

INVESTING IN BRIGHTER FUTURES

HLB GLOBAL
ANNUAL REVIEW
2023



www.hlb.global

TOGETHER WE MAKE IT HAPPEN

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01

NETWORK PERFORMANCE





#8

GLOBAL RANKING



US\$ 5.46 BN

GLOBAL COMBINED REVENUE



23%

NETWORK GROWTH



157

COUNTRIES



46,755

PEOPLE



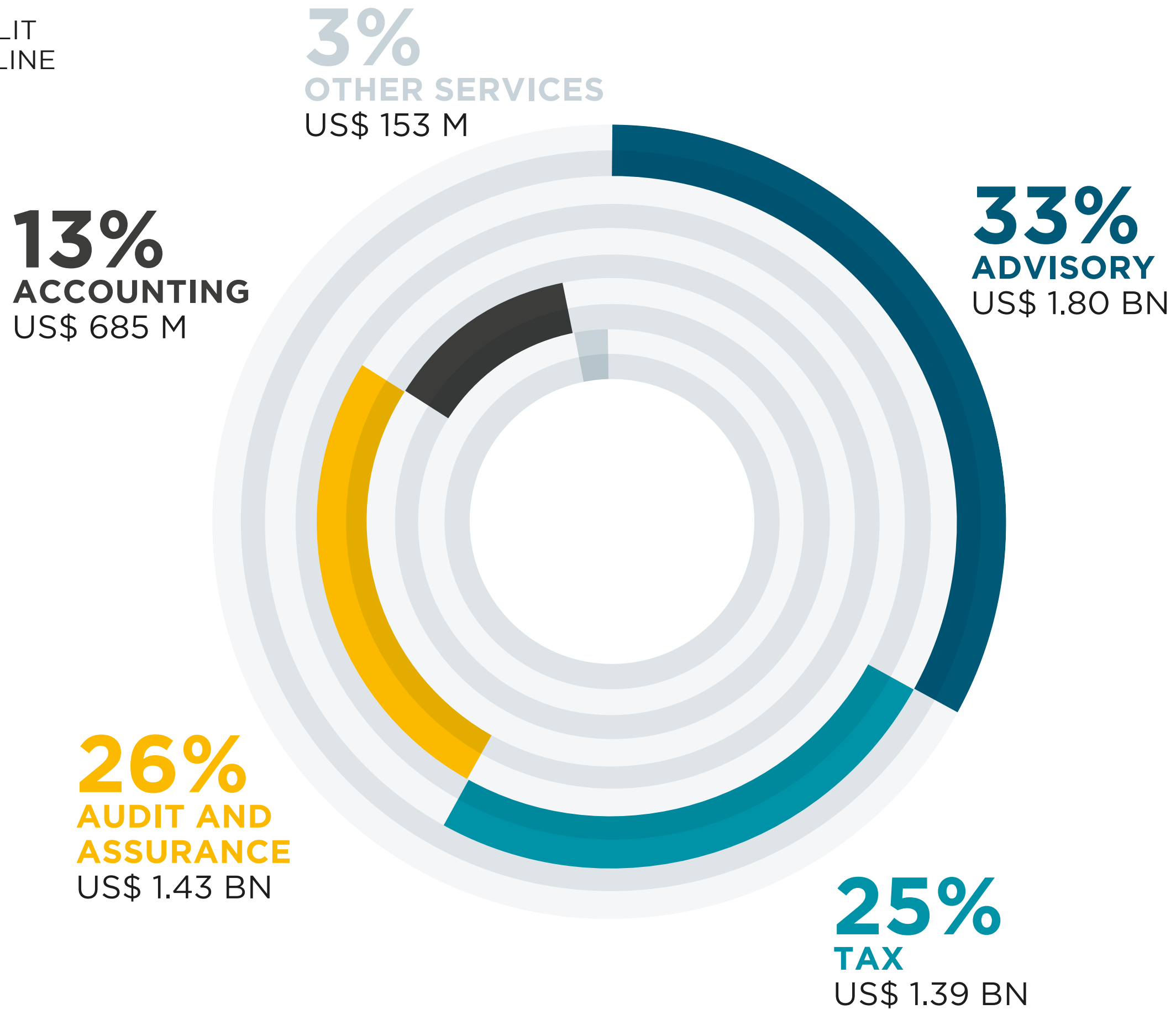
1,069

OFFICES

Note to readers

Revenue and other global figures are aggregates of results of individual HLB member firms. Our 2023 financial year runs from 1 January 2023 to 31 December 2023. In this Global Annual Review, the terms 'HLB International', 'HLB', 'our' and 'we' are used to refer to the network of member firms of HLB International Limited or, as the context requires, to one or more HLB member firms. For more information about our structure, visit www.hlb.global/legal

REVENUE SPLIT
BY SERVICE LINE



CHAIRMAN MESSAGE



Bill Hagaman
HLB Global Chairman

Welcome to the HLB Global Annual Review 2023. This is the story of how HLB's vast global community, of over 46,000 people, leveraged their innovative mindset to overcome challenges and drive unprecedented growth over 2023.

Throughout last year, HLB reached all of its targets outlined in our network strategy, "Shaping our Shared Future." However, our achievements at HLB are not simply about hitting targets; they reflect our unwavering commitment to nurturing our people, instilling a growth-oriented and advisory mindset, and giving back to our communities.

