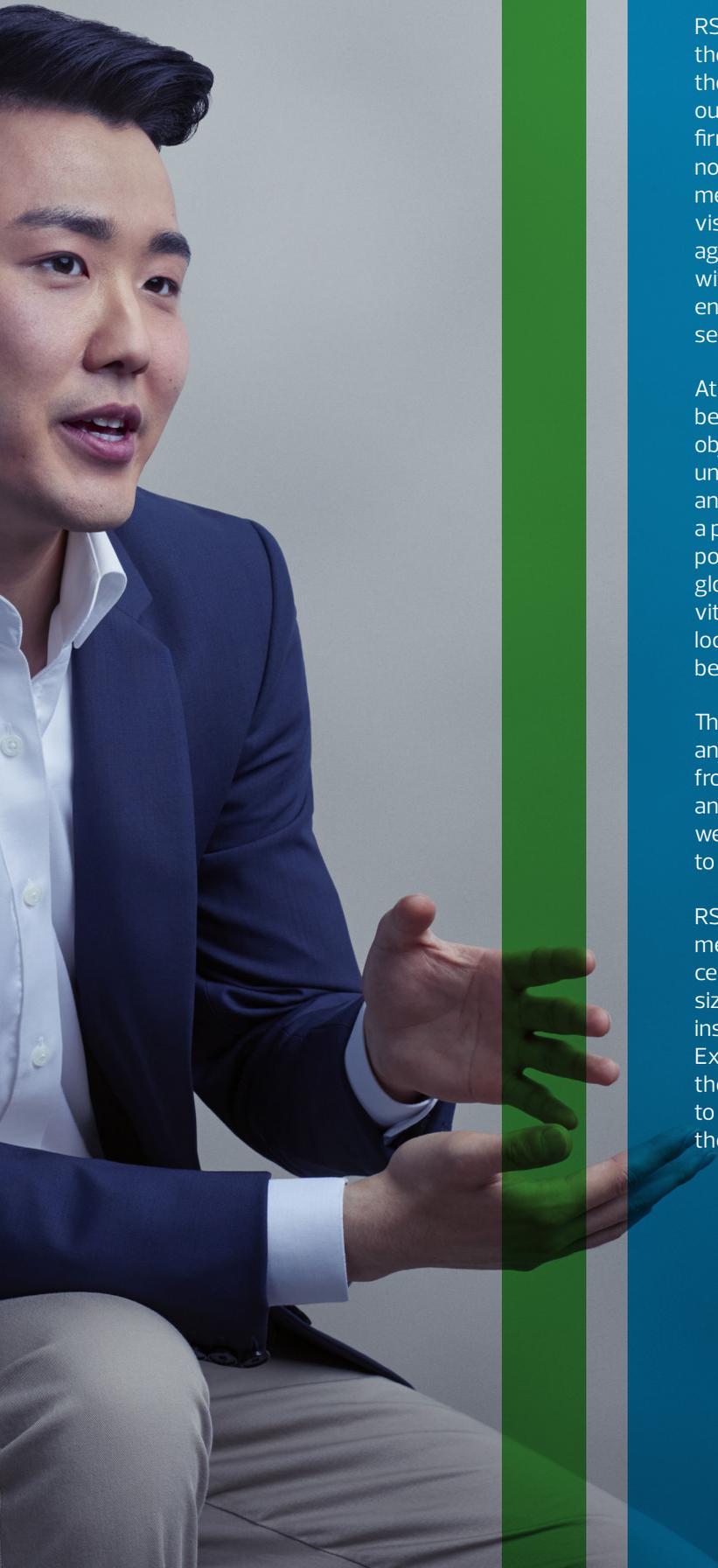
RSM began as an audit network and during its development has focused on building a high quality practice able to serve clients' audit and other needs. Uniquely, RSM commenced a long-term programme in 1993, years before similar Forum of Firms initiatives, to ensure consistent audit practices and standards among RSM firms throughout the world. This programme has continued to develop and expand and has successfully delivered global methodologies, policies and practices, including:

- Quality Assurance and Risk Containment
- Audit Methodology
- Model Audit Programmes and Paperless Audit System
- Ethics and Independence
- Anti-Bribery and Corruption
- Web-based Conflicts of Interest and Independence System
- International Tax Methodology
- Internal Audit Methodology
- Member firm inspection and monitoring programmes
- Global, network-wide inspection and monitoring programme

These methodologies, policies and practices are compliant with international standards (where applicable) and have been developed by specialists and leaders at member firms, and the RSM Executive Office, under the oversight of the RSM Transnational Assurance Services Executive Committee (TASEC) and the RSM International Board of Directors over many years. TASEC is formed of Heads of Audit and other leaders from key member firms and is responsible for the development and maintenance of all quality related technical policies and practices throughout the network. TASEC monitors compliance with its policies through internal and global inspection programmes, which monitor each firm's quality control. TASEC evaluates new member firm due diligence reports to ensure the highest quality standards are applied when admitting new member firms. The Committee reports their membership recommendations to the Chief Executive Officer and the RSM International Board of Directors including action plans for new member firms to achieve quality targets within agreed timescales.

