

2022 Transparency Report

Deloitte Accountants B.V.

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# Deloitte Accountants B.V.

## Leadership message

This report sets out the practices and processes that are currently employed by Deloitte Accountants B.V., in accordance with the requirements of the European Union's Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities.

The purpose of our Audit & Assurance business is to protect the public's trust and confidence in the capital markets. Our core objective is to carry out consistently high-quality audits and provide assurance services. We connect with executive boards, finance professionals and audit committees of the entities we audit, as well as with our people and with society. In doing so, we aim to deliver a superior quality experience that serves the public interest and inspires our people.

### Audit & Assurance Strategy 2023

The year 2021/2022 was the second reporting year for achieving the ambitions set out in the Audit & Assurance Strategy 2023. These ambitions center around five strategic pillars and are underpinned by our culture program and culture compass:

- *Superior quality experience:* (1) culture of excellence and learning, (2) consistent execution of high-quality audits, (3) continuous risk monitoring and risk sensing, and (4) being in control on quality;
- *Unrivalled talent experience:* (1) broad roll-out of our culture program, (2) enhanced focus on well-being and learning, and (3) execution of talent transformation programs;
- *Balanced growth:* (1) focused on targeting opportunities, (2) enhancing our growth capability, and (3) optimizing our growth processes;
- *Transform & Technology enabled:* (1) a shift to a more agile, adaptable and "future-aware" mindset, (2) accelerated embedment of our transformed audit approach, and (3) further development of our automated data-driven audit;

- *Future of audit:* (1) developing meaningful and relevant responses to evolving stakeholder needs, and (2) pro-active in the public debate on the future of auditing and actively engaging with a broad range of stakeholders on relevant themes.



### Quality of our work

At Deloitte, we aim to carry out consistently high-quality audits and to provide assurance services to non-audit clients. Our service delivery leverages expertise from the various businesses in our multidisciplinary model. While our financial audit professionals reside in our Audit & Assurance legal entity, we also engage IT auditors and Environmental, Social and Governance (ESG) specialists from our Risk Advisory practice, as well as forensic auditors and valuation specialists from our Financial Advisory practice, and tax specialists from our Tax & Legal practice, to leverage the breadth and depth of Deloitte's expertise and tailor it to the audit and assurance needs of our stakeholders.

### Ukraine

The 2021/2022 financial year was again a year that saw a global event disrupting the marketplace. This event, the war in Ukraine, has created many uncertainties, both for society and for our clients and employees.

Following the start of the war, significant sanctions were imposed on Russia by the US, UK and EU.

Together with our NSE organisation, we established a crisis management structure to evaluate our compliance with all sanctions and the impact these sanctions had on our client base. Based on the sanctions imposed on Russia, we evaluated our client and engagement portfolio. For this we established a Special Review Committee with the task and authority to take decisions on accepting or continuing engagements that are potentially effected by the sanctions and the situation in Ukraine. In these decisions we not only took into account the strict impact of sanctions, but also we evaluated whether we wanted to continue engagements due to links with Russia. Deloitte Netherlands has not violated any of the sanctions and we also review ongoing client engagements in light of our risk appetite and values.

### Future of audit

Expectations from a wide range of stakeholders concerning our role in the financial ecosystem are high. And rightly so. We are leading in audit quality, and our strong foundations will enable us to continue transforming the way we perform our audits in the coming years.

To continue meeting our stakeholders' expectations we are working with *de kwartiermakers*, the Royal Netherlands Institute of Chartered Accountants (NBA), the Foundation for Auditing Research (FAR) and other audit firms on projects to improve i) transparency from audit firms, ii) efforts regarding fraud & going concern, and iii) build a strong quality-driven culture both within our firm and the sector. This transformation includes an in control statement for the largest companies that we audit.

### Key challenges we encounter

From an inside-out perspective, we are a people-driven business and our business is growing. Our focus is therefore on attracting, developing and retaining a wide range of experts.

We made some vital interventions in 2021/2022, including introducing a new reward strategy for our employees. This includes changes in fixed and variable remuneration and in benefits. Well-being has been identified as one of our top priorities as it is crucial for retaining our most talented employees. We have therefore set four priorities relating to well-being – workload, safe environment, resilience and hybrid working – to which we have linked various initiatives.

From an outside-in perspective, we regard ESG criteria as a key priority for the coming years. This specifically involves supporting our clients in establishing their ESG frameworks and completing the related reporting by helping them to strengthen their frameworks or providing assurance on their external reporting.

In this Transparency Report we share insight into the development and activities of Deloitte Accountants B.V. over the past financial year. I trust you will find it both interesting and insightful. Please contact me at [nlaudit@deloitte.nl](mailto:nlaudit@deloitte.nl) to share any feedback.

Rotterdam, 29 September 2022

On behalf of the Executive Board of Deloitte Accountants B.V.

Rob Bergmans

# Report from Supervisory Board of Deloitte Coöperatief U.A.

The Supervisory Board is pleased to present its report for the Financial Year 2021/2022. In this report you will find more information about the Supervisory Board (SB), its composition, the organisation and overview of its most important activities. It also contains the Supervisory Board's Committee reports.

Financial Year 2021/2022 has been tragically overshadowed by the war in Ukraine, with devastating and sad consequences for the local population and Ukrainian Deloitte colleagues. It was heartwarming to see how Deloitte responded to this crisis, with projects and various initiatives. The firm itself also faced several challenges, in a year that was once again dominated by the COVID-19 crisis, with for example measures that were put in place by the government. A year in which Deloitte was also confronted with an ever-increasing shortage on the labour market, which encourages the firm to accelerate its search for alternative talent solutions. The rising inflation will be monitored and is another topic that forces the firm to respond. And challenges with regard to climate change require the firm to step up as a responsible business and proactively take the lead as transformation partner of clients, for example in the area of ESGs. Important items that will remain high on the agenda going forward.

Despite these challenges, Financial Year 2021/2022 turned out to be a successful year financially. It makes us proud that clients continue to put their trust in Deloitte. That is a big compliment to all Deloitte, who have been and continue to be committed to helping clients, in the last over 2 years, in challenging circumstances. The Supervisory Board is grateful for their flexibility, resilience and dedication.

In this financial year, both Jacqueline Rijdsdijk and Frans Eelkman Rooda have stepped down as Supervisory Board members, after 8 years of service. The firm owes them a big thank you for their dedicated work and advice. During their term, the firm has grown and changed significantly, and realised a step up in quality, succession management and inclusion & diversity, important items that were close to their hearts. With the appointment of both Denise Larnder and Bas

Verhart in October 2021, the Supervisory Board is again at full strength. Both new members have gone through in-depth onboarding and The Dutch Authority for the Financial Markets (AFM) suitability testing process.

Rotterdam, 29 September 2022

On behalf of the Supervisory Board,

Hans van der Noordaa, Chairman of the Supervisory Board

## **About the Supervisory Board**

The Supervisory Board supervises and advises the daily policymakers of the Cooperative and Deloitte Accountants B.V., and supervises all current affairs at Deloitte. The Supervisory Board is collectively responsible for the execution of its tasks and reports to the General Meeting. The Supervisory Board acts in the firm's, including the Audit firm's, best interests, taking account of the relevant interests of all stakeholders, and the public interest in ensuring the quality of statutory audits. For more information on the responsibilities of the Supervisory Board, reference is made to the Supervisory Board regulations, including Committee charters, which are published on the Deloitte website and the chapter 'Roles & responsibilities' that is included in this report.

## **Composition of the Supervisory Board**

The Supervisory Board of Deloitte NL comprises five external members. All members of the Supervisory Board are also independent within the meaning of paragraph 2.1.8 of the Corporate Governance Code and article 22a.4 of the Wta. In the opinion of the Supervisory Board, all independence requirements of paragraphs 2.1.8 till 2.1.10 of the Code and the Wta/Bta were met during 2021/2022.

Name	Date of appointment	End of present term
Hans (H.) van der Noordaa (chairman)	April 2020	April 2024
Nienke (E.C.) Meijer (vice-chair)	July 2017	July 2025
Vincent (V.G.) Moolenaar	November 2016	November 2024
Bas (S.E.) Verhart	October 2021	October 2025
Denise (D.J.) Larnder	October 2021	October 2025

\* Both Jacqueline Rijdsijk and Frans Eelkman Rooda have stepped down as Supervisory Board member on 6 September 2021, after 8 years of service.

\*\* Nienke Meijer has been appointed as vice chair of the Supervisory Board.

The Supervisory Board's profile is available on [the Deloitte website](#).

### Committees

The Supervisory Board has assigned, under its responsibility, a number of its specific tasks to three subcommittees (Committees), that – since October 2021 – are comprised of the following Supervisory Board members:

Audit & Finance Committee	Remuneration & Nomination Committee	Quality, Integrity & Risk Committee
Denise Larnder (Chair)	Nienke Meijer (Chair)	Vincent Moolenaar (Chair)
Vincent Moolenaar	Hans van der Noordaa	Hans van der Noordaa
	Bas Verhart	Nienke Meijer
		Denise Larnder
		Bas Verhart

\* In this year, the SB decided to formally merge the former Selection & Nomination Committee and the Remuneration Committee into the Remuneration & Nomination Committee.

Notable conclusions and recommendations of Committee meetings were reported to the Supervisory Board during the regular meetings of the Board.

### Supervisory Board meetings

In the Financial Year 2021/2022, the Supervisory Board has held the following meetings:

- 13 Supervisory Board meetings, divided into 6 regular meetings that were focused on strategic themes and industry and business updates, 5 meeting that were focused on current affairs, compliance related matters and committee reports and 2 extra meetings;
  - 1 strategy meeting
  - 2 education meetings
  - 3 General meetings chaired
  - 16 Committee meetings
- Attendance rate 96%

\* The annual meeting between the Supervisory Board and the AFM took place in July 2022, after the Financial Year 2021/2022.

\*\* 3 General meetings were chaired

In addition, the SB held meetings in private setting, and various meetings were held between individual Supervisory Board members and individual Executive Board members, Executive Committee members, the Compliance Officer Wta, the Chief Audit Executive (head Internal Audit Function), the external auditor, individual partners and professionals, the Works Council, Young professionals and the quartermasters who have been appointed by the Minister of Finance. All regular (Committee) meetings, that are held in presence of the Supervisory Board and Executive Board members and – in principle – two members of the Partnership Council and other invitees, are preceded by preparatory meetings with the appropriate executives, and the CEO and Chairman of the SB frequently interact. The SB members also join the partner update calls, which are used by the Executive Board to inform the partners on strategic developments. Given the importance of NSE, the SB had an extensive discussion with the NSE CEO Richard Houston, on the opportunities and challenges with regard to further development of NSE. The SB Chairman is also a (non-voting) independent Non-Executive member of the NSE Board, and provides feedback on NSE matters to the SB.

### **Most important Supervisory Board items on the agenda**

*Strategy 2023* | During 2021/2022 The Supervisory Board monitored the execution of strategy 2020/2023 in various ways: (i) by monitoring the progress based on the strategic KPI dashboard, including Audit Quality (ii) by discussing challenges and key themes, like purpose, inclusion & diversity and sustainability and (iii) by having the annual 'zoom in' on the strategy performance and 'zoom out' session on the strategy. The SB also frequently interacted with Industry and Business Leads to monitor the execution of business strategies, such as the strategy of the Audit Firm. Discussions about progress on Deloitte's Audit Quality Plan is a standing item on the agenda of the Quality, Integrity & Risk Committee.

*Crisis management* | Looking back on the Financial Year 2021/2022, we are glad that government was able to lift the COVID-19 restrictions, which made it possible for many Deloitte's to return to office, and now the firm is finding the right balance in the new hybrid way of working. During the year, the Supervisory Board regularly discussed Deloitte's response to the devastating war in Ukraine, for example with regard to client / engagement continuance, risk management and supportive initiatives. With regard to the latter, Deloitte's response is heartwarming to see, with many initiatives aimed at helping Ukrainian and Russian colleagues and citizens. Overseeing the Executive Board's activities on risk management, client continuance and acceptance, IT security and the people agenda, will remain important topics on the Supervisory Board's agenda.

*Audit Quality and the Future of Audit* | The Supervisory Board has continued consistently and frequently to interact with Audit leadership and business about, for example, initiatives to further enhance quality, the System of Quality Control, client acceptance and continuance, implementation of the global, risk based audit standards (ISQM1), the company culture and interaction with external regulators and stakeholders. Reference is also made to the report of the Quality, Integrity & Risk Committee.

*Succession management* | In October 2021, both Denise Larnder and Bas Verhart were appointed for four years as Supervisory Board members, following a binding nomination of the Supervisory Board and after conducting a careful selection and nomination process. Succession management has been further intensified, aimed at identifying and developing future leaders of the firm.

*Future of professional services* | In the Financial Year 2021/2022 the Supervisory Board and Executive Board have talked about the aspirations and ambitions of the firm, where to play and what capabilities are needed. This has led to various follow up discussions, for example about alternative talent solutions, retention of Deloitte's and recruitment of new people. The Supervisory Board also had discussions about the NSE systems integration, the IT landscape and internal projects and will monitor these closely.

*Independence* | Deloitte Netherlands leadership reinforces the approach to personal independence, as compliance with independence laws and regulations is of great importance to the Deloitte firm. The Supervisory Board has and will continue to challenge the Executive Board on this approach and the personal independence testing results.

*Learning* | With the increased complexity of for example the IT landscape and other developments in a broad range of areas that the Supervisory Board oversees, the SB considers it of key importance to put time and effort in education. This year, several educational sessions took place outside regular meetings, including sessions focused on Cyber & security risks and ESG reporting. This initiative will continue in the new Financial Year.

*Other important agenda items of the Supervisory Board* Besides recurring corporate topics such as the approval of Deloitte's Financial Plan and the Plan for Deloitte Accountants B.V., the Integrated Annual Report and financial/business and industry updates, other important agenda items for the Supervisory Board include: (i) Ethics & integrity, (ii) the transparency report of Deloitte Accountants, (iii) the brand and marketing strategy, (iv) acquisitions, (v) AFM reports and (vi) lessons learned with regard to the internal complaints procedure.

### **Highlights of the work of the Audit & Finance Committee during 2021/2022**

The Audit & Finance Committee (A&FC) assists the Supervisory Board in fulfilling its oversight responsibilities regarding the quality of internal and external reporting, financial risk management, the control framework, internal audit, engagement with the external auditor, financing and tax. In doing so, it considers the outcome of internal audits, the audit report of the external auditor and assessments of compliance with applicable laws and regulations.