Our mission is to make a positive and sustainable impact on the future of our clients, our people, and our communities because we genuinely care about their well-being and prosperity.

In today's multifaceted world, organisations grapple with various risks, from economic uncertainties to cybersecurity threats. At HLB, we strive to empower our people to navigate these challenges effectively, both now and in the future. Guided by our shared values and collaborative spirit, we innovate and collaborate globally to fulfil this purpose.

Innovation remains at the core of our success, evident in our swift adoption of new technologies and methodologies. By making substantial investments in technological advances, we position ourselves for excellence in the years ahead.

"Our mission is to make a positive and sustainable impact on the future of our clients, our people, and our communities..."

Our commitment to communities is evident through initiatives like the #HLBCommunities Day and the HLB Pro Bono Week, where we support local causes. Engaging with global communities not only fulfils our Corporate Social Responsibilities (CSR) objectives but also promotes inclusivity and sustainability. This year, we strengthened our partnership with Diligent, securing network-wide ESG accounting software to enhance our sustainability impact. This move supports our goal of becoming a more sustainable and responsible network and aligns with the growth opportunities in the Environmental Social and Governance (ESG) market.

Putting our people first and fostering inclusive corporate cultures have been focal points at HLB. We lead with a people-first approach, championing diversity in all its dimensions—be it backgrounds, cultures, identities, locations, or services.

Our global DEI Council has set forth clear and ambitious objectives aimed at enhancing gender diversity and advocating for underrepresented groups. Throughout the year, the Council strategically embraced the theme of Allyship, emphasising the importance of supporting allies who champion the cause of underrepresented groups in the workplace.

Our success hinges on our people. By prioritising trust, respect, and our shared values, we've cultivated a culture primed for sustainable success. We're committed to recruiting globally minded professionals and creating an environment where differences are celebrated, and communication is inclusive.

Looking ahead, we understand the significance of visionary leadership and proactive adaptation to meet the needs of future generations. Through initiatives like the HLB Building the Future executive leadership programme with Cambridge University and the HLB Skills Hub we are investing in our people's development, ensuring a talent pipeline that aligns with the evolving demands of our industry.

At HLB, our journey is one of continuous evolution and innovation, driven by our unwavering commitment to our people, our clients, and our communities. Together, we shape a future that is sustainable, inclusive, and prosperous for all. Together we make it happen.

“At HLB, our journey is one of continuous evolution and innovation, driven by our unwavering commitment to our people, our clients, and our communities.”

CEO MESSAGE



Marco Donzelli
HLB Global CEO

What a year 2023 has been! Whilst navigating through a challenging business landscape, we witnessed the emergence of the biggest technological advancement of our time, Generative Artificial Intelligence (AI). As business leaders regained their confidence, hope and optimism for future growth and prosperity increased.

HLB stands stronger and more resilient than ever. With steadfast dedication and strategic foresight, we achieved all our strategic objectives, resulting in substantial growth. Our global combined revenue reached an impressive US\$5.46 billion, marking a remarkable 23% increase from 2022, and our global ranking advanced from 10th to 8th position.

By the end of the year, HLB successfully achieved all the targets outlined in its 2023 network strategy, Shaping our Shared Future. Nurturing our entrepreneurial, innovative spirit, we created a culture of agility to increase growth. Through a strategic emphasis on advisory services, alongside initiatives in technology, talent acquisition, and marketing management, we fortified our resilience against future challenges. We enhanced value for clients, provided learning opportunities for our people, and made positive societal impacts. We achieved our overarching goal to establish an organisation that is future-proof, ensuring that the investments we make today will resonate across generations to come.

“HLB stands stronger and more resilient than ever. With steadfast dedication and strategic foresight, we achieved all our strategic objectives...”

HARNESSING THE POWER OF INNOVATION

Innovation remains integral to HLB's success. Our accelerated adoption of new working models and technological advancements makes for endless possibilities. Winning the CFI.co - Capital Finance International 2023 global award for Best Cross-Border Collaboration for Tax Solutions, is testament to our innovative approach and unwavering commitment to excellence. Additionally, we've bolstered our service offerings by heavily investing in areas such as cybersecurity, ensuring our firms are not only protected from today's high-risk factors but also ready to thrive in the future.

Reigniting our Affinity Programme further enhances HLB's proposition by fostering deep, long-lasting global partnerships that drive innovation and digital transformation. Collaborating closely with HLB people, we began to work with best-in-class partners to provide dedicated training & support, continuous adoption, and thought leadership.

INVESTING IN OUR PEOPLE

As we reflect on the achievements and challenges of 2023, it's evident that our success is directly tied to the exceptional people within our network. Talent attraction and retention remain pivotal in our pursuit of global distinction. Being certified as a Most Loved Workplace® underscores our people-first approach, recognising that our greatest asset is our people.

Our commitment to investing in talent shines through initiatives like the HLB Building the Future executive leadership programme with Cambridge University and HLB Engage. These programmes empower our current leaders and nurture future leaders to steer the business and our people toward even greater success.

FOSTERING COMMUNITY ENGAGEMENT

To drive an inclusive, sustainable future for our HLB people, we actively engaged with local communities through initiatives such as the annual #HLBCommunities Day, volunteering activities during regional conferences, and our first ever HLB Pro Bono Week. These endeavours turned our Corporate Social Responsibility (CSR) goals into tangible action, embodying HLB's purpose to create positive, sustainable impact.