Quality will remain the common foundation which will allow us to develop and expand the range and depth of services offered to our growing client base.





## RSM CULTURE

RSM has expectations for member firms to help ensure that there is consistently high standards of behaviour throughout the network. These expectations describe how we conduct ourselves in our professional dealings, and how our member firms connect with each other and with their clients. This is not a set of rules, but rather a set of benchmarks to align all members of the international network behind a common vision to achieve our global strategic objectives. Member firms agree to specific requirements in their membership agreement with regard to expected member behaviours, but we also encourage firms to maintain their own personality while still serving the needs of the network at the highest level.

At RSM we establish close and enduring relationships between member firms and with clients while maintaining objectivity in all services provided. We have an in-depth understanding of our clients' values, their working culture and their other requirements. At RSM, every team is led by a partner who deals directly with the client and acts as their point of contact with the rest of the network. We also utilise global and regional engagement leaders and believe this is vital for client service, particularly when dealing with multiple locations or services. We focus on relationships because we believe it is the key to client service and future firm growth.

Through global and regional conferences, training programmes and our centres of excellence structure, we encourage people from across the world to network with each other, and form and develop close relationships. Our culture is strong because we do business together and this facilitates seamless service to clients across borders.

RSM operates a 'contributed hours' concept. This concept means RSM member firms are requested to provide a certain number of hours every year, depending on their size, to initiatives such as training, our due diligence and inspection programme, articles for publications and Centres of Excellence. Asking member firms to contribute their time to the network means member firms are personally committed to the success of RSM. Our people make us strong and it is their time and expertise that helps RSM continue to grow.

## INTERNATIONAL STRUCTURE & FUNCTIONS

The international structure is aimed at executing the RSM strategy and providing member firms with the platforms to develop business together. The structure also reflects our geographic coverage ensuring representation from all key regions.

### International Board of Directors

The members of the Board are appointed through a nomination processes ensuring regional representation is achieved. The Board sets the international strategy of RSM and acts in the interests of all member firms.

### Chief Executive Officer (CEO) and RSM Global Executive Office (EO) team

The CEO and EO have global functions and responsibilities and are primarily based in London.

These include:

- Brand development, corporate messaging
- International client needs and business development
- International referral protocols
- Geographic coverage
- Budget and funding
- Market movements and competitor analysis
- RSM Academies and other training initiatives
- RSM Connect and capabilities database
- Support to the technical committees and regional councils

Within the EO, the RSM Global Leader – Quality and Risk has responsibility for the quality of assurance and other services provided by member firms. These responsibilities specifically include:

- Meeting membership obligations of the Forum of Firms
- RSM quality assurance policies, procedures and inspections
- Audit methodology and technology platform
- Global ethics and independence policies
- Anti-Bribery and corruption policies
- International audit training and CPD guidance