The A&FC held five regular meetings during 2021/2022, in presence of the A&FC members, the COO and CFO,

two partners of BDO, the Risk & Reputation Lead, the Chief Audit Executive, one member of the Partnership Council and various members of Deloitte's Finance team. The AFC chair had additional informal and preparatory meetings with the COO and CFO, the Chief Audit Executive and BDO. The A&FC also met in a private setting with (i) the Chief Audit Executive and (ii) the external auditor.

In addition to the above, work of the A&FC was focused on, among other things:

- Set-up of Audit Quality Indicators for the external auditor;
- The Medium term outlook;
- Lessons learned from the SWIFT implementation;
- The materiality assessment of the Integrated Annual report;
- Updates on large transformation projects, Work in Progress, tax, liquidity management and an increase of the credit facility;
- Execution of this year's IAF plan, discussions about and monitoring internal audit report findings, recommendations, management's responses, including their implementation;
- Regular updates on the in control statement;
- Consideration of reliance on and assurance over NSE and Global systems.

#### **Highlights of the work of the Quality, Integrity & Risk Committee during 2021/2022**

The Quality, Integrity & Risk Committee (QIRC) assists the Board in fulfilling its oversight responsibilities regarding quality, integrity and risk management of the Executive Board. Within this scope, the QIRC discusses the principal strategic, operational, financial and compliance risks that the firm expects to be exposed to and the steps taken by management to mitigate those risks. It does so, based on reports of, among others, the Risk and Reputation Lead, key risk owners, the Compliance Officer Wta, the Director of Independence, the Ethics officer and General Counsel.

In Financial Year 2021/2022 the QIRC has changed the agenda set-up, to create more balanced attention to Audit on the one hand with selected deep dives and updates, and Advisory on the other hand, with the introduction of a separate live meeting in 2022/2023 in the presence of all Business Leads and Business Risk Leads of the Advisory businesses with special focus on delivery risks.

In 2021/2022 the QIRC, in presence of the QIRC members, the Chief Quality Officer, Risk & Reputation Lead, the Business Lead Audit and NPPD Audit for Audit related topics, two members of the Partnership Council and other invitees, held five regular meetings. Key highlights include:

- Audit Quality | Besides a regular update on Audit initiatives and progress on the Audit Quality Plan, the QIRC thoroughly discussed, among other matters, the Culture program, the ISQM1 implementation, Deloitte's client continuance process and portfolio risk review, cross border client acceptance, the annual audit of the System of Quality Control, evaluation of the conditional malus policy, the outcome of Partner and Director Year End evaluations, and Future of Audit selected priorities;
- The Committee discussed litigation and risk management cases, and lessons learned from, amongst others, the Steinhoff case;
- The QIRC discussed the process and update and monitored developments regarding Deloitte's Enterprise Risk Framework. Risks that are associated with the following topics were discussed: Multi Disciplinary Model, Talent, Confidentiality, privacy and security, and Public Interest. Portfolio management, including client acceptance and portfolio risk review of the Audit Firm and the Deloitte NL group were important agenda items too;
- The QIRC also discussed and received updates about confidentiality, privacy, security, business continuity management, ethics and independence.

#### **Highlights of the work of the Remuneration & Nomination Committee during 2021/2022**

The Remuneration & Nomination Committee (RNC) was established in October 2021, after the formal merger of the former Selection & Nomination Committee and the Remuneration Committee. The RNC advises the EB on the remuneration policy for partners and employees of Deloitte Netherlands, and prepares the SB's decision making on amendments to the remuneration policy of partners and employees of the Audit firm.

The RNC also supports the Supervisory Board in decisions regarding the remuneration of the Executive



Board members, including an assessment of their individual performance. Based on Audit legislation, decisions of the Executive Board regarding the remuneration of daily policymakers of the Audit firm are subject to approval of the Supervisory Board as well. In addition to the three Executive Board members, who are also daily policymaker of Deloitte Accountants B.V., this also concerns the two other statutory board members of Deloitte Accountants B.V.: the BL Audit & Assurance and the NPPD Audit. The RNC is furthermore responsible for preparing the selection and nomination by the Supervisory Board of new members of the Executive Board, daily policymakers of Deloitte Accountants B.V. and the Supervisory Board itself.

Up to and including September 2021, the Selection and Nomination Committee and the Remuneration Committee both have held two meetings. From October 2021 onwards, the RNC has held two regular meetings during 2020/2021, in presence of the RNC members, CEO, the CHRO and two members of the Partnership Council. The work was focused on, among other things:

- The annual and marginal review/test of the partner mapping process;
- Succession management, partner performance management, leadership development and the partner life cycle;
- Supervisory Board succession of two new SB members;
- Amendments to the remuneration policy of the EB members, and adjustment to the level of their fixed and variable remuneration;
- Executive Board and ExCo succession management, and succession management focused on Audit leadership, and key Audit roles;
- Audit leadership profiles and application of the remuneration policy within the Audit practice;
- (Preparation of) MY and YE conversations of the EB members.

# Deloitte network

## Legal structure and ownership

Deloitte NSE LLP (Deloitte North & South Europe) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL), a United Kingdom (UK) private company limited by guarantee. Deloitte NSE, with affiliates in 28 countries across Europe and the Middle East, is not engaged in professional practice itself. All trading continues through local country practices, including the practices of Deloitte Netherlands.

Deloitte Netherlands is the Dutch Affiliate of Deloitte NSE and Deloitte NSE No2 CLG, a legal entity according to Irish law. Both are members of Coöperatief Deloitte U.A. ('the Cooperative'), Deloitte NSE No2 CLG having a two-thirds majority of the voting rights in the General Meeting. Deloitte Holding B.V. (Deloitte Holding), a 100% subsidiary of the Cooperative, is the centre of the governance structure of Deloitte Netherlands. The Board of Deloitte NSE is primarily responsible for ensuring high-quality governance and stewardship of Deloitte NSE. The single elected NSE Chief Executive Officer (CEO) leads the NSE Executive. The NSE CEO is accountable to the NSE Board to deliver on the agreed long-term strategy of Deloitte NSE. The Deloitte NSE ways of working are based on the principles of connected+ autonomy: Deloitte Netherlands, as well as the other national practices within NSE, maintain a significant degree of marketplace, talent and

operating independence. Importantly, our Strategy 2023 is also fully aligned with the overall NSE Strategy 2023.

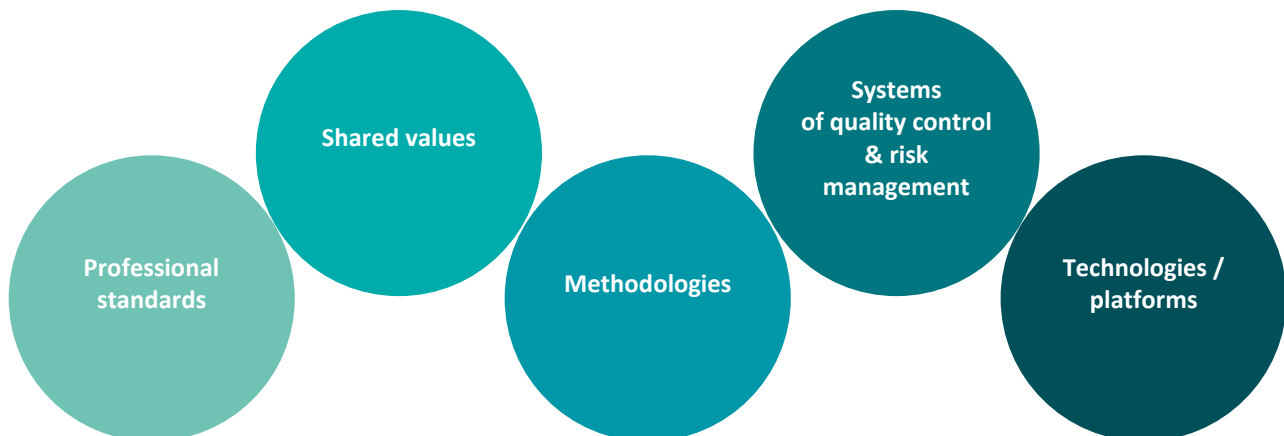
## The Dutch Corporate Governance Code and Audit legislation

Deloitte, as a non-listed company, is different from the companies for which the Dutch Corporate Governance Code ('the Code') is intended. However, on a voluntary basis and in addition to applicable Dutch civil law, Deloitte applies the principles of the Code to a large extent and acts in the spirit of the Code. Some of the best practices mentioned in the Code either may not be applied in identical form within Deloitte, or are not suited to being applied, such as protective measures against takeovers, the certification of shares, the publication of price-sensitive information and the information supplied to and discussions held with parties in the financial markets. Furthermore, neither the Executive Board nor the Supervisory Board members are granted share options.

Deloitte's Articles of Association and rules and regulations contain the best practices of the Code to a large extent and are fully in line with the applicable Audit legislation, such as the *Wet Toezicht Accountantsorganisaties* (Wta) and *Besluit toezicht accountantsorganisaties* (Bta).

## The Deloitte network

The Deloitte network (also known as the Deloitte organization) is a globally connected network of member firms and their respective related entities operating in more than 150 countries and territories across the world. These separate and independent member firms operate under a common brand.



**Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)<sup>1</sup>**

Deloitte Touche Tohmatsu Limited is a UK private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their related entities by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct, and service across the Deloitte network. DTTL does not provide professional services to clients, or direct, manage, control, or own any interest in any member firm or any member firm's related entities.

"Deloitte" is the brand under which approximately 345,000 dedicated professionals and practitioners in independent firms throughout the world collaborate to provide audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to select clients. These firms are members of DTTL. DTTL, these member firms and each of their respective related entities form the Deloitte organization. Each DTTL member firm and/or its related entities provides services in particular geographic areas and is subject to the laws and professional regulations of the particular country or countries in which it operates. Each DTTL member firm is structured in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its respective territories through related entities. Not every DTTL member firm or its related entities provides all services, and certain services may not be available to attest clients under the rules and regulations of public accounting. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm, and their respective related entities, are liable only for their own acts and omissions, and not those of each other. The Deloitte organization is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

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<sup>1</sup> With the exception of this paragraph, "Deloitte Global" is the preferred term to reference Deloitte Touche Tohmatsu Limited.

# Deloitte Netherlands: leadership in action

## General Meeting

The General Meeting brings together the entire partner community, Deloitte NSE and Deloitte NSE No2 CLG as participating shareholders. The company's annual results, long-term policy and certain other matters referred to in the Articles of Association require the approval of the General Meeting.

## Supervisory Board composition

The Supervisory Board is composed of five members: Hans van der Noordaa (Chairman), Frans Eelkman Rooda (Vice-Chairman), Jacqueline Rijdsdijk, Vincent Moolenaar and Nienke Meijer. All members are independent. The Supervisory Board has drawn up guidelines for its size and composition, considering the nature of the company and the expertise and experience required of Supervisory Board members.

In this financial year, both Jacqueline Rijdsdijk and Frans Eelkman Rooda have stepped down as Supervisory Board members after 8 years of service. With the appointment of both Denise Larnder and Bas Verhart in October 2021, the Supervisory Board is at full strength.

Hans van der Noordaa, Chairman of the Supervisory Board of Deloitte Netherlands is a (non-voting) independent Non-Executive member of the NSE Board. The Independent Non-Executive members of the NSE Supervisory Board are remunerated for their role by Deloitte NSE.

## Tasks and responsibilities

The Supervisory Board oversees and advises the daily policymakers of the Cooperative and Deloitte Accountants B.V., and supervises all general developments at Deloitte Netherlands. The Supervisory Board is collectively responsible for the execution of its tasks and reports to the General Meeting. In fulfilling its duties, the Supervisory Board focuses on, among other things, the interests of the Audit firm and the public interest in ensuring the quality of statutory audits. The Supervisory Board always acts in the company's best interests, taking account of the relevant interests of all stakeholders.

The Supervisory Board is entrusted with the supervision of the policies and activities of the Executive Board and the daily policymakers of the Audit firm, inter alia in relation to the following: (i) Realisation of the company's objectives; (ii) Strategies pursued by the company and the risks involved; (iii) Design and implementation of internal risk management, quality and control systems; (iv) Quality, independence, integrity, ethics and other matters of public interest; (v) Deloitte's financial reporting process; and (vi) Deloitte's compliance with laws and regulations.

## Supervisory Board committees

The Supervisory Board has formed three committees, each with its own rules of procedure: (i) Audit & Finance Committee; (ii) Quality, Integrity & Risk Committee and (iii) the Remuneration & Nomination Committee. The committees prepare the decision-making of, and frequently report to, the Supervisory Board.

## Executive Board

The Executive Board is composed of three members: Hans Honig (Chief Executive Officer and Chair), Oscar Sniijders (Chief Operating Officer) and Liesbeth Mol (Chief Quality Officer). Executive Board members are appointed for a period of four years and are eligible for re-appointment for a further period(s) of no more than four years.

## Tasks and responsibilities

The Executive Board is responsible for, among other things, creating a strategic and policy framework and objectives, monitoring the implementation of policies and maintaining cohesion between the company's various businesses and service lines. The Executive Board reports to the Supervisory Board and to the General Meeting. Executive Board members are collectively responsible for leading and managing the company. The Executive Board acts in the company's best interest at all times when fulfilling its duties, considering the relevant interests of all stakeholders. It is responsible for observing relevant laws and regulations, managing the risks involved in the company's activities and overseeing its financial affairs.

## Structure of the Audit & Assurance function

Deloitte Accountants B.V. is connected to the Deloitte network through Deloitte North & South Europe, a member firm of Deloitte Touche Tohmatsu Limited.

The policymakers of Deloitte Accountants B.V. consist of Hans Honig (CEO) and Oscar Sniijders (Chief Operating Officer), Liesbeth Mol (Chief Quality Officer), Rob Bergmans (Audit Business Leader) and Johan Hopmans (National Professional Practice Director).

Rob Bergmans and the Audit & Assurance management team develop and implement the strategy for the Audit & Assurance practice, including related policies and procedures. In all activities, senior Deloitte Netherlands leaders are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. Deloitte Netherlands' strategy is aligned with the overall strategic direction established for the Deloitte network.