In 2023, we reconnected with our global community at key conferences, including the Advisory-Tax and Audit Conference in Madrid, Spain, our Global Summit in Osaka, Japan, and the Asia Pacific & Eurasia conference in Phuket, Thailand. The latter marked the first conference inspired by ESG, covering culture, values, business opportunities, sector insights, and social awareness.

Looking ahead, we will work to integrate our new network strategy across our global ecosystem. Innovative People, Brighter Futures outlines our key priorities and objectives for 2024 to 2027. To achieve our growth objectives and broader vision, this strategy places innovation at its core as the driver of transformation. The positive impact of innovation will be felt in every aspect of the way we work and is embedded across five strategic dimensions which – together with innovation – form the foundation of this strategy: People, Advisory Culture, Marketing & Business Development, Technology, Network ESG.

Together, we've overcome challenges, achieved milestones, and set the stage for an even brighter future. As we move forward into the next phase of HLB, I am confident that we will continue to lead the way forward, paving the path to success. Here's to tomorrow!

02

GLOBAL REACH



Our global headcount reached a record high this year, with **46,755** people working out of **1,069** offices across **157** countries.



NORTH AMERICA

12,008 People
257 Offices
17 Countries

EUROPE

16,660 people
496 offices
43 countries

LATIN AMERICA

1,427 people
37 offices
17 countries

AFRICA AND THE MIDDLE EAST

1,603 people
80 offices
52 countries

ASIA-PACIFIC

15,057 people
199 offices
28 countries



03

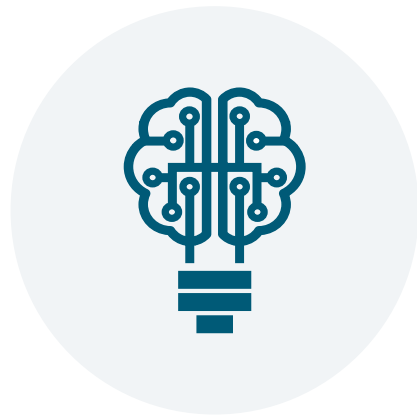
MAKING A POSITIVE AND SUSTAINABLE IMPACT



At HLB, it's our purpose to make a positive and sustainable impact on the future of our clients, our people and our communities, because we care about their well-being and success.

From economic uncertainty and geopolitical risk to climate change and cybersecurity, organisations today are faced with a broad spectrum of risks to business. In this ever-complex world, we aim to help those within the HLB ecosystem thrive today and in the future. Driven by our shared values and behaviours, we collaborate across the globe and find innovative ways to fulfil this purpose.

OUR VALUES AND BEHAVIOURS



WE EMPOWER CHANGE
and innovation.



WE WORK TOGETHER
to create sustainable value.



WE INSPIRE ALL OUR PEOPLE TO THRIVE and pursue their passion and reach their goals.



WE FOSTER TRUST
and transparency.



WE LEAD WITH EMPATHY
and professionalism.



WE ARE NOT AFRAID TO EXPLORE and boldly lead the way.

FORCE FOR GOOD

#HLBCOMMUNITIES DAY

Over 2023, we held our fifth #HLBCommunities Day, our annual network-wide CSR initiative. This was our most successful event to date with significant involvement from firms across the world, making a tangible difference in our local communities.



1,949

volunteers from HLB firms worldwide



9,203

hours volunteered to various community projects.

HLB firmly believe that engaging effectively with our global communities is the key to shaping an inclusive and sustainable future for all. With #HLBCommunities Day, we showcase our commitment to giving back and express our gratitude to the communities that nurture and support us.





USA



BRAZIL



EGYPT



USA



BELGIUM



CHINA



EGYPT



UAE



BOLIVIA



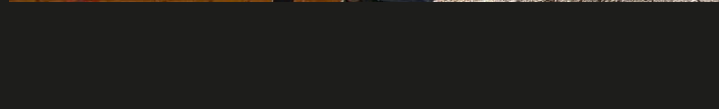
ECUADOR



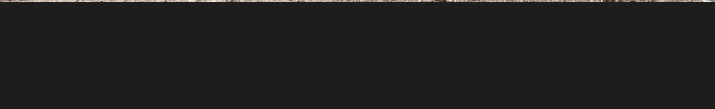
FIJI



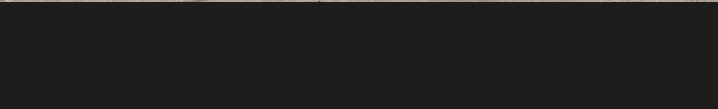
IRELAND



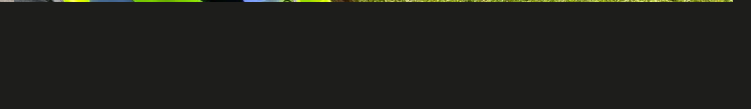
BOLIVIA



GEORGIA



GEORGIA



IRELAND



📍 ITALY



📍 AUSTRALIA



📍 PERU



📍 VENEZUELA



📍 KYRGYZSTAN



📍 MEXICO



📍 POLAND



📍 UGANDA



📍 MALAYSIA



📍 PANAMA



📍 TANZANIA



📍 USA

SPOTLIGHT

HLB GERMANY

Over 200 colleagues participated in #HLBCommunities Day 2023 volunteering to 4 different projects across the country.



KILOMETER COLLECTION

We collected over 8,500 kilometers. The collected kilometers were converted into monetary donations to support local projects.