Assistant to CEO

Marketing

PR & Communications  
Manager

Communications Executive

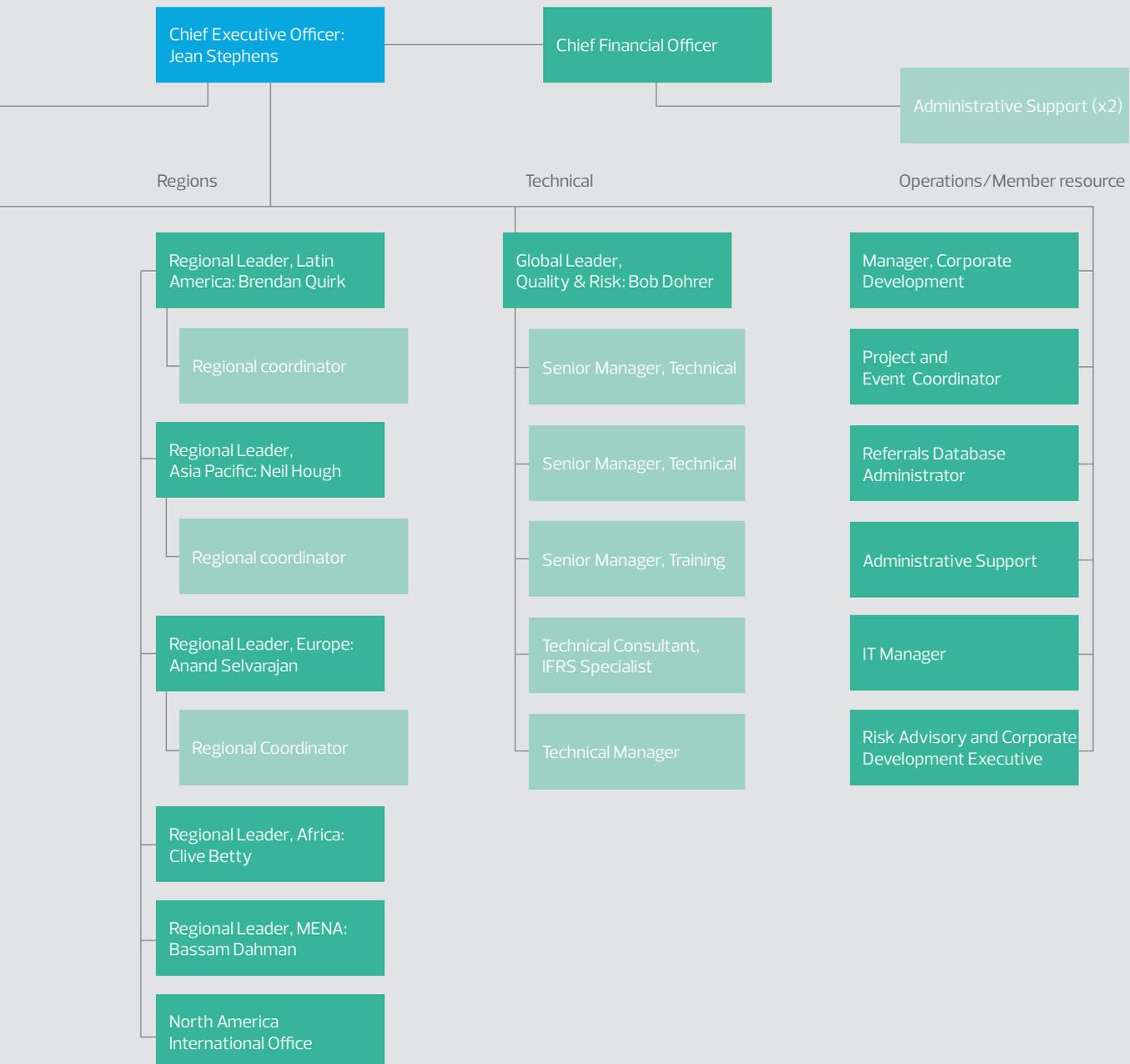
Corporate Designer  
& IT Coordinator

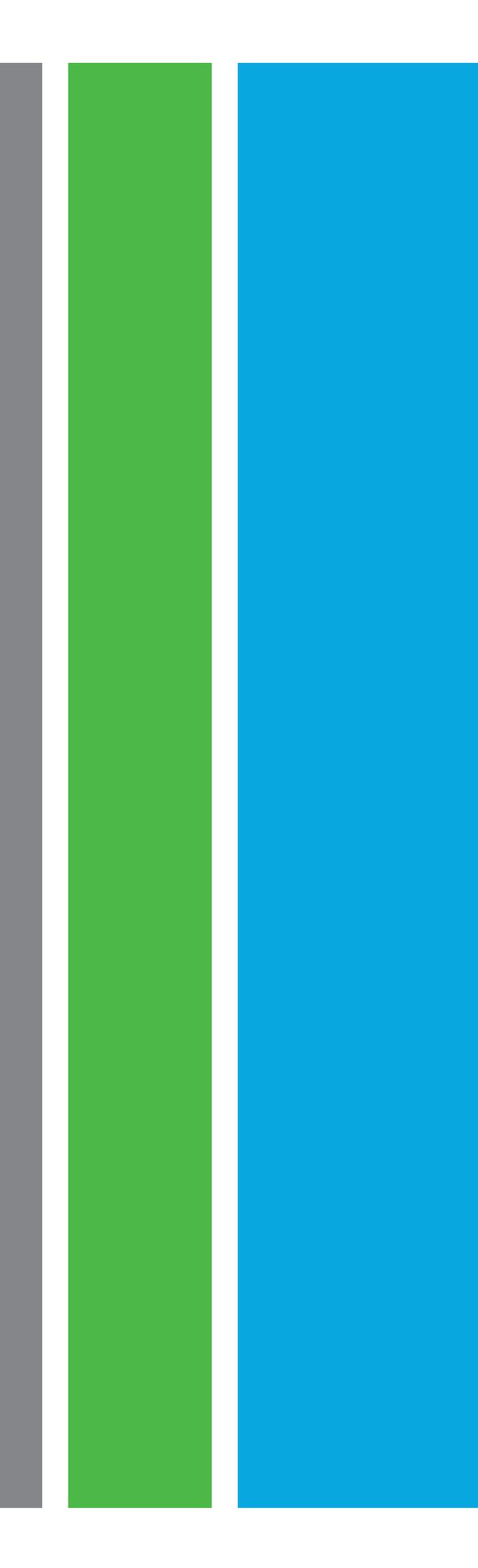
Senior Digital Manager

Design Assistant

Global Marketing Consultant

## RSM International staff structure





### **RSM Technical Committees**

RSM has established the following technical committees, leadership and advisory groups, comprised of professionals from member firms around the world. These include:

- Transnational Assurance Services Executive Committee – responsible for setting the audit methodology and other audit related policies and oversight of all RSM global inspection and monitoring programmes
- IT Committee – actively engaged in the review, analysis and support of the IT infrastructure
- International Tax Leadership Group – supports and develops quality control standards for tax services
- Risk Advisory Services Leadership Group – supports and develops quality control standards for risk advisory services
- Operational Risk Committee – responsible for overseeing the development and management of operational risks for the network
- Innovation Committee – responsible for identifying and assessing opportunities arising for innovations contributing to the growth and long-term development of the network.

### **RSM Centres of Excellence (CoEs)**

CoEs play a critical role in our international business development efforts and also serve to enhance member firm core competencies in services delivered. The CoEs are groups of professionals from various member firms who aim to establish standard practices, ensure seamless regional delivery and align our resources to enable targeting of mid-size and larger, more sophisticated companies. Based on the needs of the network, the CoEs are globally coordinated and organised on a regional basis.

### **Transnational Assurance Services Executive Committee (TASEC)**

As an executive committee of the RSM Board of Directors, TASEC is responsible for developing, promulgating and monitoring compliance with all standards issued by the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA). TASEC is also charged with monitoring the operation of quality assurance activities conducted by the Executive Office, including the approval of due diligence reports for the admission of new member firms, the approval of member firm inspection reports, and action plans to address deficiencies noted during the global inspection programme.

Other responsibilities of TASEC include developing, promulgating and monitoring compliance with the:

- Requirements of the RSM Audit Manual and RSM Model Audit Programmes
- Non-service line specific and assurance services requirements of the RSM Quality Assurance and Risk Containment Policies
- Requirements of the RSM Assurance Services Training and Continuing Professional Development Policies
- Requirements of the RSM Ethics and Independence Policies
- Requirements of the RSM Anti-Bribery and Corruption Policies
- Requirements of the Policies and Procedures for the Global Inspection Programme and Member Firm Inspection Programme

When necessary, TASEC also recommends sanctions against member firms and professionals as a result of non-compliance with the Committee's directives. The RSM Board of Directors ultimately acts on any such recommendations.

According to its charter, TASEC shall consist of five to nine members of suitably qualified and experienced audit partners or audit directors from member firms. The chair of TASEC is selected by the International Board of Directors from the members of the Committee and serves for a term of three years and can be re-nominated at the end of the three year term.

### **Member Firm Admissions**

RSM seeks to admit new member firms that share the RSM vision, mission and values. Each prospective new member firm is subjected to a due diligence process, the outcomes of which form the basis for deciding whether or not to admit the firm as a member firm of RSM. The due diligence engagements are conducted by qualified independent partners and senior personnel from current RSM member firms under the direction of RSM Executive Office personnel and the RSM Global Leader – Quality & Risk. The results of a due diligence engagement for a prospective new member firm are reviewed by TASEC and the RSM Global Leader – Quality & Risk. The Chief Executive Officer then makes a membership recommendation to the RSM International Board of Directors who ultimately approve or deny admittance of new member firms.

In the new member firm due diligence process, potential new member firms are evaluated against RSM criteria for membership which include among others:

- The prospective member firm's reputation for quality and high ethical standards
- Compliance with local/national standards and requirements, and if those local/national standards are not converged with standards established by International Federation of Accountants (IFAC) independent standard-setting boards, the prospective member firm's commitment and capability of meeting international standards and requirements
- The prospective member firm's commitment and capability in adopting RSM global policies, procedures, methodologies and tools
- The prospective member firm's agreement to participate in the RSM global inspection programme

All RSM member firms are subject to expectations defined in the RSM membership agreement, addendums to the membership agreement, and licensing agreements for branding and use of the "RSM" name. All RSM member firms are required to align with RSM policies, procedures, methodologies and tools.

### **Independence and Ethics Policies**

RSM maintains independence and ethics policies to provide reasonable assurance that member firms, partners and professional employees comply with the independence and ethical requirements of the following:

- International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants
- RSM International
- Local professional organisations
- Local security exchange regulators
- Other relevant regulatory authorities

Every member firm has a partner (or equivalent position) responsible for independence, whose responsibility it is to augment these policies, as necessary, to the specific requirements of their member firm to reflect additional local ethical codes or regulatory requirements, which establish higher standards than those reflected in the basic RSM independence and ethics policies. Any amendments made to the RSM basic policies to include additional local requirements must be submitted to the Executive Office for review, and must be approved by the Global Leader – Quality & Risk. Partners or professional employees who have a question regarding the RSM independence and ethics policies are required to consult promptly with their member firm's partner responsible for independence. If the member firm partner responsible for independence has a question regarding these policies, he or she should consult with the Executive Office.