The Audit & Assurance management team during the reporting year comprised:

- Rob Bergmans, Business Leader
- Johan Hopmans, National Professional Practice Director & Audit Risk Leader
- Theo Jongeneel, Transformation
- Gera Hamer, Operations
- Patrick Berben, Talent
- Bas Savert, Clients & Industries

Patrick Berben succeeded Christian Binkhorst during the reporting year as Talent lead in the Audit & Assurance management team.

The Audit & Assurance management team members participate in various Deloitte network groups that set and monitor quality standards, and from which various audit quality initiatives originate.

## Audit Quality & Risk Meeting

The periodical Audit Quality & Risk Meeting (AQRM) is where all matters relating to the *Wet toezicht accountantsorganisaties* (Wta), audit quality and the system of quality control are discussed. Through the Audit Quality & Risk Meeting, the Executive Board of Deloitte Accountants B.V. pro-actively initiates and monitors operations and the duty of care relating to the quality of our statutory audits and other audits. Our Chief Quality Officer Liesbeth Mol chairs the monthly Audit Quality & Risk Meeting. The Reputation & Risk Leader, Compliance Officer and the Office of the General Counsel are also present during these meetings.

## Compliance Officer

Our Compliance Officer, Wiel Moonen, supervises compliance with regulations such as *Wet toezicht accountantsorganisaties* (Wta) and reports on compliance to the Executive Board and the Supervisory Board, both on request and at the officer's own initiative. For that purpose, the Compliance Officer initiates meetings and provides advice on designing, reinforcing and complying with the quality assurance system, the independence policy and the integrity policy. The Compliance Officer is also part of the Audit Quality & Risk Meeting. Machiel Hendriks performs as the deputy Compliance Officer.

## Professional Practice Department

The importance that Deloitte attaches to its quality of service is shown by the organization of the Professional Practice Department (PPD). Johan Hopmans, the National Professional Practice Director (NPPD) and Audit Risk Leader (ARL), supports the Business Leader of Audit & Assurance in the field of quality and manages the PPD.

Table: Staffing PPD	21/22	20/21
Accounting	9.4	6.9
Audit & Audit Risk	17	18.5
Technology (incl. Transformation)	22.6	16.6
Quality (incl. ISQM1)	13.7	6.7
Training Placement Bureau	3.7	3.7
<b>Total</b>	<b>66.9</b>	<b>51.9</b>

*Criteria: Total number of FTE on May 31 of the financial year in the departments responsible for supporting compliance, independence and auditing. The FTE for Audit & Audit Risk includes approximately 2 FTE for the service line PPDs.*

The NPPD/ARL also acts as the first point of contact in the event of claims and disputes in the Audit & Assurance business, defines proposals for strengthening the quality of the assurance system and provides input for evaluating partners in the fields of quality and risk management.

The NPPD is supported by four partners ("service line PPDs") in a quality role designed to further strengthen leadership and agility in the quality agenda. Under the NPPD's management, these partners have authority and responsibility for a wide range of themes in these service lines' quality agenda, including setting targets and evaluating the performance of partners and directors, and motivating teams to implement our Global Audit

Imperatives. As the ARL's deputies, the service line PPDs are also the primary point of contact for decision-making relating to the acceptance of entities and other engagements with a high-risk profile. In 2021/2022, the four service line PPDs were:

- Ronald Spijker (FSI/International)
- Veerle Fruytier (Listed/PCAOB)
- Rob Vervoort (Private)
- George Straatman (Public Sector)

The PPD also includes Wim de Leeuw who succeeded Ronald Spijker as Practice Review Director and Louise Zwama-Bombeek, who manages the Engagement Quality Control Review (EQCR).

## Reputation & Risk Leadership Office

People in our Reputation & Risk Leadership Office (RRL) manage risks in areas such as reputation, independence, corporate privacy, legal and regulatory compliance. They regularly report their findings and recommendations to the Executive Board and the Supervisory Board. These employees also facilitate the embedding of our independence and compliance policies across all Deloitte businesses. Our Reputation & Risk Leadership Office is led by Carlo Renne.

<b>Table: staffing RRL</b>	<b>21/22</b>	<b>20/21</b>
Conduct & Risk (incl. Ethics)	5.4	5.3
Customer Due Diligence	6.5	5.2
Client & Engagement Acceptance	10.5	9.7
Confidentiality, privacy & security	5.8	5.9
Firm Independence	10.3	10.7
Personal independence	5.6	4.7
Support (US-India)	6.0	6.0
<b>Total</b>	<b>50.1</b>	<b>47.5</b>

*Criteria: Total number of FTE on May 31 of the financial year in the Reputation & Risk Leadership Office.*

## Our purpose and commitment: instilling trust and confidence

At Deloitte, our purpose is to make an impact that goes beyond the expected. For Audit & Assurance, this means a constantly evolving audit and assurance process, leveraging leading-edge technology, applying a diversity of skillsets, knowledge, and experience to deliver high quality services. We take great pride in instilling confidence and trust in the capital markets and are committed to relentlessly raising the standards of quality and always acting with integrity, independence and transparency. We are continuously building our capabilities to support the delivery of high quality audits and other assurance engagements and making leading contributions to shaping the future of the audit profession.





# The future of work: talent experience

Our professionals are our greatest asset and are at the heart of our strategy. As our business is evolving, expectations are increasing. Through the moments that matter most to our people, we are committed to providing an exceptional talent experience and careers that are challenging, personalized and meaningful. As we transform, we need professionals with diverse backgrounds, capabilities and skillsets to power the audit of the future. By expanding new Audit & Assurance service capabilities and making increasing use of appropriate technologies, we can offer a wide variety of career paths, greater flexibility and further development opportunities for an evolving mix of professionals. We have to plan for this radical change in our workforce structure and talent mix, and for the need for new and evolving skillsets. With our ongoing focus on development, flexibility and well-being, we aim to be the profession’s undisputed leader for talent.



Our Employee Value Proposition (EVP) is built on three values: Passion for purpose, Be the true you, and Never stop growing. Linked to this EVP is our experience ambition, which outlines how we aim to experience working at Deloitte. Our reward package is determined in line with this EVP and our experience ambition, and again puts our values and themes at the center, with fairness, transparency and inclusivity as important drivers. Last year we implemented the new reward strategy, which includes various changes in fixed and variable rewards and benefits. Next year we will launch My Benefits My Choice so that employees can view their personal benefits and general reward information in one place.

## Deloitte’s purpose and ambitions

Our culture is driven by making an impact that matters – for our clients, our people and society. We make conscious decisions in our day-to-day work on which clients to serve, what projects to take on, how to take care of our people, and what contribution we can make in society. All with the intention of building a more resilient and responsible society, of which we are part.

## Culture

Deloitte Audit & Assurance has an undiminished focus on culture and the learning organization. Everything we do has an impact on our culture, which is why our culture program engages our talent in a diverse variety of ways. Our culture compass guides our decision-making, with the aim of fostering the culture we want and need.

We have high ambitions. These include making an impact on clients and society by adding trust to financial statements, being the profession’s undisputed leader, and attracting and retaining the best talent. Achieving our ambitions demands a strong enabling culture, with an appropriate balance between high quality, care for each other and sustainable growth, and in which we:

- A learning organization: continually improve and develop, both individually and as an organization;
- Have fun together and feel proud of Deloitte, our team and ourselves;
- Display model behavior through ownership, responsibility and accountability at all levels;
- Feel welcome, healthy and safe;
- Work as a team on our shared long-term strategy;



- Are able to cope with and contribute to the ever-changing future of audit;
- Attract and retain talent who are driven by our purpose and live our values; dare to speak up for what we believe in, and be bold yet respectful.

### From vision to capabilities

The continuing conversations with our talent on themes such as well-being, hybrid working and strategic collaboration and our focus on personal development resulted in various initiatives being undertaken during the year.

These included:

- Improving the process for setting joint targets for partners and directors so as to encourage them to work as a team and experience ownership of Audit’s shared long-term strategic goals.
- Introducing targets based on behavioral indicators for all talent. Establishing collaborative behavioral indicators, alongside individual target-setting, is designed to switch the focus from an individual mindset to a more collaborative mindset that aligns the achieving of team goals with individual targets. The key performance and behavioral indicators that have been set are based on our strategy and are cascaded through all job grades.
- Setting a team satisfaction score to allow our talent to provide feedback on the clients they work with. The results serve as valuable input for discussions on collaboration with each other, as well as with our clients.
- Establishing the Audit Managers Platform, the goal of which is to improve connections both among and between middle management, leadership and young professionals. The platform members act as the eyes and ears of senior and other managers, launch initiatives (such as the quarterly Cluster Call), draw the group’s needs to the attention of leadership, and provide middle management with an amplified voice in our internal dialogue.
- Introducing a new communication strategy designed to engage all talent in our internal dialogue. With personal communications being more impactful than corporate mass mailings, we are making increased use of our organizational cascade to spread important messages, complemented by new communication channels such as the Unfiltered culture podcast series.
- Institutionalizing Community Matters meetings for informing, celebrating, learning and evaluating with the whole community.

- Arranging Culture Board sessions at the start of every engagement, with the aim of agreeing on forms of collaboration, including hybrid working, common goals and individual learning needs.

### Diversity and inclusion

Strength from diversity is a core Deloitte value and rooted in our belief that diversity drives quality and innovation – and, therefore, the Audit function’s overall performance – and that the improved listening abilities created by ensuring team diversity result in better solutions.

This year, 35% of our Audit professionals were female (2020/2021 financial year: 33%), which means we have not yet reached our target of 40%. However, 43% of our new Audit hires in the year under review were female. The target for female partners in the 2022/2023 financial year is 16%, while the percentage of female partners rose over the past year from 14% to 16.5%.

A total of 15% of our Audit staff in the 2021/2022 financial year were of non-Dutch nationality. Over the past two years we have focused on inclusiveness by offering our partners and directors an Inclusive Leadership workshop, followed by a 360 degree assessment. The outcomes were then discussed in a personal conversation with a coach experienced in inclusive leadership. All partners and directors attended this workshop, which was extended last year to include senior and other managers.

Table: Headcount & turnover	21/22	20/21
Partners	73 (6)	70 (2)
Directors	75 (-)	58 (4)
Senior Managers	132 (14)	129 (21)
Manager	201 (51)	194 (48)
(Senior Staff	906 (154)	919 (117)
<b>Total</b>	<b>1.387</b>	<b>1.370</b>

*Criteria: Average headcount & turnover within Deloitte Accountants B.V. over the previous 12 months at the year-end. This is including support but excludes headcount & turnover of employees in our non-Assurance practice.*

Last year, 48 mentors (partners, directors and senior managers) and 14 mentees followed our reverse mentoring program. This has proven to be an effective way to increase awareness and understanding of diverse perspectives by pairing senior leaders with a more junior mentor from a different background so as

to create a “safe space” for open conversations and knowledge exchange. The reverse mentoring program also helps member firms and geographies without such a program to establish and run programs of their own.

We demonstrated our commitment to cultural diversity during the year under review by continuing the Audit Cultural Diversity Network (Audit CDN) and Expat Community. The Audit CDN emphasizes the importance of the Deloitte Panel Promise (DPP) as part of our efforts to give effect to our innovation and development objectives, while also urging us to pursue gender-balanced and diverse representation on panels at internal or external events and forums. During the year under review we sought to create awareness of and to sensitize our teams to the importance of ensuring such representation. This represents an ongoing effort to maintain continuous learning and over time will entail rolling out enhancements in response to feedback.



The Expat Community is specifically aimed at our international staff. During the year under review, we put considerable efforts into supporting our foreign accountants interested in becoming a Dutch Certified Accountant (RA). We did this by clarifying the processes and organizing a general information session with the NBA to inform employees about the steps they need to take. We are pleased to report that three of our foreign accountants have since converted their professional titles to registeraccountant and been promoted to directors in fiscal year 22/23.

### Attraction and retention

The current environment for talent is extremely competitive and attraction and retention of our people is a strategic priority for Deloitte. We acknowledge the challenges our people are facing and recognize our part to re-establish the connections that so many have

missed. Deloitte is focused on transforming the A&A talent experience, including reimagining the ways of working to improve retention and further advance the diversity, equity, and inclusion (DEI), and wellbeing of Deloitte people. We are looking at opportunities to collectively expand the talent experience. This focus on our people and retention of top talent enhances Deloitte’s ability to deliver high quality audits.

This includes giving our talent the chance to work on assignments with a range of different clients so that they can discover for themselves which types of clients suit them best: public sector clients (such as universities or municipalities), private sector clients (such as family businesses) or listed entities (large multinationals). We are also developing a new program that focuses more on personal development and offers greater customization, and that will be linked to our existing Bright Start program.

Despite the challenges, Deloitte has received the award for the World’s most attractive professional services employer from Universum in 2021.

### In figures

This year’s engagement score of 7.5 out of 10 was slightly higher than last year’s score of 7.4, while the personal commitment score (8.0) came out slightly lower than last year (8.1). The leaving rate increased from 13.3% last year to 16.2% this year.

### Bright Start

During the year under review we developed a program to offer new recruits a bright start by combining a focus on developing professional skills with gaining broad insight into strategic developments within Audit & Assurance. After this onboarding program, recruits will follow “taster” sessions to learn more about what Audit Transformation, Innovation, IT Audit, Culture, Data Analytics, Quality and Advisory entail. This will broaden their scope and provide a clearer basis for choosing the areas they want to focus on in the next few years of their careers.

### Well-being

Our employees’ well-being is one of our top priorities as it is crucial for retaining our top talent and maintaining the high standards that we are proud of. To address well-being in its broadest sense, we have set four priorities – workload, safe environment, resilience and hybrid working – to which we have linked initiatives.

This year's score for work-life balance was 6.3, compared with 6.4 last year which is not surprising because of the adverse effects of the COVID-19 pandemic on well-being. On the one hand, our talent enjoyed the greater flexibility resulting from not having to travel to and from work; on the other hand, however, they experienced virtual meetings as more tiring, and not everyone has optimal conditions for working from home full-time.