BLOOD DONATION

We supported local blood donation drives with approximately 35 participants.



209

volunteers from HLB Germany



ANIMAL SHELTERS

We supported regional animal shelters, ranging from fundraising to hands-on assistance on-site.



CONSTRUCTION OF INSECT HOTELS

In addition to our involvement with the animal shelter, we also built insect hotels.



580

hours volunteered



HLB PRO BONO WEEK

We also conducted our inaugural HLB Pro Bono Week. During this period, 18 of our member firms generously offered a variety of pro bono services to local organisations and individuals. These services ranged from hosting webinars and assisting female entrepreneurs to mentoring students.



HLB's Pro Bono Week marks an important milestone for HLB Ecuador, as we embark on our participation in an impactful initiative. Through collaborative efforts and strategic alliances with stakeholders and customers, we witnessed the transformative power of coming together for a common cause. According to the latest GEM study (Global Entrepreneurship Monitor Ecuador, 2019 - 2020), Ecuador is one of the most entrepreneurial countries in the world with 36% of adults owning an established business. Moreover, our initiative focused on developing online training and financial advice sessions with HLB Ecuador specialists to impact young entrepreneurs in the country by imparting knowledge to make informed financial decisions. Faced with the growing importance of entrepreneurship in the business world, it is worth asking: what role do financial advisory companies have in meeting the current and potential needs of this group? The answer is not simple, however, this type of value actions has not only fostered trust and a sense of belonging among our team, but has also strengthened client loyalty, enhancing the reputation and dedication of our firm. By projecting a positive image of social commitment and corporate responsibility, we demonstrate our commitment to making a meaningful difference. As a socially responsible company that invests in projects with tangible social impacts, we not only differentiate ourselves in the market, but also generate added value beyond mere competition."

FELIPE PAREDES H.

Partner of Audit & Assurance and Business Process Solutions,
HLB Ecuador



ALLIANCES AND ALLYSHIP

At HLB, we lead with a people first approach. We champion diversity in all its forms – whether it be backgrounds, cultures, identities, locations, or services. Throughout 2023, HLB has remained steadfast in its commitment to fostering equality and has played a pivotal role in cultivating inclusive workspaces through effective Diversity, Equity & Inclusion (DEI) initiatives across the HLB global community.

The global HLB DEI Council has set forth clear and ambitious objectives aimed at enhancing gender diversity and promoting the inclusion of underrepresented groups.



OUR PEOPLE



People who participated in DEI training or activities:

17%

up 8% from 2022



Female representation on a partner level:

27%

up 11% from 2022



Staff from underrepresented groups:

9%

up 21% from 2022



New hires from underrepresented groups:

11%

up 9% from 2022

Throughout 2023, the Council strategically adopted the theme of Allyship to guide their efforts. This theme emphasises the significance of acknowledging and supporting allies within the network who advocate for those from underrepresented groups in the workplace. Furthermore, the council remains steadfast in their commitment to advocating for underrepresented populations across various regions, ensuring their voices are heard and their needs addressed. This proactive approach underscores a collective dedication to promoting diversity, equity, and inclusion throughout the network. To ensure there was a good understanding among the HLB community on what was meant by effective allyship, we organised training, Allyship and Role Models, with LGBT Great. LGBT Great is the global LGBTQ+ financial and professional services community. They inspire organisations, and their leaders, to empower LGBTQ+ people and allies, to positively influence change.

“

As a member of the HLB DEI Council, I am proud to be part of an initiative that is truly making a difference in fostering inclusive working environments for our network. Our successful Global DEI initiatives are a testament to the dedication and hard work of our council members. We recognise the growing significance of our role and are committed to promoting active participation and engagement throughout the network. By serving as ambassadors for diversity, equity, and inclusion, we are driving tangible and meaningful change that benefits not only our organisation but also the broader community.”

FELIPE PIRAJÁ

HR Manager, HLB Brasil



At the HLB Global Summit in Osaka, Japan, the DEI session coincided with the international CEO Day of Understanding, offering a unique opportunity for all HLB people to engage in candid conversations that significantly influence diversity and inclusion across our global community.

To facilitate active participation, the session featured the “Step to the Line” exercise. This exercise provided a platform for individuals to openly share their personal experiences, enabling them to delve into their blind spots and unconscious biases. Through this exercise, participants contributed to fostering a more inclusive workplace culture that aligns with HLB’s core purpose and values.

“

Our ‘Step to the Line’ exercise at the Global Conference was a true testament of awareness in action. I was thrilled with the level of engagement – watching each of our conference attendees candidly share pieces of their identities through a series of intentional questions focused on one outcome – Inclusion.”

BILL BRADSHAW
HLB Global DEI Leader

HLB marked World Mental Health Day, with a virtual webinar session, “Your Brain At Work: Neuroscience Keys for Optimized Mind & Performance” by the inspirational Psychiatrist, Dr. Tharaka Gunarathne, which centered around high performance, psychological cohesion, cognitive biases and memory training. This day served as a crucial opportunity for HLB people to raise awareness and mobilise efforts in support of mental health.

“

Promoting mental health in the workplace is not just about increasing productivity; it’s about fostering a culture of wellbeing that transcends financial gains. By prioritising mental health, we create a more resilient and cohesive team, equipped to navigate challenges, and seize opportunities. This emphasis on wellbeing not only enhances corporate culture but also cultivates a sustainable impact, where individuals thrive, and the organisation flourishes.”