Member firms are required to maintain a listing of all clients to which the RSM Ethics and Independence policies apply. The list is made available to all partners and professional employees. Additions and deletions to the list are made available, when they occur, to all partners and professional employees.

Partners and professional employees are required to annually complete an independence compliance questionnaire confirming that he or she:

- Has read the RSM Ethics and Independence policies
- Has read his or her member firm's Ethics and Independence policies
- Understands their applicability to his or her activities
- Is, and has been for the past year, in compliance with those policies
- Any qualifications to such confirmation are fully explained in writing and corrective action taken by the member firm.

#### **Independence, relationship and conflict of interest tracking**

RSM maintains an online independence, relationship and conflict of interest tracking tool called the Global Relationship Tracker (GRT). This tool holds data of all assurance or non-assurance clients of member firms, including specifically the following categories of member firm clients:

- Public Interest Entities, including listed entities
- Private Equity Groups or Funds
- Private entities with ownership or affiliates located in another jurisdiction or country, including ultimate parent companies, intermediate parent companies, sister companies, subsidiaries or affiliates

Additionally, all clients that are subsidiaries or affiliates of groups meeting the above criteria are required to be included on the GRT.

The Executive Office, under the direction of the RSM Global Leader – Quality & Risk, is responsible for overseeing the timely maintenance of the GRT (including communication of additions and deletions to the list), and for overseeing the adequate functioning of the policies and consultation process with respect to all of the clients on the GRT list.

Member firm partners and professional employees are required to consult the GRT and take such other precautions that are considered necessary in the circumstances, to ensure

compliance with the RSM Independence and Ethics policies with respect to financial, business family or employment interests. Member firm partners or professional employees who grant discretionary investment authority to third parties are required to ensure compliance with these policies by the investment manager.

Member firm partners and professional employees are responsible for consulting the GRT and taking such other precautions that are considered necessary in the circumstances, to ensure compliance with respect to identifying potential conflicts of interest in the services member firms provide to clients or prospective clients, particularly international groups.

Annually, member firms are required to perform procedures sufficient to assess the completeness and accuracy of its client information required to be included on the GRT and report accordingly to the Executive Office.

#### **Conflict resolution process**

When a member firm partner or professional employee identifies a potential impairment of independence or conflict of interest with respect to a client or prospective client of another member firm through GRT searches and other conflict of interest checks, the international contact partner (ICP) of the member firm is required to be informed and communicates the relevant details of the client (or prospective client) and engagement to the ICP or other contact person of the other member firm(s). The contact persons of the member firms involved, in consultation with their partners responsible for independence, then assess the facts and circumstances relating to the potential impairment of independence or conflict of interest and apply the appropriate safeguards, which may include withdrawal from an engagement or opportunity.

If member firms are unable to agree appropriate safeguards, the Executive Office and the chair of the RSM International Board of Directors are requested to consider the potential impairment of independence or conflict of interest. The member firms provide the Executive Office with the necessary information regarding the relevant facts and circumstances, which will be used to assess the potential impairment of independence or conflict of interest with reference to seven assessment criteria. The Executive Office and the chair of the RSM International Board of Directors will then, after considering the request and information provided, make a recommendation as to the resolution of the potential impairment of independence or conflict of interest.

## Audit quality

Quality is the absolute cornerstone for RSM. To reinforce the message that audit quality is of the utmost importance in RSM, the Executive Office develops and maintains global resources and tools for member firms, including:

- An audit methodology delivered via technology and software that is used globally
- An audit methodology manual and quality assurance and risk containment policies that are designed in accordance with international auditing, quality control, independence and ethics standards
- A comprehensive proprietary intranet service where information is housed for member firms covering topics such as auditing, financial reporting, ethics and independence requirements and training on all topics, processes and protocols enabling consultation with the Executive Office with regard to audit, independence and ethics matters

The overall responsibility for effective and high quality functioning of the member firm's assurance practices lies with the RSM Global Leader – Quality & Risk. TASEC provides development of strategy and direction for the assurance practices which is then implemented through the RSM Global Leader – Quality & Risk and the Executive Office team. The heads of audit from member firms are also called upon to form task forces and to seek input with respect to specific needs and projects undertaken by the Executive Office.

The Global Leader – Quality & Risk is also supported in strategy implementation by assurance functional leaders for audit methodology and technology, International Financial Reporting Standards, global inspection and monitoring programmes and assurance services training.