We also conducted a well-being survey among 1348 Audit & Assurance colleagues, of whom 480 (36%) responded. In line with the main results of this survey we are now focusing on:

- Budgeting for indirect hours so as to make clear how many hours are available and how the professional will spend these hours (this was included in the development conversation at the start of the year);
- Stimulating our people leaders to have conversations with their team members about their client portfolios, direct hours and indirect hours;
- Encouraging our leaders to be transparent about which clients we will continue with and which we will not;
- Stimulating middle management to have bi-weekly meetings to discuss planning and potential planning problems;
- Identifying people who seem overworked or have well-being issues so as to give them the support they need in the form of time-off, coaching, training etc.;
- Encouraging staff to get a proper rest by taking breaks and holiday;
- Starting a well-being campaign to increase employees' resilience and ability to deal with high workloads and maintain a healthy work-life balance;
- Creating awareness of the importance of a safe environment, continually promoting such an environment, and holding people accountable for their behavior;
- Increasing our recruitment targets and expanding our focus on recruiting people who have completed higher or senior secondary vocational training and pre-university high school leavers (Dutch HBO, MBO and VWO) in the 2023/24 financial year.

## Hybrid working

Deloitte's working policy is based on a hybrid workplace model, and so on seeking to maintain a

balance between working from home, at Deloitte and at client offices. In this model we prioritize the well-being of our employees, connect in person when it matters, and trust our employees to decide where a task can be best performed. To help guide them in the right direction, we have devised a Hybrid Working Manifesto and rolled out a campaign in Audit & Assurance, based on the principles of trust and empowerment and encouraging our people to have an open conversation that results in clear agreements.

## Learning and development initiatives

Deloitte's transformed approach to audit delivery is changing the audit experience for practitioners. Audit teams are empowered by advanced tools and technologies and more extensive use of data and analytics within a guided workflow to execute the end-to-end audit. For Deloitte practitioners, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using forward-looking techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and competencies. For example, the following skills remain as important as ever—enhanced data analytics, project management, critical thinking, communication, professional judgment, and the application of accounting and auditing principles to work more effectively and deliver high quality engagements. As capabilities and skillsets are enhanced, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical audit curriculum to build the refreshed skillsets and proficiency required by level:

- At the core, Deloitte has a single, global mandatory audit technical learning curriculum, tailored for learners by level, using a dynamic blend of live instructor-led, digital on-demand courses, and on-the-job activities.
- All client service practitioners are required to complete at least 20 hours of continuing professional education (CPE) each year and at least 120 hours every three years, through structured, formal learning programs, such as internal or external courses, seminars, or e-learning covering all areas of the competency model (e.g., shared competencies, function-specific technical competencies, and competencies in areas of specialization).

All client service practitioners have clearly defined role expectations and global Talent Standards which outline

the capabilities that are required of practitioners at each level.

Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. In addition, our assurance learning offering is being expanded to respond to emerging business needs.

The objective of the Deloitte Netherlands professional development program is to help partners and professionals maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, Deloitte Netherlands provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum.

The Global Audit Learning Curriculum launched by DTTL in December 2020 includes further reinforcing of audit learning and significantly expands the learning activities available to our employees. This mandatory curriculum consists of e-learning, webinars and classroom courses. The classroom courses comprise the following milestone programs (amongst others):

- Jump In
- Your Role as a Senior
- New Manager Transition Experience
- Manager Journey
- Audit Excellence (ISA/PCAOB-accredited professionals)
- Internal Control
- Fraud Risk Assessment
- Project Management
- General IT Control
- IFRS Learning
- NL GAAP Learning
- Analytics Challenge

## Audit Learning Experience

Each year, the classroom courses in the Global Audit Learning Curriculum are rolled out in the Netherlands via the Audit Learning Experience. The COVID-19 pandemic required virtual live delivery of all the classroom courses. We consequently released tailored program materials to support this learning modality.

For our assistants and senior staff we released three milestone programs – Go the Distance, Raise the Bar and Accelerate the Pace. For our junior managers, we deployed two milestone programs – New Manager Transition Experience and Manager Journey – to

prepare them for their new roles as managers. These coach-led programs are mandatory and designed for practitioners on International Standards on Auditing (ISA) and Public Company Accounting Oversight Board (PCAOB) engagements.

The Audit Excellence program adopts a continuous learning approach, including just-in-time flexible learning and in-depth application workshops, with the overall aim being to equip participants to identify key issues and develop action plans to continue enhancing and driving audit quality.

Following on from the success of previous years, we this year again added optional virtual courses to the Audit Learning Experience to develop professional and leadership skills. These courses complement the Global Audit Learning Curriculum and were selected in a gap analysis based on the global talent standards, with two of the courses being linked to the performance experience:

- Analytics: the Basics (for assistants)
- Culture: the Basics
- Stakeholder Management & Agile
- Stakeholder Management & Agile: Advanced
- Feedback skills
- Coaching skills

## Attendance

Each year, client-facing Audit employees have to attend all that year's mandatory training courses. The job levels applying during the reporting year were those as at April 1, 2021. Employees are given several opportunities during the two rounds of courses to complete their mandatory training.

Attendance is monitored closely. The personal app made available to participants includes a scan functionality so that they can scan the QR code of each training course they attend. Participants scan the code at the start and end of each training event, with the actual timing of the scan being recorded. The regulations on attendance, absence and no-shows can be found in the Audit Learning Cancellation policy.

## Other learning opportunities

In November 2021 we introduced a mandatory classroom course for audit practitioners, as required by our professional body, the NBA. This course aims to update knowledge of the underlying legislation and regulations related to reporting and assessing organizational continuity in the context of annual audits, to improve insight into the consequences of

organizational continuity and to improve professional judgment skills.

Throughout the year, Audit employees were also able to access cross-function learning journeys offering a wide variety of training opportunities for professional and leadership development.

Sustainability and climate are central to our Audit & Assurance strategy along with, and grounded in, quality foundations. As we consider how to meet stakeholders' expectations and deliver our service, we also need to ensure we provide learning to support quality and growth. We are therefore developing a multi-year learning curriculum addressing regulatory requirements, common standards and frameworks, and the ESG assurance methodology. This year we started by launching:

- **NSE webcast on Climate Change** in Audits to equip audit practitioners to engage with management in seeking to understand entities' governance, processes and controls in relation to climate, to assess and challenge management's climate risk assessments, and to consider and respond appropriately to climate-related risks throughout the audit process;
- A NSE-wide virtual live **ESG module on climate-related audit considerations** and an introduction to ESG assurance and ISAE 3000: what you need to know.

## Digital learning

Deloitte provides several learning resources to aid our professionals' development and growth via Cura, our AI-enabled learning system that aggregates internal and external content in a single platform so as to provide easy access to learning. Cura provides updated content recommendations, based on interests. The following resources are currently available:

*Deloitte on Demand* – Global's Audit & Assurance point-of-need, micro-learning library for locating answers quickly, researching technical topics and learning to use new tools;

*Knowledge Exchange* – Deloitte's authoritative source for collective knowledge, experience, people, insights and premium external content;

*Saba* – Deloitte's global Learning Management System for formal learning content;

*Factiva* – for aggregating a huge range of sources, including newspapers from across the world, newswires, trade journals, newsletters and magazines;

*getAbstract* – a book abstract/summary service that allows our professionals to read 5-page summaries of leading business books in a magazine-page format;

*LinkedIn Learning* – for increasing our professionals' skills by providing unlimited access to on-demand courses in the form of bite-sized videos focusing on key topics of interest;

*Udemy for Business* – offering on-demand courses on a wide range of business topics and extensive libraries in technical, accounting and financial skills.

## Learning hours

Deloitte Netherlands has established minimum levels of continuing professional development to be undertaken by partners and other professionals within a specific period of time. These include a minimum of 20 hours of structured learning each year and 120 hours of structured learning in every three-year period (i.e., an average of 40 hours per year). To achieve these levels of development, Deloitte Netherlands offers structured formal learning programs, such as internal or external courses, seminars and e-learning covering all areas of the competency model (including shared competencies, function-specific technical competencies, and competencies in areas of specialization).

<b>Table: Learning hours</b>	<b>21/22</b>	<b>20/21</b>
Mandatory technical hours	106	107
Average learning hours per headcount	162	130

**Criteria:** *The mandatory technical audit learning hours based on the curriculum provided by D TTL and the hours spent by Deloitte Accountants B.V. employees (partners and fee earners) on internal and external training courses as recorded in the financial administration during the reporting year.*

## COVID-19

Looking ahead, we expect to continue facing challenges and opportunities as a result of the COVID-19 pandemic. There will be hybrid delivery of the Audit curriculum during the 2022/23 financial year, with the desired learning outcomes being achieved through a combination of live (virtual) training, webinars and e-learning.



## Deloitte University

Deloitte University (DU) is one of our most visible and tangible investments in our people, and a powerful lever to help deliver Deloitte's global strategy. It is a cornerstone of our culture and supports our shared purpose: to make an impact that matters on our clients, our people and society.

Catering to the development of professionals and future leaders, the design and content of our programs are globally applicable and relatable, with clear and appropriate language promoting respect, diversity and inclusion.



The curriculum is vital for the development of professionals within Audit & Assurance. It offers a variety of leadership and soft-skill learning experiences relating, for example, to (i) becoming a manager or senior manager, (ii) high-impact leadership, (iii) boardroom and negotiation skills, and (iv) programs tailored to specific industries.

Deloitte University now has six campuses: DU EMEA (Europe, Middle East & Africa) in Brussels, DU India in Hyderabad, DU D.Lideres in Mexico City, DU North in Toronto, DU Asia Pacific in Singapore, and DU Westlake in the United States.

DU EMEA is the glue that binds the region's professionals, through exceptional and memorable development experiences, to the foundations of our Deloitte strategy, our shared values and our purpose – to make an impact that matters. In the 2022 financial year, almost 12,000 colleagues from across EMEA participated in one or more of the 38 online programs, involving over 400 facilitators from the various EMEA geographies.

## Our contribution to academic research

In 2018 Deloitte set up its own PhD research program to enable professionals to pursue a part-time PhD alongside their work. During their PhD research, on a topic of their choice, they have unrestricted access to all Deloitte data they consider relevant. The program aims to enable these selected professionals to make academic knowledge available to Deloitte's audit practice, while also allowing them to utilize their own practical experience to contribute to academic literature. To mitigate the risk of dependency given their employee relationship with Deloitte, the academic supervision is fully done by external supervisors working in (mainly Dutch) accredited research universities. Furthermore, Deloitte and the candidate sign, upon admission to the program, the Netherlands Code of Conduct for Scientific Practice. As a result the candidate promises to observe fundamental ethical principles of good scientific practice while Deloitte promises to safeguard the academic freedom of the candidate. The program is internally coordinated by prof. dr. Ralph ter Hoeven, partner at Deloitte and professor external reporting of the University of Groningen.

Five professionals are currently participating in this program: Frank Duijm since 2018, Rick Dekker and Ivan Hagenbeek since 2019, Renske Evers since 2021 and Serhat Ozasik as per 1 September 2022. Some of the candidates plan to present their first working papers on academic conferences in the coming year. The candidates have written 2.250 PhD hours (2021: 1.550 hours) on the designated code for the PhD research program.



# What Deloitte Audit & Assurance brings to capital markets

## A focus on audit quality

Deloitte's commitment to audit quality permeates everything we do. The independent audit is a central element of the financial reporting ecosystem, in place to protect investors and other stakeholders, as well as to promote the effective functioning of the capital markets. Deloitte is keenly aware of our obligation to deliver audit services that meet the challenges and complexities of the current environment, while complying with professional and regulatory standards. For the financial reporting ecosystem to function as intended, it is vital that the auditor's role be executed effectively.

Deloitte is committed to doing more than simply meeting regulatory requirements and conforming to expectations. Deloitte is going beyond the expected to set the standard of excellence for the profession. In keeping with that objective, our commitment to audit quality is unequivocal.

## Deloitte Global leadership

The Deloitte Global Audit & Assurance Executive is led by Jean-Marc Mickeler, the Deloitte Global Audit & Assurance Business Leader, whose responsibilities include developing and driving Deloitte Global Audit & Assurance strategy, with a priority focus on quality:

- Setting the standard for audit quality and approving audit policy and methodology changes with the objective of enhancing audit quality across the Deloitte network.
- Driving key audit quality initiatives and policies across the Deloitte network.
- Leading transformational initiatives to innovate the way our audits are executed to meet the evolving needs of our stakeholders.

## Entities Deloitte audits

As part of Deloitte's Audit & Assurance commitment to supporting the capital markets, we are focused on auditing entities where it serves the public interest and where we have the capabilities to perform a quality audit with objectivity and in compliance with applicable professional standards and laws and regulations, including those relating to ethics and independence.

Deloitte Netherlands has detailed policies and procedures in place for the acceptance of prospective clients, the continuance of existing engagements and the assessment of engagement risk. These policies and procedures are designed with the objective that Deloitte Netherlands will only accept or continue with engagements where it:

- Is able to perform the engagement and has the capabilities, including time and resources, to do so.
- Can comply with all relevant professional standards and laws and regulations, including those relating to ethics and independence and conflicts of interest assessments and considerations.
- Considers the client's management team to act with integrity and in alignment with our shared values.

The company we keep is an important aspect of our Audit & Assurance strategy and global shared values that guide our behavior to lead the way, serve with integrity, take care of each other, foster inclusion and collaborate for measurable impact. The question we ask ourselves is: what type of entities do we, as a global network, want to be associated with? In order to answer this question, an audit and assurance risk appetite statement has been developed to serve as the foundation for the company we want to keep. The risk appetite statement can be used as a tool to promote robust discussion of risk, and as a basis upon which acceptance and continuance decisions can be debated and challenged effectively and credibly. The statement, as shown below sets the tone for the risk culture and aims to drive global consistency in the engagement acceptance and continuance decision making process:

Deloitte's Audit & Assurance portfolio risk appetite underpins our purpose led agenda and reinforces our Principles of Business Conduct, which articulate the standards to which we hold ourselves, wherever in the world we live and work, in order to build and maintain a sustainable business for current and future generations.

Consistent with our commitment to purpose and to act in the public interest, we recognize that taking on a degree of risk is a natural consequence of doing business. In order to deliver high quality audit and assurance services, we proactively identify and manage risk through our

quality control processes, policies and procedures to make informed decisions aligned to our strategy and values.

We aspire to have a portfolio of clients that aligns with our shared values, respects our professionals, recognizes emerging issues and societal responsibilities, and is committed to providing transparency to stakeholders in the financial reporting ecosystem. We endeavor to have a portfolio that does not include clients that lack integrity, engage in illegal activities, disregard the authenticity of financial accounting and reporting, or are unwilling to establish and maintain sufficient internal controls and related processes.