MARINA KOIJMANS
HLB Chief People Officer



STRIVING FOR A SUSTAINABLE FUTURE

In support of our CSR strategy, this year we proudly strengthened our relationship with Affinity partner Diligent, contracting for provision of network-wide carbon accounting software. This move sees a significant step forwards in understanding and improving our sustainability impact as a network and supports the immense growth opportunities the ESG market has to offer HLB members. Diligent work with over 25,000 customers worldwide, including 85% of the FTSE 100, helping to streamline ESG data collation and reporting. The pilot will initially onboard 50 HLB firms before network-wide implementation, working to improve the efficiency and accuracy of carbon accounting and benchmarking, and supporting our goal to become a more sustainable and responsible network.

Colleagues from HLB across Asia Pacific (APAC) and Eurasia gathered in Phuket for the first Asia Pacific & Eurasia conference since 2019, marking the first time in which HLB held a conference focused on Environmental, Social, and Governance (ESG) principles. Over three days, delegates heard discussions on culture, values, business opportunities, sector insights, and social awareness. The conference featured insights from various speakers, including real estate influencers highlighting sustainable initiatives in Southeast Asia, business leaders elaborating on the significance of ESG and governance for public listed companies, a local foundation

advocating for beach community protection (with the conference profits being donated to support their cause), HLB leaders discussing DEI in the workplace and new service opportunities in ESG, hotel chefs highlighting local produce and community support during the CSR activity, and restaurant selections based on their commitment to giving back to the local community. This event showcased the region's enthusiastic embrace of HLB's new strategic focus on ESG and emerging market trends.



Working with the team at HLB Thailand to effectively execute The APAC conference in Phuket stands as a testament to the strength of collaboration with HLB people. Diverse voices from across Asia Pacific and Eurasia converged to champion Environmental, Social, and Governance principles. Together, we explored new horizons, fostered meaningful connections, and laid the groundwork for impactful change. In embracing the essence of collaboration, we unlocked endless potential, paving the way for great results that will resonate for a better future.”

COCO LIU

HLB Chief Growth Officer



GLOBAL IMPACT

HLB won the CFI.co (Capital Finance International) award for Best Cross-Border Collaboration for Tax Solutions 2023. HLB’s combination of local expertise and global capabilities, fuelled by an innovative mindset, garnered high praise from the judging panel. They commended our diverse range of service offerings while also emphasising that our top 10 global ranking is very well-deserved.

Throughout 2023, we continued our close collaboration with PropertyGuru for the PropertyGuru Asia Property Awards. As part of the proceedings, HLB Chief Growth Officer Coco Liu, was honoured as one of 2023’s Asia Real Estate Sector (ARES) Power Women. Celebrating outstanding female leaders within the Asian real estate industry, Coco was nominated for helping women thrive, for her being a career visionary and creative achiever, and for focusing on the growth of emerging markets in APAC.

Bettina Cassegrain, HLB Technical Director and Global Assurance Leader was ranked among the ‘Top 50 Women in Accounting’ for 2023. The annual Women in Accounting Awards celebrates the contributions of women in the field who inspire others with their leadership, mentorship, and participation in creating a more diverse and inclusive industry.

ENVIRONMENT

Carbon footprint down by
6%
 from 2022

COMMUNITIES

Average time volunteered per employee
2 h 52 mins
 up 18% from 2022

Average time spent doing pro bono work per employee
1 h 21 mins
 doubled from 2022



04

UNLOCKING
POTENTIAL



NAVIGATING TALENT ATTRACTION, RETENTION, AND DEVELOPMENT IN THE MODERN WORKPLACE

As we reflect on the achievements and challenges of 2023, it is clear that our success is directly linked to the exceptional people within our network. As we aim for even greater heights in the coming years, talent attraction and retention remain a pivotal element in our pursuit of global excellence.

In today’s dynamic and competitive landscape, attracting top talent is not just a necessity; it is a strategic imperative. The quality of our workforce directly influences our ability to innovate, adapt, and lead in our industry. To ensure we continue to thrive, it is vital that our talent attraction strategies are not just effective but cutting-edge.

We participated in the survey of Newsweek, Best Practice Institute (BPI) and Most Loved Workplace® (MLW). Based on the data it was announced that HLB International was ranked #1 in the annual rankings for the Top 100 Global Most Loved Workplaces® list.


The list recognises companies that put respect, caring, and appreciation for their employees at the centre of their business model and, in doing so, have earned the loyalty and respect of the people who work for them.



HLB sets itself apart from competitors by being more approachable and flexible, offering a better work-life balance. Its Global DEI Council drives clear and ambitious goals for gender diversity and the inclusion of underrepresented groups through “Days of Understanding” which encourages candid conversations about diversity. The HLB Engage programme provides young and ambitious employees with networking opportunities and developmental and cross-functional projects to gain exposure throughout the company. The HLB Skills Hub supports all HLB people with upskilling and reskilling efforts and serves as an internal marketplace for all kinds of opportunities on a global level.”

MARINA KOOIJMANS
HLB Chief People Officer

Here are some key highlights of our talent attraction initiatives from the past year:


Strengthened our employer brand through targeted global campaigns, showcasing our commitment to innovation, diversity, and employee well-being.

Enhanced diversity and inclusion programmes to attract a broader range of talents, fostering a workplace that values unique perspectives and backgrounds.