## Client Acceptance/Continuance

Providing high quality assurance services requires that RSM member firms accept only clients who share RSM's core

values and beliefs. Member firms are required to only enter into relationships with clients who fit key RSM acceptance criteria and who are prepared to pay a fair fee for high value work.

These client acceptance criteria include:

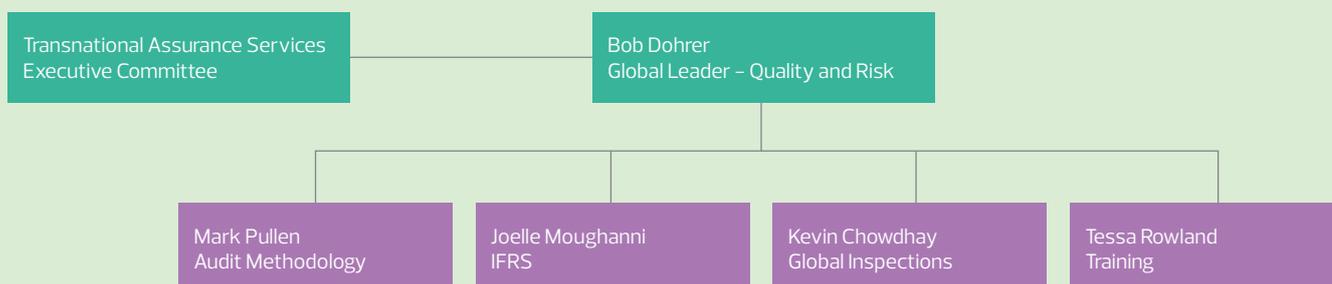
- The client acts with integrity
- The member firm complies with RSM Ethics and Independence policies and is not entering into any client relationship or engagement which would be prohibited under those policies
- The member firm understands the client's needs and service requirements
- The member firm has the necessary capabilities available, including sufficient resources and expertise to perform the work required by the client and to render the necessary reports and other deliverables within the reporting time frames

During the client acceptance process, the prospective engagement, or lead assignment partner, also assesses the level of risk attached to the engagement and determines whether special staffing, supervision and review requirements apply. A second partner is assigned to concur with a conclusion to accept any engagement or a client relationship that meets certain risk profiles, including certain high-risk industries.

## Global Audit Methodology

RSM member firms have agreed to comply with the requirements of the RSM Audit Manual and the mandatory Model Audit Programme Sheets (MAPS). The RSM Audit Manual provides a risk based methodology and includes providing member firm engagement teams with guidance with respect to appropriate responses to identified risks of material misstatement. The requirements within the RSM Audit Manual are required to be used by RSM member firms when conducting audits of financial statements.

## Audit responsibility





The RSM Audit Manual complies with the requirements of the following:

- International Standard on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB)
- International Standards on Auditing issued by the IAASB
- International Auditing Practice Statements issued by the IAASB
- RSM Quality Assurance and Risk Containment Policies

RSM member firms apply the requirements and guidance contained in the RSM Audit Manual through the use of mandatory audit programme sheets and also through a proprietary automated audit programme template called RSM Paperless. This programme is designed to operate on the CaseWare technology platform which includes automated trial balance and working paper generation functionality.

A major audit methodology project is currently underway to assess and revise if necessary the RSM audit methodology. In addition to scrutiny of bedrock audit principles such

as the audit risk model and materiality, the project also focuses on an enhanced professional judgment framework, including appropriate use of professional skepticism and responsibilities for fraud. Use of innovative data analysis techniques in providing more effective audits is also a major piece of the audit methodology project. Lastly, the project involves determination of the most effective and efficient technology platforms to support the delivery of the RSM audit methodology by member firms.

#### **Global IFRS Resources**

Ensuring that IFRS capabilities are a core skill for member firms is the responsibility of the Executive Office's IFRS specialist and lead technical consultant under the direction of the RSM IFRS Advisory Committee and with the support of the RSM IFRS Centre of Excellence. The RSM IFRS Advisory Committee is comprised of several member firm representatives possessing high level IFRS expertise. The responsibility of the IFRS Advisory Committee is to provide direction and strategy with respect to IFRS services to the Executive Office as well as serving as the top IFRS consultant body within RSM. The RSM Centre of Excellence is comprised of representatives from each member firm who possess IFRS expertise in particular facets of IFRS.