### **Stronger member firms**

Within the Deloitte member firm structure, Deloitte Netherlands is part of the Deloitte North & South Europe member firm. As a locally registered and regulated audit firm in the Netherlands, we have decision-making authority regarding regulatory matters and professional obligations and maintain ultimate responsibility for the execution of audit and assurance services in accordance with local laws and regulations. As a member of a combined firm within the Deloitte network, we work in close cooperation with the other geographies in the North & South Europe member firm and benefit from additional oversight of quality, risk management, and monitoring activities. This structure fosters shared investment in audit innovation and resources as well as the sharing of leading practices across geographies, contributing to our collective aspirations of continuous improvement in audit quality.





## Audit & Assurance – the future, today

At Deloitte, meeting expectations is where our Audit & Assurance services begin.

Our people’s commitment to integrity, to serve the public interest, and to deliver high quality assurance over the areas that matter most to our stakeholders is at the core of everything we do.

We are leaders in quality and will continually deliver on this commitment by focusing on excellence across people, process, and technology. Each of these core components helps us to deliver our vision for a better future, creating an impact that not only meets expectations but goes beyond them.

What does this look like? A constantly evolving audit and assurance practice, leveraging bright minds, effective processes, and world-class technologies from across our global organization while drawing on our years of experience. We deliver high quality services in an efficient and effective way that upholds integrity, builds confidence, and drives value by focusing on what really matters.

Audit & Assurance transformation is an important shift across the network in the way Deloitte practitioners work and includes:

<p>The Deloitte Way: standardization of audit processes supported by our global technology suite</p>	<p>Real-time audit quality monitoring</p>
<p>Enhanced talent model which includes learning, rewards and recognition, centers of excellence, and delivery centers</p>	<p>Agile deployment of technology solutions to respond to changing environments</p>

## Delivering audit excellence through process, people, and technology transformation<sup>2</sup>

With The Deloitte Way, Deloitte is bringing innovation into the core of how our audits are executed: with automation that improves routine tasks, analytics that yield a deeper and more insightful view into the data, and artificial intelligence that enhances human discovery and problem-solving. As a result, we are improving the quality of the audits we deliver while also creating a richer talent experience for our people and giving clients a streamlined, digital audit experience, that provides more transparency and deeper insight.

Innovation and technology enablement are an expectation in today’s fast-changing business environment, and this expectation holds true for the audit profession as well. Today’s complex business environment requires that the audit be dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and we need to evolve our audits as the entities we audit innovate their businesses and processes. Leveraging evolving technology and data, Deloitte A&A delivers deeper insights to create more consistent, transparent, and valuable audit and assurance for our stakeholders. Deloitte brings bright minds, effective processes, and world-class technologies from across the global organization to deliver an impact beyond expectations.

Our auditors are enhancing procedures by making more use of data-driven analytics, as well as cognitive and cloud-based technologies like Artificial Intelligence (AI). This is due, in part, to the increased automation and effectiveness these provide, but also the need for Deloitte Netherlands to stay abreast of technological advances used by the entities that we audit.

Deloitte is committed to the continued investment in emerging technologies and diversity of thought that enables the delivery of enhanced quality, insights, and value to our clients and the markets. Deloitte’s holistic global audit platforms, Deloitte Omnia and Deloitte Levvia, demonstrate our commitment to delivering digital, high quality audits of all sizes and levels of complexity. Deloitte Omnia is our cloud-based, end-to-end audit delivery platform for larger audits, including publicly-listed entities, while Deloitte Levvia delivers a streamlined, right-sized digital audit experience for select private entities. Ongoing development, enhancement, and broader deployment of both platforms will continue over the next several years. Deloitte also has designed an

<sup>2</sup> For more information about Deloitte audit innovation, please refer to Deloitte [Global Impact Report](#).

innovative global data and analytics solution, and our integrated suite of enabling innovation technologies are all connected in the cloud.

## Auditing in disruptive times

In recent years the world has experienced a period of exceptional challenges and uncertainty, from the societal changes caused by the COVID-19 pandemic to the humanitarian crisis brought on by the war in Ukraine. These momentous shifts have brought unprecedented speed of change to the profession, and throughout this period, Deloitte has prioritized the safety and wellbeing of its people. In times of global complexity and economic uncertainty, the need for high quality audit and assurance services is critical. Now more than ever, investors and stakeholders are looking to auditors to bring trust and objectivity to capital markets.

Despite the unique challenges of the current environment, Deloitte Netherlands has not wavered in its commitment to ethics, integrity, independence, and transparency—all while serving the public interest. We recognize the importance of upholding our professional responsibilities and our role in instilling trust in the financial reporting ecosystem. We continually reinforce the following principles with A&A practitioners:

- Exercise professional skepticism and due professional care
- Critically evaluate the quality of audit evidence obtained and whether it is sufficient and appropriate to address the risk
- Make well-reasoned professional judgments supported by clear documentation
- Foster a culture of consultation
- Stay connected and support one another

In this period of continued uncertainty, all stakeholders of the financial reporting ecosystem (including governments, financial institutions, entity management, those charged with governance, auditors, and investors) must exercise significant judgment. This includes an awareness of the heightened risk of fraud, the presence of new or different risk factors, and potential changes in internal control environments. Although the existing accounting frameworks have provisions for uncertainties, financial statement users and regulators should continue to expect a higher degree of market and economic volatility in the near term.

Deloitte welcomes the public statements and guidance issued by regulators that recognize the current uncertainties and emphasize the importance of high quality, forward-looking corporate disclosures. There is benefit to the public for greater transparency from

various financial reporting ecosystem stakeholders raising awareness about these issues. This includes providing more clarity on the responsibilities of management, audit committees, companies, auditors, regulators, and other stakeholders.

The professional standards, Deloitte policies and guidance, strong consultation and specialist networks, and steadfast diligence continue to be the basis for Deloitte's execution of high quality audits. Deloitte's global technology and infrastructure have allowed for an agile and rapid response to the various disruptions to the workplace, including the shift to virtual working. Deloitte Global continues to provide firms with globally relevant and locally adaptable audit resources and guidance. These responses have allowed us to continue to reinforce the execution of the Deloitte audit approach throughout this historically challenging period.

The transformation of audit delivery in an increasingly dynamic work environment has led Deloitte to respond to the rapidly changing needs and requirements of the talent landscape. This includes challenging historical working methods and supporting its people in a hybrid working environment.

Going forward, Deloitte Netherlands will continue to focus its efforts and provide a consistent audit experience in a way that embraces the evolving expectations of the entities we audit and our people.

## Fraud & Going concern support

Ensuring figures in financial statements are reliable is of great public value. Auditors have a social responsibility as gatekeepers to add assurance to these figures, based on their financial audits. Deloitte is committed to its role in protecting the public interest and supporting the effective functioning of the financial ecosystem by delivering high-quality audits. Auditors' role regarding fraud and going concern continues to receive a lot of attention, both within the profession and in public debates. Deloitte is actively participating in these debates to define the audit of the future and reflect the expanding needs of a broader range of stakeholders.

Fraud, non-compliance and discontinuity substantially impact on the entities that Deloitte audits, as well as on all our other stakeholders, including society. To foster a sustainable, high-quality audit devoting explicit attention to fraud and going concern it is important that all links in the chain accept the responsibilities they have for strengthening the accountability chain. Deloitte is committed to its place in this chain and exploits its multidisciplinary model, including use of specialists, to

enhance the focus on fraud and going concern in the audit.

## Fraud

Deloitte’s approach to a high-quality audit with an enhanced focus on fraud entails reinforcing our audit teams to include forensic specialists. In this way we add specific expertise that provides relevant insights and challenges management and *those charged with governance* (TCWG) on prevention, detection and response to fraud, corruption, non-compliance, sanctions and any other forms of misconduct that put the organization at risk.

Our fraud specialists are integrated into the audit team and involved throughout the audit process in:

- Performing risk assessment
- Developing audit response
- Evaluating audit evidence
- Incident monitoring and response
- Communication with management/TCWG

Deloitte’s audit approach and forensic involvement is risk-based. Based on a thorough understanding of the organization and taking into consideration factors such as the industry, changes in business operations or organizational structures and developments in the regulatory or economic environment and fraud scheme trends, our audit teams and specialists work together to identify those areas that matter most to the entity being audited and to all other stakeholders.

Table: Use of Fraud Specialist	21/22	19/20
PIE engagements	68	30
(m)GtN engagements	65	18
<b>Total</b>	<b>115</b>	<b>48</b>

*Criteria: Number of audit engagements with a fraud specialist as part of the audit team. Risk-based selection by PPD & forensic. Focus on PIE and (much) greater than normal risk engagements.*

## Going concern

To deepen the going concern analysis and enhance the auditor’s opinion on an organization as a going concern, Deloitte has strengthened its audit teams to include a going concern specialist, who supports the auditor in the event of financial, operational or other triggers that may impact on the entity’s ability to continue as a going concern and who challenges management’s position paper. In this way, we leverage the specialist’s knowledge from both a going concern and a restructuring point of view.

The going concern specialist’s involvement in the audit entails:

- Strategic analysis
- Operational analysis
- Financial analysis
- Sensitivity analysis
- Communication with management/TCWG

The deployment of specialists is risk-based. Based on financial, macro and market economic, operational and other triggers, Deloitte’s audit team and specialist determine the organization’s liquidity position for management, TCWG, stakeholders and investors, and also for purchasers, suppliers, banks and other financiers.

Table: Use of Going Concern specialist	21/22
PIE engagements	1
(m)GtN engagements	33
<b>Total</b>	<b>34</b>

*Criteria: Number of audit engagements with a going concern specialist as part of the audit team. Risk-based selection by PPD & restructuring department.*

## Reporting

Since the 2022 audit year, auditors have been required to report on fraud and going concern. Their reporting focuses on the risks identified and the work performed, specifically with respect to the client and with the objective of providing greater informative value for users of the annual accounts.

Deloitte supports efforts to make disclosed risks of identified fraud and going concern transparent, consistent and comparable. Therefore, and even though reporting on fraud and going concern in the auditor’s report was not yet mandatory for the 2021 audit year, Deloitte has already been reporting on these topics since that year.

Our early adoption of this reporting includes all public interest entities and other organizations. In this way Deloitte is supports all participants’ continued collaboration in the financial ecosystem and our own role in this system.

## Anti-Money Laundering

Deloitte expects its auditors to be fully committed to acting in the public interest, particularly with regard to issues related to fraud, corruption, non-compliance with legislation and regulations, and anti-money laundering. This means not only having a critical mindset, but also upholding professional standards when facing high-

pressure, challenging matters. This behavior is key both for our young professionals and for our more experienced auditors. We consequently target our efforts at each separate level within the organization. One example of these efforts was the masterclasses that were organized for (junior) managers. These masterclasses were held twice during the year (in both Dutch and English) to provide our practitioners with in-depth information on fraud and anti-money laundering.

<b>Table: Unusual transactions reported</b>	<b>21/22</b>	<b>20/21</b>
Unusual transactions reported at the FIU	231	171
<b>Total</b>	<b>231</b>	<b>171</b>

*Criteria: The number of unusual transactions reported by Deloitte Accountants B.V. to the Financial Intelligence Unit (FIU).*

### Multidisciplinary model (MDM)

Throughout the Deloitte network, Deloitte’s robust multidisciplinary business model (MDM)—consisting of audit, advisory, tax, and consulting practices—is an important contributor to the performance of high quality audits. This unique model purposefully connects Deloitte’s great breadth of professionals and practitioners with a profound depth of experience, skills, and specialties to bring stronger insights and high quality services. Auditors increasingly use the work of specialists in a number of areas, including to assist in their evaluation of accounting estimates and fair value measurements. This has been more important than ever as companies’ financial statements were required to reflect the uncertainties presented by COVID-19 and ensuing macroeconomic factors. Further, the scope of corporate reporting is expected to grow rapidly in the near future where financial statements and corporate disclosures will continue to become more complex due to new ESG considerations and other focus areas. In addition, as big data utilization becomes more pervasive in line with other digital advances, the demand for data analysts and IT specialists will grow accordingly. Among the benefits of the MDM are:

- Possibility to develop industry or thematic insights (e.g., climate, governance, corporate strategy, etc.) through multiple lenses, which enhances auditors’ understanding of business risks relevant to conducting audits.
- Immediate access for the Audit & Assurance practice to specialized resources in other business lines. This promotes audit quality because auditors can leverage the knowledge and experience of advisory practitioners who are skilled in subjects beyond audit and assurance.
- A diverse organization helps attract and retain premier talent.
- Availability of intellectual capital within the network to innovate audit processes, technologies, etc.
- Parts of the business grow at different rates during various time periods across markets. Deloitte’s MDM provides a safeguard against market volatility that is important to long-term viability of the network and makes significant investments in audit quality and innovation possible, even in times of financial pressures on the audit business.

Deloitte acknowledges, however, the possibility and perception of conflicts of interest, and therefore has robust independence policies and systems in place to help ensure that Deloitte’s strategy is executed in alignment with regulatory and professional requirements. In some areas, Deloitte policies are more stringent than what professional standards or laws or regulations require.

## **Environmental, social, and governance (ESG) reporting**

The foundations of business are changing rapidly, long-term resiliency and the ability to create enduring value is directly linked to alignment with the values and expectations of society. Market participants and broader stakeholders are calling for greater insight into how an organization is going to build, protect, and enhance enterprise value over time, and are specifically demanding enhanced transparency around ESG impacts and the dependencies of a company's business model and strategy.

There is a growing interest for companies to integrate climate-related and other ESG considerations into internal control policies and procedures, enhancing the maturity of systems, processes, and governance over climate-related and other ESG information. Those charged with governance (e.g., Audit Committees, Boards) are moving toward incorporating ESG considerations in their oversight responsibilities of an organization's management, its reporting readiness, and implementation of processes and controls to collect data.

In response to growing demand, the reporting landscape is quickly changing to meet the needs of stakeholders, with proposed standard setting through the International Sustainability Standards Board and rulemaking around the world. The developments in standard-setting and rulemaking are intended not only to create transparency and consistency in global baseline reporting, but also to make clear that information in financial reporting and information contained in sustainability reporting together are essential inputs to inform a stakeholders' view of an entity's value.

With the increased focus and scrutiny of this information also comes the increased need for confidence over the quality of the information being disclosed, which may be achieved through assurance over ESG information. Deloitte believes that there is a benefit to ESG assurance being provided by an audit firm. Objectivity, credibility, and integrity are qualities valued most in assurance providers. These are in addition to independence, professional skepticism, commitment to quality, and appropriate training that are equally critical.