Our commitment to attracting and retaining top talent is steady. By continuously improving our talent attraction strategies and by embracing innovation, we aim to position ourselves as an employer of choice.



CULTIVATING LOYALTY AND LONGEVITY

The firms in the network implemented targeted employee engagement programmes to foster a sense of belonging and purpose among their diverse workforce. Several firms worked on well-being and mental health of the people through various initiatives such as training programmes, and wellness platforms to offer support and coaching.

We expanded our professional development opportunities, ensuring that our workforce has access to training, and growth pathways that align with their career aspirations.

We launched skill development programmes via the HLB Skills Hub to equip employees with the tools they need to thrive in an ever-evolving professional landscape.

We have expanded flexible work arrangements across the network, taking into account the different requirements per region. We recognised the evolving expectations of our workforce and provided a suitable environment for a better work-life balance.

In the HLB network we are prioritising transparency, trust, and open communication. This is important in the current context, where employees and stakeholders value transparency and authenticity. We consider transparent communication to be essential because we believe that firms that foster open cultures are better equipped to navigate challenging situations.

In conclusion, our dedication to talent retention is paramount as we strive to create an environment where every team member feels valued, challenged, and respected. By investing in our people, we secure the foundation for sustained success and continued growth for the future. These efforts are supported by a human centric leadership style.

ADVANCING POTENTIAL

In an era of rapid change, our commitment to fostering a culture of continuous learning remains a driving force behind our global success. We implemented targeted learning initiatives to upskill and reskill our workforce in the realm of digital transformation, recognising the imperative of staying ahead in a technology-driven landscape. We implemented personalised learning paths, utilising data analytics to tailor training programmes to individual learning styles, preferences, and career goals.

We introduced e-learning modules and virtual classrooms to provide accessible and flexible learning opportunities for our global workforce. In conclusion, our investment in Learning and Development is not just an investment in skills; it is an investment in the future of our network. By empowering our workforce with the knowledge and tools they need, in combination with our continuous innovation efforts, we fortify our position towards the competition.

We strengthened leadership development programmes to nurture our current and future leaders, emphasising a holistic approach to leadership encompassing emotional intelligence, business development, strategic thinking, and effective communication. We like to mention two programmes: HLB Engage for our future leaders and HLB Building the Future for our current partners. These programmes support our leaders in their aim to be an even better leader for the business and our people.

In 2023 we launched HLB Building the Future executive leadership programme.

The focus of this new programme is on the challenging aspects of leading and managing professional services firms. The curriculum has been developed and led by professors of Cambridge Judge Business School.

The programme was built around three pillars: leadership, collaboration and clients. It offers insight into building long-lasting innovation across an organisation and understanding and implementing new business models and service designs. It also provides up-to-date frameworks for embedding a high-performance culture, maximising organisational effectiveness and supporting ESG initiatives.

In 2023 we had 18 participants, who were very positive and enthusiastic about the programme.

“

GREAT ENERGY AND INSIGHT THAT WILL HELP OUR BUSINESS FACE THE CHALLENGES OF THE FUTURE”

“

GREAT EXPERIENCE AND INSIGHTS THAT HELPED US CONSIDER TEAM DYNAMICS AND EFFECTIVENESS”

“

EXCELLENT PROGRAMME AND FAR EXCEEDED MY EXPECTATIONS!”

“

VERY PRACTICAL AND THOUGHT PROVOKING INSIGHTS BOTH FROM PERSONAL EXPERIENCE AND ACADEMIC RESEARCH”



Page Photography

Cambridge, UK

HLB Building the Future Executive Leadership Programme 5 – 8 June 2023

05

DELIVERING SERVICE EXCELLENCE



HLB is committed to providing HLB people with exceptional service and value. This includes understanding their needs, offering personalised solutions, upholding quality standards, and creating enduring client relationships.

Service excellence serves to reinforce HLB's purpose, facilitating sustainable impact and long-term prosperity for all our global community.

FUTUREPROOFING FOR A BETTER TOMORROW

HLB recognises that purpose-led companies embracing all three elements of ESG stand to outshine their peers, while those slow to enhance their ESG performance risk profit declines sooner than anticipated. ESG assurance serves as a crucial tool for fostering accountability, transparency, and confidence among clients and investors, significantly influencing investment choices. Strong ESG performance is pivotal for shaping the future success of the HLB ecosystem.

“

Embracing ESG assurance and associated services presents an unprecedented opportunity for mid-tier auditors to use their existing skillset to create lasting benefits for their client and communities. While you might believe your clients remain unaffected, many will encounter obligations within their value chains. Additionally, our advisory and tax teams recognise the significance of aiding clients in data collection and navigating complexities like Carbon Border Adjustment Mechanism (CBAM). Leveraging their position within HLB, our firms are ideally situated to offer comprehensive services across all ESG domains. Hence, seizing this dynamic opportunity is paramount for our collective success.”

BETTINA CASSEGRAIN

HLB Global Technical Director and Global Assurance Leader

AFFINITY PROGRAMME

HLB's Affinity partner programme supports the network's strategic objectives, accelerating digital transformation and growth, and enhancing HLB's proposition by developing deep, long-lasting relationships with innovative software vendors, institutes, associations, and strategic partners. 2023 looked to raise awareness and adoption of Affinity solutions and saw significant investment and input from approved partners at HLB's conferences and specialty groups.