The IFRS Centre of Excellence, under the direction of the IFRS Advisory Committee, promotes global quality and consistency of IFRS services through the following activities:

- Operation of an IFRS help desk
- Development and delivery of IFRS training programmes and material, including monthly webcasts involving RSM IFRS Lead Member Firms covering timely and relevant IFRS topics
- Publishing technical alerts and monthly bulletins and other technical resources and tools
- RSM is also active in the development of IFRS on a profession-wide scale by contributing global comment letters on proposed new standards and participating in the review process for new training on IFRS offered by standard-setting bodies

### **Global Inspection and Monitoring Programmes**

In our relentless pursuit of quality, RSM has developed both individual member firm inspection and monitoring programmes, as well as RSM's global inspection and monitoring programme. Under the joint operation of these programmes, RSM member firms are provided with the necessary information with regard to the design, implementation and operating effectiveness of their quality control practices surrounding their assurance practices as well as other service lines.

Each individual RSM member firm is required to establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control over its assurance practice are relevant, adequate, operating effectively, are aligned with RSM expectations and all requirements established by the International Federation of Accountants (IFAC) standard-setting boards including:

- International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Statements, and Other Assurance and Related Services Engagements
- International Standard on Auditing (ISA) 220, Quality Control for an Audit of Financial Statements
- IESBA Code of Ethics for Professional Accountants

Further objectives of an RSM member firm inspection programme are to provide an evaluation of:

- The extent of the member firm's alignment with RSM policies and procedures
- The member firm's adherence to local/national professional standards and applicable local/national legal and regulatory requirements
- Whether the firm's quality control system has been appropriately designed and implemented, so that reports that are issued by the firm or engagement partners are appropriate in the circumstances
- Areas where further actions are needed by either the firm or RSM in order to take corrective actions or make improvements to the firm's quality control system

A further distinct benefit of the inspection process is that it provides the opportunity to identify areas for improvement in engagement management and the client service production and delivery system.

Under RSM's global inspection programme, RSM periodically oversees and/or participates in all member firm inspection programmes on a cycle not exceeding three years.

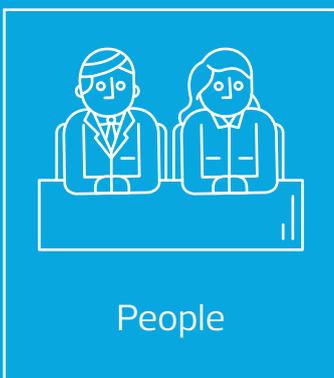
Such inspections are referred to as globally coordinated inspections. RSM globally coordinated inspections are conducted by independent qualified partners and senior personnel of other member firms under the direction of the Executive Office personnel and the RSM Global Leader – Quality & Risk. The RSM global inspection programme is also designed to meet the membership obligations of the Forum of Firms, of which RSM is a member network.

RSM's Transnational Assurance Services Executive Committee (TASEC) is responsible for establishing policies and guidelines for both the RSM member firm inspection programme and the RSM global inspection programme. The RSM Executive Office is then responsible for the implementation and operation of the global inspection programme. The RSM International Board of Directors has the authority to impose sanctions on a member firm to ensure compliance with professional requirements and RSM methodologies, policies and procedures.



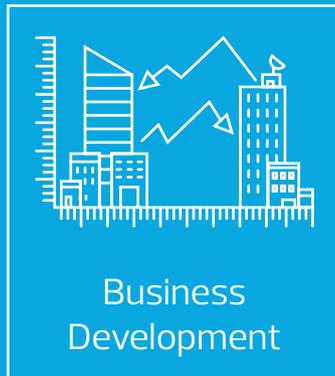
Our member firms are selected from among the very best of independent professional services firms across the world and adhere to strict quality controls.

- RSM International is a member of the Forum of Firms
- The Transnational Assurance Executive Committee (TASEC) oversees all audit methodology and polices in compliance with International Standards on Auditing
- Global inspection programme – member firms perform an internal inspection every year and have a globally coordinated inspection by other member firms at least every three years
- Active involvement in national and international regulatory bodies and committees
- Active interest in shaping the industry via representation, comment and feedback
- Member firms apply Global Ethics and Independence policies in accordance with the IESBA code



To provide an unparalleled level of client service we need to recruit and retain the very best. This means providing opportunities for staff to grow both personally and professionally.

- Regional and global training initiatives
- Full compliance with applicable CPD guidelines
- Webcast and training programmes including the RSM Academy (leadership development) and RSM ITAX Academy (International tax)
- Active RSM Secondment Programme
- All member firms maintain adequate internal people initiatives and retain and develop talent
- RSM Diversity Group



# RSM VISION



Business development is critical to maintain our exceptional high standards of client service and to ensure firms are continually developing the skills and knowledge required to work with clients from emergent industries.

- Globally co-ordinated 'Connected for Growth' business development process including utilization of Global and Regional Engagement Leaders
- Regional structure for service line delivery and business development initiatives
- Regional Centres of Excellence for risk advisory, tax and IFRS
- Sector expertise and focus groups for family-owned businesses, financial services and others
- Sharing knowledge and insight through RSM publications, e.g. Talking Points, Border Crossing, RSM Reporting
- Annual programme of global and regional meetings for member firms to develop relationships and technical and cultural knowledge
- A commitment to growth for ourselves and our clients

The RSM brand is a promise to clients that we will listen and endeavour to understand their needs and determine how we can add value for their future success.