Below are specific actions that Deloitte is undertaking to support execution of high quality audits that give appropriate consideration to climate-related risks and opportunities:

- Educating Deloitte professionals on climate change and the impact on audit entities through the deployment of materials such as a climate learning curriculum, a framework and related guidance to consider climate-related matters as part of the audit.
- Engaging in the global debate by being proactive in supporting global sustainability standards, through facilitating the five sustainability reporting standard-setting bodies and contributing to the IFRS Foundation's climate disclosure work and actively participating in various global platforms such as the World Economic Forum and the 2021 United Nations Climate Change Conference (COP 26).

Deloitte supports the continued collaboration of all participants in the financial reporting ecosystem, working together to develop and implement common standards upon which to measure, disclose, and ultimately assure ESG information.

Further, to help the world achieve the goals of the Paris Agreement, Deloitte has launched [WorldClimate](#), a strategy to drive responsible climate choices within the Deloitte network and beyond.





## Professional development and performance management

Deloitte's culture of excellence and the design of learning programs place people at the forefront. Deloitte practitioners are technically proficient with high levels of ethics, integrity, professional skepticism, and objectivity, applying their judgment and experience with passion and commitment. We are continuously enhancing our skillsets, knowledge, and experience to go beyond the expected and deliver meaningful impact.

Deloitte is committed to delivering an unrivalled talent experience, developing practitioners, and furthering their careers by creating a life-long learning environment—advancing audit education, skillsets, and flexible career options that appeal to auditors of today and tomorrow.

Deloitte practitioners bring diverse backgrounds, knowledge, and skillsets that enhance capabilities as an organization in delivering the highest quality audits. Deloitte is united in the commitment to our *ALL IN* program dedicated to improving diversity, equity, inclusion, and innovation.

In addition, operational discipline, effective management of the business, and the development of a singular approach to doing audits known as The Deloitte Way, provide the foundation for Deloitte's commitment to bring global consistency to our audits.

Deloitte is driving a sustainable audit and assurance business that recognizes and rewards its people and makes ongoing investments in their future.



## Audit & Assurance (A&A) Leadership appointments

Critical A&A leadership roles are clearly defined. A role profile and key performance indicator framework provide a basis for consistent leadership appointment and evaluation across the Deloitte A&A network and align member firm and Deloitte Global A&A strategic objectives. Deloitte has introduced globally consistent standards for member firm A&A leaders, including A&A Business Leaders, A&A Quality Leaders, and A&A Risk Leaders through clearly defined roles, responsibilities, and expected success outcomes. These inform objective setting and evaluation processes and reinforce Deloitte's culture of quality and excellence. Robust monitoring of succession planning helps ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.

## Audit Quality Reward and Recognition

Execution of high-quality audits is expected from all professionals and is embedded across the Deloitte network. Audit quality is built into performance standards at every level and is the basis against which overall evaluations of our professionals are measured.

Since the 2018/2019 financial year, the Global DTTL Audit Quality Reward and Recognition Program has distinguished "Foundational Audit Quality Behaviors" from "Exceptional Quality Behaviors" in the partner reward and remuneration model. Foundational audit quality behaviors are required of all professionals in order to execute high-quality audits. Demonstration of these behaviors is a basic or foundational requirement for continued participation in the performance of audits and includes topics such as ethics, integrity, having thorough knowledge of accounting principles and auditing standards, proactively managing compliance with independence requirements, receiving a compliant rating from an external/internal inspection and meeting archiving deadlines.

Exceptional audit quality behaviors go above and beyond the foundational quality behaviors that are required of our professionals and that are consistent with our values and core beliefs. In this spirit, we expect our professionals (i) to demonstrate courage in seeking to protect the public interest, (ii) to "run into the fire", using their expertise and experience to voluntarily assist partners/teams in difficulty and challenging auditing issues that arise, and (iii) to share and learn from mistakes. As stakeholders' expectations evolve over time, our partner reward and remuneration model encourages professionals (iv) to display agility and an adaptive mindset in developing innovative solutions contributing to

high-quality audits, and (v) to build or develop deep knowledge/eminence and to teach or instill that knowledge in others.

The Management Team of the Audit & Assurance Function aspires to reinforce our culture of quality and excellence and our unwavering commitment to continuous improvement. Since the 2019/2020 financial year, Deloitte Accountants B.V. has applied a conditional remuneration policy in the event of quality events. Quality events can be both positive and negative and on a variety of subjects: culture, independence, or internal/external inspections. In case of a negative file inspection a partner/director first has the chance to learn from the inspection results and work on a personalized quality improvement plan as part of our learning organization. As part of our Plan-Do-Check-Act cycle, progress on this improvement plan is assessed after six months to determine whether the remuneration consequences will be definitively applied. In this way, we aim to create a safe environment where we will learn and coach each other and act in the public interest. This remuneration policy has led in the reporting year 21/22 to two equity partners receiving a bonus because of audit quality (20/21: 2); and two other equity partners receiving a malus because of audit quality (20/21: 1).

## Partner remuneration

In accordance with DTTL and NSE policies, the performance of Deloitte Netherlands' partners is evaluated annually, and partners' remuneration may vary depending on the outcome of these evaluations. Partner evaluations specifically take account of i) audit quality (through, for example, the results of practice reviews and external inspections), ii) contribution to set objectives and competencies, and iii) behavior expected of partners.

The remuneration received by a partner also depends on:

- the equity group to which the partner is assigned,
- the number of NSE units allocated to that partner
- the value of each NSE unit.

The equity group and unit allocation is discussed and approved in a unit level meeting (a meeting of the Executive Board and Executive Committee) involving the NPPD of the Audit & Assurance function and the Reputation & Risk Leader (RRL). The Supervisory Board's Remuneration Committee performs a marginal review of the meeting results to ensure recognizability, consistency and careful execution of the process. The Executive Board submits the unit allocation for all Deloitte Netherlands' partners to the Deloitte NSE Board for final approval.



The value of the NSE unit is based on Deloitte's financial results and is determined after the end of each financial year. During the year under review, we introduced an updated partner remuneration policy, the overall objective of which is to offer a competitive and transparent remuneration package that aligns with the equity partner performance management approach and accommodates clear growth options and the opportunity to reward partners' differing profiles appropriately. The remuneration received by partners consists of both a fixed and a variable element (profit-sharing). The amount of the profit share is determined by the number of profit points, the value of the profit point (employees and partners) for the current financial year, and a possible adjustment based on an applicable part-time percentage and the starting date of employment. The remuneration received by salary partners and directors consists of a fixed element, a variable element (profit-sharing) and, in the event of exceptional performance, a personal excellence bonus. The amount of the profit share is determined by the number of profit points for the job classification, the assessment score (including the multiplication factor) and the fixed value per profit point.

### Claw-back scheme

As part of the NBA recommendations in *"In het Publiek Belang"*, Deloitte has a claw-back scheme, with a six-year term applicable for equity partners serving as external auditors and involved in statutory audit engagements. These partners deposit a lump sum, or accrue an amount over six years from a reservation of profit, amounting to the average annual profit share received during the most recent six-year period. If it becomes apparent, before the relevant expiration date under the claw-back scheme, that the auditor has made mistakes that are seriously culpable and that resulted in an incorrect opinion being issued on a statutory audit, and this in turn resulted in damage to society, the amount accrued under this claw-back scheme is not allowed to be paid out and the relevant auditor will lose all or part of his/her entitlement to this amount.

## Social Impact

### Making an Impact Every Day

We believe human connection can help create innovative solutions and lasting impact on pressing issues of our time. By harnessing the collective power of Deloitte's network of people, clients, nonprofits, and communities, we aim to achieve lasting social impact for the greater good.



## Deloitte's priority focus on audit quality

Deloitte's commitment to audit quality is central to everything we do. We continually deliver on this commitment by instilling a culture of quality and excellence across the network, establishing business and financial priorities, and developing effective processes, tools, and technologies applied in the execution of audits. Deloitte's brand is defined by the high quality audits delivered and by the unwavering commitment to continuous improvement of our systems of quality control. Making sure audit quality keeps pace with emerging economic, business, and regulatory conditions, as well as technological advances, is critical to the continual enhancement of Deloitte's role in protecting the public interest and supporting the effective functioning of the financial ecosystem. Deloitte's brand is defined by the high quality audits delivered and by the unwavering commitment to continuous improvement.



## Young Audit Board in 2021/2022

Deloitte Netherlands maintains policies and procedures designed to promote an internal culture that recognizes that quality is our top priority. And one where our Young Audit Board – which has been in existence since 2013 – acts as a differentiator. The board effectively acts as the voice of our next generation of auditors and serves the interests of all our Audit & Assurance young professionals.

The Young Audit Board enables young professionals to lead the way in carrying out high-quality audits and seeking to create an environment with a healthy and open culture that people want to be part of. Working together to make the profession more attractive means working together in a culture where young professional can continually develop within a future-proof Deloitte that is sustainably adapting to the changing environment.

### How are we seeking to achieve this?

- By opening the conversation with policymakers in which we represent the voice of young professionals;
- By providing solicited and unsolicited input, insight and feedback to internal and external stakeholders, and ensuring that attention is paid and follow-up given to our ideas;
- By challenging young professionals to take control over their own circle of influence;
- By demonstrating leadership in submitting and implementing suggestions and solutions for improving the profession;
- By reporting on technical and other relevant audit topics for and to young professionals.

### Opening the conversation

Our collaboration with the Audit MT continued to develop during the year under review. Frequent meetings meant we were consistently able to provide the Audit MT with “food for thought”. This could relate to views on recent developments and points of attention within the organization, but also to new ideas for improving or developing initiatives, all based on input gathered during our discussions – both formal and informal – with young professionals. Twice a year we organize roadshows in which a Young Audit Board delegation visits each office and community to connect and start the conversation with over 150 young professionals. This shows young professionals’ willingness to share their ideas and concerns and to work together to improve Deloitte. Their

### Innovation

In June 2022 (originally planned for December 2021, but postponed due to COVID) the Young Audit Board organized the Tech Event, which aims to inspire our young

input enables us to maintain insight into their needs and to provide relevant input to the Audit MT. Besides gathering input from conversations with other young professionals, we also see the roadshows as an opportunity to spread the word on taking ownership of your career.

### Providing solicited and unsolicited input, insight and feedback

As the Young Audit Board, we are in contact with many different stakeholders both within and outside the organization. Strong stakeholder management enables us to participate in meetings regarding policies and processes, where we can give solicited and unsolicited input and let the voices of young professionals be heard. We also provide the Audit MT with an annual management letter, just like we do with our clients. As well as critically reflecting on our internal organization, this year’s letter included suggestions for achieving improvements. The letter was shared broadly within the organization and is being used as input for various initiatives for further reinforcing our organization. The follow-up on the management letter shows the organization’s willingness and intention to continue improving and reflects the open culture in which unsolicited feedback is not only possible, but also appreciated.



### Taking leadership and reporting to our young professionals

At the start of the year the Young Audit Board identified the following key areas (“our pillars”) to which we want to contribute:

professionals to make our audits better and smarter and to differentiate through innovation. The various workshops held during the event created a learning environment for young professionals to familiarize

themselves with tools for use in their day-to-day work and be empowered to innovate.

## **Personal development**

Personal development is essential for challenging our young professionals and ensuring they remain engaged and enthralled. We on the Young Audit Board want to reinforce a mindset in which everyone's personal development stands central. This starts from the moment young professionals start working at Deloitte. We therefore organized the Buddy Days to welcome our new hires and provide them with a kit containing all the information they need to kick-start their careers. When personal development needs are identified, we act. This can be seen, for example, in our involvement in the young professionals' learning curriculum and indirect committees.

## **Quality**

Quality is our license to operate. During the year we supported young professionals in delivering high-quality audits by publishing an audit manual taking them through

the process step by step. We also contributed to the profession by expressing a joint opinion, together with other young boards, on the AQI (audit quality indicators) consultation. This was a great opportunity to let young professionals' voice be heard with regard to developments we expect to influence the future of the sector.

## **Culture**

For us, a healthy culture means that everyone enjoys going to work; feels valued, accepted and challenged; is allowed to make mistakes, and is able to discuss everything. Having conversations with our young professionals enables us to gain insight into the Deloitte culture, but also to set an example. This year, we specifically zoomed in on our hybrid working model.

## **Get ready, go!**

We remain committed to achieving our mission and vision in the upcoming audit season, when the topics on our agenda will continue to include quality, transformation, culture and personal development.

## **Leadership commitment and tone at the top**

Deloitte's culture of quality and excellence begins with strong tone from the top, starting with senior leadership through to the leaders in all our offices and audit engagements. Deloitte's focus on audit quality is evident through the direct involvement of leaders and consistent messaging that reinforces the importance placed on audit quality. Deloitte's relentless pursuit of quality defines not just what we do, but who we are.

## **System of quality control**

Deloitte believes an effective system of quality control is crucial for the consistent performance of high quality audit engagements and we continue to make significant investments in the people, processes, and technologies that underlie Deloitte's quality control processes.

Regulators and standard setters in Netherlands and globally are also focused on driving further improvements in firms' systems of quality control. In December 2020, the IAASB released its new, revised suite of quality management standards, including International Standard on Quality Management 1 ("ISQM 1"). Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and an evaluation of the system of quality management will be required to be performed within one year following that date.

The effective implementation of ISQM 1 is a key element of Deloitte's global audit quality strategy. Deloitte Netherlands's ISQM 1 implementation activities are well progressed, building on the multi-year investments and commitment already delivered to go beyond the requirements of the existing professional standards. Deloitte Netherlands continues to work with leaders across the firm, as well as the broader network, to further enhance our proactive approach to managing the quality of engagements performed—identifying and addressing risks to audit quality and driving continued advancements in quality control processes that will serve us well into the future as the environment within which we operate continues to evolve and become increasingly complex.

Consistent with Deloitte's culture of continuous improvement and innovation, these standard setting activities provide the opportunity to challenge ourselves—examining those areas where we can further support and transform the system of quality control. Audit quality is always front and center, and robust audit quality monitoring and measurement processes play an integral role in our ability to continually improve.