Working in close collaboration with members, 2023 saw the addition of five new software partnerships to our Affinity marketplace including cutting-edge solutions such as DataSnipper and Client Culture, and increased adoption of existing tools amongst HLB firms, demonstrating the ongoing commitment and investment from members to an innovative, technology-focused approach.

“

HLB's investment in the Affinity partner program demonstrates the network's ongoing commitment to innovation and digital transformation. I am honored and excited to be leading the growth of a sophisticated marketplace of trusted, best-in-class software providers who are equally committed to helping HLB members enhance efficiency and quality. Together, we can accelerate the network's digital maturity, providing HLB people with cutting-edge solutions to remain competitive and thrive in the future.”

AMY SPILLARD

HLB Head of Technology Partnerships



CLIENT EXCELLENCE WITH CLIENT CULTURE

Our mission to become a more value-led, future-proof organisation was recognised through the launch of Affinity partnership with Client Culture; a platform that empowers professionals to become better trusted advisors through prioritising responsiveness, reliability, and client-centric approaches.

The partnership showcases the importance of positive client experiences and works to streamline client experience measurement and foster growth. In endorsing a solution that addresses the gap between technical skills and client-focused human skills in accounting firms, and provides standardised methodologies and frameworks, HLB are supporting members in becoming more mature in respect of client experience and achieving a more satisfied and loyal client base.



Our journey with Client Culture has been very positive. Their clear and direct approach championed by Greg and Lisa has led to focused and meaningful outcomes, establishing them as a valuable and cost-effective partner. Their process is both efficient and concise, incorporating industry benchmarking and articulating clear next steps, which has been instrumental in fostering an exceptional working relationship.

We have successfully completed two employee NPS initiatives and will be reissuing again this year. We also have just completed our first client NPS exercise with them. This has been a very enlightening experience in terms of providing clear insights into our clients' perceptions and pinpointing areas for enhancement in how we engage and where we need to assist our teams. We wholeheartedly recommend Client Culture for any firm looking to understand and in turn enhance their client and employee satisfaction."

MARK BUTLER

Managing Partner, HLB Ireland



CASE STUDY

Alcatel-Lucent Enterprise (ALE) is a global company that specialises in digital-age networking, communications, and cloud solutions. Its finance department is committed to high performance and compliance standards, which is where HLB comes in to provide support.

HLB helps ALE collect financial data and ensure local compliance across 33 jurisdictions. Our Global Accounting and Compliance professionals have become a trusted extension to the CFO and his team.

HLB's assistance in accounting and tax compliance allowed ALE to focus on analysing data and improving performance.



We aim to work with the figures and not work to prepare the figures. That means we have about 80% of our time in the finance organisation to work with the figures, and we have about 20% of the time to generate the figures...

I would recommend you to my peers. Very simply because you have a global network with a personal touch - and the human element differentiates you from your peers. As at the end, it's just about connecting humans."

BERND STRANGL

ALE CFO

06

AUDIT AND ASSURANCE



AUDIT AND ASSURANCE

The HLB community worked hard over the past year to adapt their internal quality control manuals to meet the evolving requirements of the International Standards on Quality Management (ISQM). Over 2023, we embarked on the first year of ensuring our annual monitoring activities align with these new standards to ensure a seamless transition. To aid in the successful execution of root cause analysis (RCA), HLB offered its people a comprehensive suite of informational resources and training sessions.

Concurrently, HLB is actively fortifying its foothold in the ESG assurance space, recognising its pivotal role in revitalising the profession's allure to prospective talent. Amidst a backdrop of declining interest in auditing and persistent staffing challenges across the industry, it's imperative to invigorate and engage younger professionals. Whether through spotlighting emerging domains like ESG-related assurance or tackling contemporary dilemmas such as valuing digital assets the profession must continuously evolve. During Auditor Proud Day 2023 we explored the pivotal roles auditors play in maintaining the integrity of our economies and our businesses and emphasised that the work they do is more important than ever.

Moreover, fostering collaboration between auditors and other service lines, such as cybersecurity, presents a promising avenue for both new ventures and individual career growth. With technology assuming an increasingly pivotal role in audits, HLB remains steadfast in ensuring its member firms stay abreast of cutting-edge solutions, fostering a culture of mutual support and advancement. While optimising the utilisation of audit software remains a primary focus, our exploration extends to leveraging technology and business intelligence tools to drive innovation across audit practices, ensuring we remain agile and proactive in an ever-evolving landscape.



QUALITY MANAGEMENT

Quality remains at the heart of the HLB services offering. It is fundamental to our business and operations across service lines and disciplines. It is also a prerequisite for our continued Forum of Firms membership. A revised HLB International Audit Manual was made available to member firms. It provides an audit methodology that member firms may adopt while carrying out an audit using the International Standards on Auditing. The main updates concern ISA 540 (revised) and ISA 315 (revised). The 2023/24 audit manual update will be issued shortly and is focused on group audits and the changes to ISA 600.

In order to guarantee the continued success of our brand, consistent audit quality throughout the network is of paramount importance. Our Quality Assurance (QA) review programme is vital to ensuring quality standards are upheld. In 2023, 36 QA reviews took place through a mix of virtual and in-person review methods. We have also reviewed all our new member firms to ensure they meet our stringent quality criteria. Where this is not the case, membership is postponed or joining conditions such as dedicated audit training are imposed. Over the years, we have developed a QA system, which includes a root cause analysis and training element. Either these elements are integrated in the final stages of each review when required or training is delivered during separate events. In 2023, we ran several virtual audit training events and a training as well as a root cause analysis and debrief sessions for our panel of quality assurance reviewers.