- Member firms must adhere to our policies and procedures before they are permitted to use the RSM Brand
- RSM Communications Guidelines and brand resources
- Lead sponsors of the European Business Awards and the RSM International Entrepreneur of the Year award
- High level sponsorship of industry events around the globe
- Use of social media to connect more efficiently with our clients and other stakeholders
- Established PR programme to build the reputation of the RSM brand and gain third-party endorsement
- Global brand monitoring and client engagement research
- Global thought leadership research and reports on topical client issues
- RSM global website platform

## RSM LEADERS

### International Board of Directors

Mike Kirley, Chairman, USA  
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 Guillermo Erhard, Mexico  
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 James Komninos, Australia  
 Laurence Longe, UK  
 Warner Popkes, Germany  
 Luc Toelen, Belgium  
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 Wong Poh Weng, Hong Kong  
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### Regional Leaders

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 Anand Selvarajan, Europe  
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 Neil Hough, Asia Pacific  
 Brendan Quirk, Latin America

### Transnational Assurance Services

#### Executive Committee

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 Mark Pullen, RSM EO Support

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 Gary Stevenson, Hong Kong  
 Victor Gomez, Columbia  
 Nicky Warburton, UK  
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 Joelle Moughanni, RSM EO Support

### Risk Advisory Centre of Excellence

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 Richard Smith, UK  
 Gary Sturisky, USA  
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 Jeff Wobbema, USA  
 Sanjay Sood and Richard Jennings, RSM EO Support

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 Rudolf Winkenius, Netherlands  
 Caroline Walenkamp, RSM EO Support

## FINANCIAL INFORMATION

Global combined revenues for year ending December 2015.

By region	2015	2014	Variance (\$)	Variance (%)
Africa	26.5	28.5	2.0	-7%
Asia Pacific	596.7	588.1	8.6	1%
Europe	1,008.9	1,034.8	-25.8	-2%
Latin America	120.0	110.0	9.9	9%
Middle East and North Africa	39.4	37.3	2.1	6%
North America	2,849.8	2,592.4	257.5	10%
<b>Total</b>	<b>4,641.5</b>	<b>4,391.2</b>	<b>250.3</b>	<b>6%</b>

By service line	2015	2014	Variance (\$)	Variance (%)
Audit and accounting	2,272.7	2,181.0	91.7	4%
Tax	1,353.8	1,260.7	93.1	7%
Consulting	909.8	837.9	71.9	9%
Other	105.1	111.6	-6.5	-6%
<b>Total</b>	<b>4,641.5</b>	<b>4,391.2</b>	<b>250.3</b>	<b>6%</b>

## RSM REPRESENTATION

RSM has member and correspondent firms in the following countries.

### Africa

Angola	Ivory Coast	Swaziland
Botswana	Kenya	Tanzania
Chad	Mauritius	Uganda
Congo Brazzaville	Nigeria	Zimbabwe
Ghana	South Africa	

### Asia Pacific

Australia	Japan	Singapore
Bangladesh	Malaysia	South Korea
China	Myanmar	Sri Lanka
Hong Kong	New Zealand	Taiwan
India	Pakistan	Thailand
Indonesia	Philippines	Vietnam

### Europe

Andorra	Germany	Poland
Austria	Greece	Portugal
Azerbaijan	Hungary	Romania
Belarus	Ireland (Republic)	Russia
Belgium	Isle of Man	Serbia
Bosnia & Herzegovina	Israel	Slovakia
Channel Islands	Italy	Spain
Croatia	Kosovo	Sweden
Cyprus	Latvia	Switzerland
Czech Republic	Luxembourg	Tajikistan
Denmark	Macedonia	Turkey
Estonia	Malta	Ukraine
Finland	Netherlands	United Kingdom
France	Northern Ireland	
Georgia	Norway	

### Latin America

Argentina	Ecuador	Peru
Bolivia	El Salvador	Uruguay
Brazil	Guatemala	Venezuela
Chile	Honduras	
Colombia	Nicaragua	
Dominican Republic	Panama	

### Middle East & North Africa

Afghanistan	Jordan	Oman
Algeria	Kuwait	Palestine
Bahrain	Lebanon	Qatar
Benin	Libya	Saudi Arabia
Burkina Faso	Mauritania	Tunisia
Cameroon	Mali	United Arab Emirates
Egypt	Morocco	Yemen
Iraq	Niger	

### North America & Caribbean

Bermuda	Puerto Rico
Cayman Islands	Turks & Caicos Islands
Mexico	United States

Services in other countries are provided through contacts and support from RSM member firms.

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