## **Independence, objectivity, and professional skepticism**

The execution of high quality audits requires independence, objectivity, and professional skepticism. This means a continuous and tangible focus on Deloitte's critical role in serving the public interest, including creating a culture of quality where doing the right thing is of paramount importance. Deloitte consistently reinforces the important role of auditors as independent evaluators who must maintain a mindset of professional skepticism throughout the conduct of our work. This approach to the audit is reflected in Deloitte policies, methods, procedures, and learning, and is reinforced through quality control and accountability measures.

## **Audit approach**

Deloitte's approach to a high quality audit involves an audit methodology, common across the Deloitte network, supplemented by audit tools for use by our practitioners to plan, perform, supervise, review, document, conclude, and communicate the results of each audit. Deloitte's audit approach is underpinned by professional standards and requirements under applicable laws and regulations.

This audit methodology is dynamic—it evolves continuously to keep pace with the changing demands of investors, companies, and other stakeholders. It recognizes that advances in the availability and management of large data sets and in statistical science are relevant to continuing to enhance the quality of Deloitte audits.

Deloitte audit methodology is risk-based, focusing on the financial statement account balances, disclosures, and underlying assertions that have a reasonable possibility of being materially misstated.

## **Processes to support Deloitte practitioners in the execution of high quality audits**

The resources applied by Deloitte practitioners in the performance of their audits include the proprietary tools, guidance, materials, and practice aids used in conducting audits, which are available to all our practitioners in the Deloitte Global Technical Library, an extensive online library, and in our audit execution platforms. Deloitte regularly issues accounting and auditing guidance to our practitioners and communicates developments that should be factored into audit risk assessments and responses in order to maintain and drive quality audit execution.

## Deloitte Conditions for Success (DCS)

Deloitte’s commitment to audit quality is reflected in the DCS, five fundamental operating principles critical to the execution of high quality audits and effective risk management. Global DCS benchmarks provide firms with a baseline for measuring progress and driving improvements in these key areas and are monitored on an annual basis.



## Consultations

Quality and risk management considerations are integral to Deloitte’s audit business. That is why Deloitte views consultation as an essential, collaborative process—one that helps determine the most appropriate answers to complex questions. Deloitte has identified circumstances where consultation outside of the engagement team is required in order to demonstrate an appropriate level of professional judgment and challenge. Deloitte consultation policies require that conclusions are documented, understood, and implemented.

Foundational to the effectiveness of the consultation process is Deloitte’s investment in consultation resources who have the appropriate skills and expertise. In addition

to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from the Audit Quality team, or others in the organization with specialized knowledge.

In 2021, Deloitte Accountants B.V. started using a new consultation portal. For this reason, the categories in the table have been adjusted to the current consultation portal compared to previous reporting years

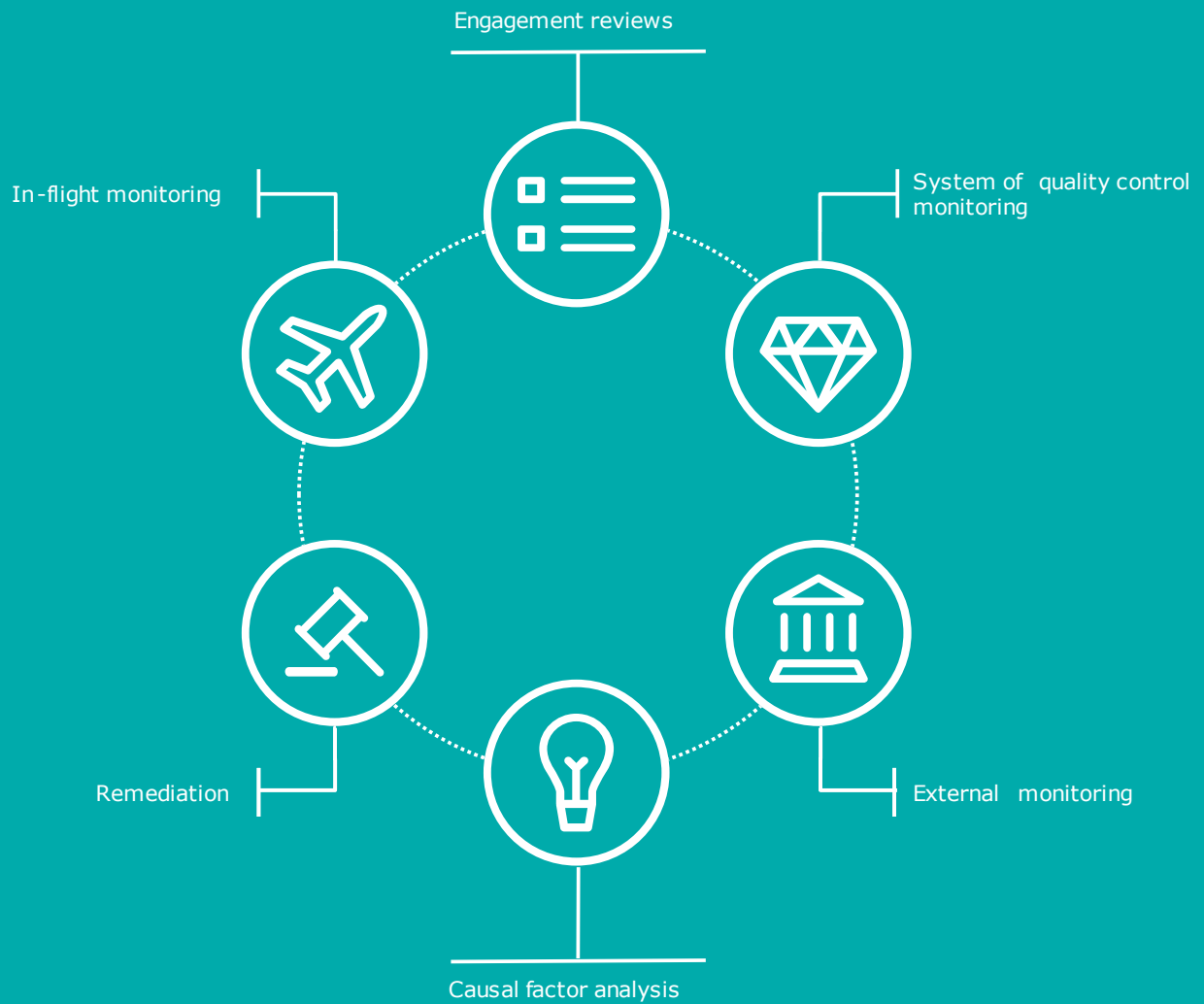
<b>Table: Consultations</b>	<b>21/22</b>	<b>20/21</b>
Auditing	221	212
Corporate governance	5	--
Corporate reporting	147	154
Key Audit Matters	108	65
Modified opinions	163	148
Risk Management	324	245
<b>Total</b>	<b>968</b>	<b>824</b>

*Criteria: The number of written mandatory and non-mandatory consultations submitted to the PPD in the financial year. Where a consultation relates to more than one advice category, it is classified on the basis of the category to which the query primarily relates.*

*“Consultations” are formal queries from professionals on interpreting legislation, regulations and procedures in the field of audits and reporting.*



# Audit Quality Monitoring & Measurement





# External and internal audit quality monitoring

A continued focus on audit quality is of paramount importance to the Deloitte brand. It is critical that a Deloitte audit is consistently executed and of high quality, wherever in the world it is performed.

The objective of the Deloitte Global Audit Quality Monitoring & Measurement (AQMM) program is to communicate relevant, reliable, and timely information to leadership in order to enable swift responsive remedial actions and continuous improvement in Deloitte’s system of quality control. This includes the identification of deficiencies and good practices in the system of quality control and the assessment of the effectiveness of remedial actions in driving improvements in audit quality.

## In-flight monitoring

Continuous audit quality monitoring by Deloitte Netherlands involves the proactive identification of audit issues on in-flight engagements in order to drive timely solutions and real time corrective actions. This is achieved through the following suite of activities:

- Deployment and monitoring of a series of core diagnostics, enabling engagement partners and teams, as well as Deloitte Netherlands audit quality leader(s) to continuously monitor audit quality and take immediate action.
- A program of subject matter specific “health checks” to assist Deloitte Netherlands audit quality leader(s) in assessing progress and identifying potential issues on in-flight engagements.
- Performance reviews of live engagements which allows Deloitte Netherlands to proactively identify and remediate any quality issues throughout the audit.
- In-flight monitoring results are evaluated overall to determine whether additional communication and support is needed for audit engagement teams with respect to adherence to the audit methodology or updates thereto.

Internal inspections (in-flight)	21/22	20/21
Statutory audits	6	4
<i>Of which, PIE audits</i>	5	1
Non-statutory audits	0	1
<b>Total</b>	<b>6</b>	<b>5</b>

*Criteria: The publication of the final inspection results is leading in attributing an internal inspection to a financial year.*

## Engagement reviews

Key components of engagement reviews (internal practice reviews) include:

- Risk-based engagement selection and consideration of all major industries served by Deloitte Netherlands.
- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- External partners and deputies, independent of Deloitte Netherlands, who provide oversight over the firm’s practice review programs to drive global consistency.
- Identifying appropriate resources (from within Deloitte Netherlands as well as from other Deloitte geographies) with the right experience and industry knowledge, including establishing central review teams.

In 2021/2022 a total of 50 files (2020/2021: 22 files) were inspected internally. These included archived files as well as files relating to ongoing engagements (in-flight).

A total of 44 archived files were inspected in 2021/2022 (2020/2021: 17 files). Thirty two files were rated ‘compliant’. Four files were rated “non-compliant” (2020/2021: 2 files), while eight files were rated “improvement required” (2020/2021: 4 files). Six in-flight inspections were held in the 2021/2022 reporting year (2020/2021: 5). Two files were rated “minimal intervention” (2020/2021: 2), while three files were rated “moderate intervention” (2020/2021: 1). One in-flight review was stopped and terminated in 2021/2022.



Internal inspections on archived files	21/22	20/21
Statutory audits	32	14
<i>Of which, PIE audits</i>	6	3
Non-statutory audits	12	3
<b>Total</b>	<b>44</b>	<b>17</b>

*Criteria: The publication of the final inspection results is leading in attributing an internal inspection to a financial year.*

## Engagement Quality Control Reviews (EQCR)

Internal inspections in previous years showed that our policies on Engagement Quality Control Review could be improved. Taking this into consideration, the EQCR plan for 2020-2022 was built around our assessment of quality risks ("What could go wrong?"), our proposed responses to these risks and our monitoring activities.

Our initiatives are concentrated around the Deloitte Conditions for Success: i) Recognition and reward; ii) Audit workload; iii) Client quality and profitability; iv) Workflow and sequencing, and v) Investment in quality. We continued our focus on the robustness of EQCR procedures applying to (i) engagements for public interest entities (PIE) and (ii) other complex engagements with an increased risk profile due to their nature, size or complexity.

EQCR performed & hours spent	21/22	20/21
Mandatory EQCR (OKB)	130	135
Voluntary EQCR	349	589
# EQCR on statutory audit	478	724
% of hours spent on EQCRs for statutory audits with EQCR	2,5%	2,7%

*Criteria: Total number of EQCRs and hours spent (based on hours registered in financial administration) for statutory audits with a normal, greater than normal or much greater than normal assignment risk.*

## System of quality control (SQC) review

SQC review includes numerous elements such as documenting key areas of the SQC processes and procedures and performing operating effectiveness testing of the SQC, including execution of a comprehensive SQC review program. Testing of the SQC is an integral part of the firm's monitoring activities

Audit Quality Indicators (AQIs), including the Deloitte Conditions for Success (DCS), are used in conjunction with other metrics to further assist Deloitte Netherlands in

developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey.

## External inspections

In addition to Deloitte Netherlands' own monitoring of audit quality, we are subject to external inspections by the Royal Netherlands Institute of Chartered Accountants (NBA), The Dutch Authority for the Financial Markets (AFM), the US Public Company Accounting Oversight Board (PCAOB), the Dutch Central Government Audit Service (ADR) and the Dutch Ministry of Education, as summarized in the table below. The external inspections performed by the AFM, PCAOB and NBA are not performed annually.

In October 2021 the AFM published [their assessment](#) on the impact of supervisory boards of PIE audit firms. Based on an assessment the AFM stated that supervisory boards of PIE audit firms have impact on the preconditions for quality and may reduce vulnerabilities in the structure of the audit sector. The extent to which differs per supervisory board, partly due to challenges in the governance. Deloitte endorses the impact of the supervisory board.

As a member of the CEAOB, the AFM conducted a [survey](#) on the topic of materiality among the four largest audit firms in the Netherlands in 2021 and gather information about the determination of the methodology in 40 statutory audits of financial statements of PIEs. The survey found a number of differences between the audit firms when it comes to their methodology for determining materiality and the application of that methodology in statutory audits.

In December 2021 The Dutch Authority for the Financial Markets (AFM) published [its report](#) on the quality of statutory audits provided through the Internal Quality Reviews (IQRs) by PIE audit firms. The AFM assessed the following elements: selection, execution, weighting, communication, and remediation. The audit firms gain insight into their achieved quality. As a part of this review the AFM selected and inspected three statutory audit files on a focus areas and concluded that all three files were rated 'compliant'.

In the reporting year 2021/2022 both the Ministry of Education and the Dutch Central Government Audit Service (ADR) performed a total of seven file-inspections. All seven were graded as 'compliant'.

Next to the regular external inspections the Dutch Central Government Audit Service (ADR) also performed reviews on the 'Tijdelijke Noodmaatregel Overbrugging voor behoud van Werkgelegenheid' hereafter 'NOW

government support’. The ADR has reviewed whether sufficient audit information was obtained to provide an opinion on the NOW government support. Three files were inspected – all for the NOW1 period - and were graded as ‘compliant’.

External inspections	21/22	20/21
AFM	3	0
PCAOB	0	3
SISA (incl. WNT)	1	1
Ministry of Education	6	6
NBA	n/a	n/a
NOW audits	3	0
<b>Total</b>	<b>13</b>	<b>13</b>

**Criteria:** The publication of the final inspection results is leading in attributing an inspection to a financial year.

### Causal factor analysis and remediation

Continuous improvement is essential to Deloitte’s culture of quality and excellence. Understanding why deficiencies occur is critical to the design of effective actions to remediate findings. Our Causal Factor Analysis (CFA) program is aimed at identifying the underlying factors (root causes) that contributed to an outcome, whether positive or negative.

When deficiencies are identified, whether through internal or external monitoring activities, actions are taken to identify gaps and appropriate remediation activities. Remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An audit quality plan is prepared by Deloitte Netherlands and provides for effective implementation and monitoring of key audit quality priorities.