INTERNATIONAL STANDARDS ON QUALITY MANAGEMENT (ISQM)

Many firms with December 2023 implementation deadlines have been using our proprietary ISQM tool (created with the help of a third-party consultant who worked with our Technical Director on a six-month project in 2021) to update their internal guidelines. Like last year, we conducted a survey to assess compliance for Forum of Firms reporting purposes. Once again the results indicated that the network as a whole is compliant. Firms with December 2022 implementation deadlines had access to several training sessions at our audit conference in Madrid but also online to prepare for their first round of root cause analysis (RCA). Once again, we relied on our consultant Julia Penny to facilitate these sessions. An update is currently being made to our ISQM tool so that firms can conduct RCA and schedule follow-up actions via the tool.



PARTNERSHIPS AND PROFESSIONAL BODIES

HLB remains committed to innovation and growth, and with staff shortages an ongoing challenge across our audit practices, we recently partnered with DataSnipper. Their tool streamlines the audit process by automatically extracting, cross-referencing and validating the source document of any audit and finance procedure, driving efficiency, quality and freeing up time for more valuable work. The partnership reflects a shared commitment to enhancing digital maturity and HLB clients' success.

In support of our ongoing mission to build more efficient, flexible and mature audit teams, HLB's North American Advisory, Tax & Audit conference and European Planning conference were proudly supported by Info. CEO Mark Edmondson delivered valuable insight into fostering a culture of innovation and how best to empower decision makers.



ENGAGEMENT WITH THE FORUM OF FIRMS AND IFAC

HLB has been a Forum of Firms member for many years. As a network, we take the responsibility of representing and giving a voice to our mid-tier member firms very seriously. HLB Technical Director, Bettina Cassegrain, has been a member of the Transnational Auditors Committee since 2014 and the Forum of Firms' Agenda Committee since 2016. We believe in the importance of candid conversations between auditors and standard setters to ensure alignment on overarching principles and the vision behind new standards. Through her various engagements, such as her participation on a Global Developments within the Profession panel at joint Forum of Firms/WorldBank Event in Sao Paolo, Bettina was once again able to represent a mid-tier perspective during discussions with these important industry bodies.

07

GOVERNANCE OF OUR NETWORK





GOVERNANCE OF OUR NETWORK

Our international board – the Council – is the decision-making unit of the network. It is composed of one Council member (a director of HLB under UK company law) and up to a maximum of two alternate directors from each of the following countries: Australia/Fiji/New Zealand, Austria, Belgium, Brazil, Canada, Cyprus, Denmark, France, Germany, Greater China, Hong Kong SAR, Ireland (Republic), Italy, Mexico, the Netherlands, Singapore, Spain, United Kingdom, and United States of America.

*The HLBI Articles of Association and Rules were updated and approved by way of Special Resolution, voted on at the 05 July 2023 AGM, to allow any director (other than a designated alternate director) to appoint up to a maximum of two persons willing to act to be alternate director(s) for him at a particular meeting of directors or committee of directors. Prior to this, the position was that the Council was composed of one Council member and one alternate director from each principal country.

Our rules permit the appointment of independent non-Executive directors as Council members.

The Council has three subcommittees: The Executive Committee, the Finance Committee and Nomination Committee.

THE EXECUTIVE COMMITTEE

The Executive Committee consists of the Chairman, Chief Executive Officer and between eight to ten Council members or alternate directors appointed by Council, following recommendations from the Nomination Committee and in accordance with the Executive Committee regulations. The Executive Committee is an advisory body to Council.

THE FINANCE COMMITTEE

The Finance Committee consists of three Council members or alternate directors appointed by the Council, following recommendation from the Nomination Committee and in accordance with the Finance Committee terms of reference. For the avoidance of doubt, Finance Committee members cannot also be members of the Executive Committee or Nomination Committee or be the Chairman of the company. The Finance Committee is responsible for recommending financial policies, goals and budgets that support the mission, values and strategic goals of the HLB network. The Committee reviews the network's financial performance against its goals. The Committee recommends policies and processes related to the network's systems of internal controls and the auditing and financial reporting processes and reports to the Council and Executive Committee.

THE NOMINATION COMMITTEE

The Nomination Committee consists of the Chairman, two Executive Committee members and two directors or alternate directors who are not also Executive Committee members appointed by Council, in addition to the external directors (if any). The role of the Nomination Committee is to ensure that there is a formal, rigorous and transparent procedure for the appointment of members of the Executive Committee; members of the Finance Committee; any external directors in accordance with article 73.1 of the Articles (“the External Directors”); the Chairman of the Company and the Chief Executive Officer of the Company; and to lead the process for such appointments and make recommendations to the Council who will have final approval over all such appointments.

The Committee is to assist the Council in ensuring the composition of the Executive Committee is regularly reviewed and refreshed so that it is effective and able to operate in the best interests of members; and in doing so, the Nomination Committee shall work and liaise with other Council committees, as appropriate.

INDEPENDENCE OF OUR GOVERNANCE BODIES FROM THE ASSURANCE FUNCTION

Our International Assurance Committee is completely independent from the Council and its subcommittees, as well as our International Tax Committee, our Global Advisory Committee and all the global HLB Specialty and Industry groups.



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TOGETHER WE MAKE IT HAPPEN



**THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK**

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