### Process of CFA

A CFA is triggered by significant internal inspection results (both positive and negative), SQC findings or thematic and incidental issues.

When performing a CFA, we first carry out desk research to ensure we fully understand the issue and use a behavioral survey to get an idea of team dynamics and personal experiences. Interviews are subsequently held with selected team members. Finally, root causes are reported using a core concept and tool for understanding a system (the “iceberg model”). This model shows, by analogy, how causal factors that drive behavior are, for the most part, subconscious; in other words, reside below the waterline. To understand behavior, it is vital,

therefore, to understand the underlying structures (cultural and structural norms) and mental models (deeply held beliefs, values and assumptions) that motivate behavior. Using this iceberg model enables us to expand our perception of certain events by increasing our awareness of how context and system dynamics influence behavior.

Audits are complex: as a result, a certain finding/event often cannot be explained by a single root cause. We therefore adopt a systems thinking approach in our CFA methodology. This holistic approach focuses on how system elements interrelate and enables us to look beyond one-dimensional root causes, while also exposing implicit and explicit structures, ways of thinking and patterns that drive behavior.

CFAs are performed by a committed team of analysts. During the 2022 AQMM year we expanded our CFA capacity. The team currently consists of six audit partners/directors, six audit senior managers and a behavioral specialist.



## Overview of incidents & complaints

### Incidents in 2021/2022

Deloitte did not report any incidents to the supervisory authority during the 2021/2022 financial year.

### Update on cases reported as incidents in previous years

#### Steinhoff (an incident reported in 2017/2018)

After the Dutch court sanctioned the settlement by Steinhoff in suspension of payment proceedings (“homologatie van het akkoord in surseance van betaling”) the South African Court also sanctioned in January 2022 the settlement by Steinhoff of shareholder claims (the court order on the S155 suspension of payment Proposal). All conditions to the settlements of Steinhoff, Deloitte and the D&O insurers being met, the settlement of Steinhoff and the parallel settlement by Deloitte has become final. The Steinhoff, Deloitte and the D&O insurers contribution to the Steinhoff settlement has been paid to the Foundation “Steinhoff Recovery Foundation”. Shareholders have filed their claims with this Foundation. The settlement funds will be distributed by this Foundation among the shareholders according to the distribution plan as confirmed by the courts. All litigation has been closed and the appeal filed by the auditor against the judgement of the disciplinary court was withdrawn.

#### Complaints procedure

Recourse was sought to the Deloitte Netherlands complaints procedure on seventeen occasions during the 2021/2022 financial year.

Of these seventeen cases, two were internal complaints: one of these related to facilities, while the other related to integrity issues.

Of the fifteen external complaints registered, six related to activities in various parts of Deloitte Accountants B.V. or Deloitte Accountancy & Advies B.V. Two of these six complaints were dismissed, while three were settled amicably and the other complaint was not handled because Deloitte was not the correct party to address it.

Two of the remaining external complaints related to Tax: one of these was settled amicably, while the other was found not to be justified.

The other seven external complaints primarily involved Talent/HR and GSC-related issues. Of these seven complaints, one involved external communications and was settled amicably, one concerned office property and was referred to the relevant landlord, and one related to the use of social media, but was not followed up because the matter did not involve Deloitte.

Meanwhile one complaint related to a civil matter between a foreign Deloitte employee and the latter's landlord and was not appropriate for follow-up by Deloitte Netherlands, while two complaints related to a recruitment issue and were resolved by Talent, and one involved incorrectly processed travel expenses.

#### Disciplinary complaints

During the 2021/2022 financial year two new disciplinary complaints were recorded in respect of services provided by Deloitte Accountants B.V.

The first complaint related to an audit by Deloitte and the (non)-compliance of the audited company with Privacy regulations.

The second complaint was filed against a member and a former member of the Board. In summary the complaint is that these board members have not acted adequately upon previous notifications of unethical behaviour by this plaintiff. These previous ethical notifications and complaints were not related to acts of the two (former) board members themselves and were not related to Deloitte Accountants B.V.

#### Civil proceedings

During the 2021/2022 financial year civil proceedings were instituted against Deloitte Accountants B.V., relating to an audit of a family owned business in 1998 triggered by a dispute within the family on the inheritance and estate assets.

# Lessons learned from deficiencies and good practices

We believe in the concept of continuous improvement and recognize the value of insights derived from deficiencies identified through the internal monitoring procedures in our AQM&M program. The questions raised in our consultation process, as well as findings from internal and external reviews, the results of the causal factor analyses we perform, and themes identified during engagement quality reviews, also provide us with detailed insights. It is these insights that help our professionals to reflect and learn in an ongoing effort to improve our products, services and processes.

To enable our professionals to benefit from such lessons, we centrally log occurrences in situations where we conclude that compliance with the requirements of the Audit Firms Supervision Act could be enhanced, as well as logging details of the good practices we encounter. This log is a standardized source of information that can be used for performing causal factor analyses and as input for developing training materials and coaching programs. In a combined meeting with the various process owners in our AQMM program we then determine the steps to be

taken in accordance with our Plan-Do-Check-Act (PDCA) cycle.

In seeking to enhance a learning organization, we differentiate systematic, repetitive and other significant deficiencies from deficiencies of a more isolated character or that are clearly trivial in nature or impact. By communicating lessons learned, the next steps and our considerations in this respect, we aim to create an environment where professionals feel free to discuss the concept of audit quality, to openly share potential dilemmas in day-to-day practice, and to help each other to do the right thing from a public interest perspective. We use our digital platforms (specifically our intranet, webcasts and Technical Library) to communicate lessons learned. Our aim is to create an environment in which practitioners are challenged to learn. During the reporting year we organized learning and coaching sessions, a seasonal flyer and a specific webcast before the busy season to share lessons learned. Some examples from our consultation process, as well as findings from reviews, are set out below.

Theme	Explanation	Actions taken
<b>Accounting</b>		
Disclosure of employee benefits and board-remuneration	<ul style="list-style-type: none"> <li>Employee benefits and remuneration schemes were inadequately disclosed (SARs, related party transactions).</li> </ul>	<ul style="list-style-type: none"> <li>We emphasized the importance of a comprehensive understanding of employee benefits and board remuneration (by enquiries and inspection of documentation) in our Lessons Learned flyer.</li> </ul>
<b>Audit</b>		
Risk assessment	<ul style="list-style-type: none"> <li>Our internal inspections found the risks of material misstatement sometimes to be described too generally, thus increasing the likelihood that planned further audit procedures would not be appropriately tailored (i.e., would not be sufficiently responsive to the risk existing).</li> </ul>	<ul style="list-style-type: none"> <li>We communicated expectations regarding the thoroughness of risk assessment in our bi-monthly flyer so as to raise awareness of various technical matters (including fact-based, quantitative and qualitative considerations).</li> <li>Our annual coaching program includes risk assessment coaching on a risk-based selection of audit engagements.</li> </ul>

		<ul style="list-style-type: none"> <li>• Good practice: Present and visible leadership/coaching and development on the job.</li> </ul>
Fraud	<ul style="list-style-type: none"> <li>• We noted that, in some cases, journal entry testing (part of the mandatory audit response to the presumed risk of material misstatement due to management override of controls) lacked sufficient focus and rigor, thus reducing the effectiveness of the procedures designed to decrease the risk of fraud.</li> </ul>	<ul style="list-style-type: none"> <li>• We released a new management override of controls guide and facilitated a training session for all audit professionals on this topic.  The material includes detailed information on key concepts (f.e. scoping of journal entry testing procedures), expectations and examples, questions and answers.</li> <li>• Good practice: Focusing risk and involvement of forensic expert</li> </ul>
Estimates	<ul style="list-style-type: none"> <li>• We noted that when performing audit procedures on management estimates, audit teams generally pay most attention to evidence that corroborates management’s assertions.</li> </ul>	<ul style="list-style-type: none"> <li>• We launched a webcast and emphasized the need for professional skepticism (e.g., drawing attention to evidence contradicting such assertions) in our bi-monthly flyer. To achieve this goal, audit teams are encouraged to “stand back” and take a more holistic or deliberative approach.</li> <li>• Good practice: Explicit incorporation of fraud schemes and red flags in the fraud risk assessment (to challenge existing beliefs about management’s incentives) and in doing so provide a detailed, concrete fraud risk assessment.</li> </ul>

**System of Quality Control**

Timely and sufficient registration of financial relationships in the Global Independence Monitoring System (GIMS)	<ul style="list-style-type: none"> <li>• Timely and precise documentation in the GIMS of financial relationships involving partners, client-facing managers and their immediate family members is important for safeguarding independence. The complexity of the rules is a contributory factor to too many violations.</li> </ul>	<ul style="list-style-type: none"> <li>• We have devoted considerable attention to educating our people on regulations regarding financial independence. A clear set of penalties applying in the event of violations has also been introduced to emphasize the importance of GIMS registration.</li> </ul>
Consistency in execution of Engagement Quality Control Review (EQCR)	<ul style="list-style-type: none"> <li>• Consistency in executing EQCRs is important and an area we are working to improve, based on internal deep-dives and external inspections.</li> </ul>	<ul style="list-style-type: none"> <li>• We continue to do deep-dives on EQCRs executed. We have again updated the template documentation used by our EQC reviewers, and organize targeted EQCR academies for them.</li> </ul>
Overdue timing of engagement level remediations (following internal review findings)	<ul style="list-style-type: none"> <li>• While we have identified instances where remedial work was not finalized in time, we have also seen a substantial improvement since last year.</li> </ul>	<ul style="list-style-type: none"> <li>• We have maintained our intensified monitoring of timely remediation on a monthly basis. Consistent with this, adherence with deadlines for timely realization is a formal element in the evaluations of partners’ and directors’ performance.</li> </ul>

Theme	Explanation	Actions taken
<b><i>System of Quality Control</i></b>		
Adherence to audit milestone dates (planning/staging of the audit)	<ul style="list-style-type: none"> <li>• Good progress has been made compared to last year. However, further improvements are still needed: delays were noted in the adherence to pre-set (generic) audit milestone dates</li> </ul>	<ul style="list-style-type: none"> <li>• Like last year, audit milestone dates were pre-set for each partner and director, and adherence to audit milestones is an element in the evaluation of their performance. We have also improved our monitoring of adherence to audit milestones.</li> </ul>



# Audit Quality Indicators

**Table– Distribution of relative expenditure of time for P/D hours**

	2021/2022	2020/2021
Leverage on audit assignments by the number of partner/director hours as a percentage of the total number of hours	5.8%	6.0%

*Criteria: The hours recorded for partners and directors in the financial administration for statutory audit engagements of Deloitte Accountants B.V. in relation to the total number of hours recorded for these engagements. The hours recorded include hours spent on these engagements by other Deloitte Netherlands businesses contributing their expertise to audit engagements.*

**Table – Hours per FTE spent on audit and other engagements in total and by position**

	2021/2022			2020/2021		
	P/D	(Senior) Manager	Other	P/D	(Senior) Manager	Other
Hours spent on audit assignments	605	816	931	620	789	954
Hours spent on other assignments	234	365	382	271	393	401
Total direct hours per FTE	839	1,181	1,313	891	1,182	1,355

*Criteria: The hours recorded per FTE (from Deloitte Accountants B.V.) in the financial administration, divided between activities on statutory audits and other activities. Recorded hours of other Deloitte companies are excluded.*

**Table: Specialists deployed during PIE and non-PIE audit assignments**

	2021/2022		2020/2021	
	PIE	Non-PIE	PIE	Non-PIE
Risk Advisory (including IT audit)	13.4%	6.5%	13.3%	7.0%
Tax & Legal	1.2%	0.7%	1.4%	0.6%
Financial Advisory	3.0%	2.1%	3.2%	1.9%
Miscellaneous	0.1%	0.2%	n/a	0.1%

*Criteria: The hours of specialists, based on the company that provides support to the audit assignment, recorded in the financial administration and divided between activities on statutory Deloitte Accountants B.V. audits on PIE and non-PIE engagements. The hours calculated include hours spent by specialists on sub-assignments set up in other entities linked to the statutory audit performed by Deloitte Accountants B.V.*

# Independence, ethics, and additional disclosures

## Deloitte Global Independence



Sets **independence policies and procedural expectations** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and, where applicable, the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board.



Supports firms, as needed, with their annual SQC review and gives insights into global areas of focus. On a three-year cycle, Deloitte Global Independence provides **independence subject matter expertise that is leveraged during the firms' annual SQC review** as part of Audit Quality Monitoring & Measurement. In-depth follow-up reviews are conducted as needed.



Provides firms with **on-going independence expertise** through consultation—enabling continuous enhancements to global policies, procedural expectations, tools, and practice support activities.



Delivers **global systems** to provide its people with entity information to support compliance with personal and professional independence requirements, including financial interests, scope of service, approvals.



Promotes **independence awareness** across the Deloitte network through active engagement with independence and business leadership groups, periodic communications and alerts, and development of guidance, learning and instructions.

## Deloitte Netherlands Independence

Deloitte Netherlands has policies and procedures designed to address compliance with applicable professional standards that relate to independence. These policies and procedures are based on the Deloitte Global Independence policy, and are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies.

Deloitte Netherlands leadership reinforces the importance of compliance with independence and related quality control standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of Deloitte Netherlands. Strategies and procedures to communicate the importance of independence to partners, other practitioners, and support staff have been adopted, emphasizing each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within Deloitte Netherlands,

including the design, implementation, operation, monitoring, and maintenance of the system of quality control related to independence.

For the Netherlands the supplemental independence requirements are Regulation (EU) 537/2014, the Audit Firms Supervision Act [*Wet toezicht accountantsorganisaties, Wta*], the Audit Firms Supervision Decree [*Besluit toezicht accountantsorganisaties, Bta*] and the Dutch Regulation on Auditor Independence [*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten, ViO*]. The key elements of the system of quality control that Deloitte Netherlands implemented in accordance with global independence policies include the following:

- implemented responses (policies, procedures, and controls) to quality risks it has identified for its key independence areas;
- Performed appropriate monitoring activities over its key independence areas; and
- Has appropriate independence governance in place.

The firm’s key independence areas include:

- Client, engagement, and business relationships, including use of the independence business process tools, the Deloitte Entity Search and Compliance (DESC) system, and the Service Request Monitoring (SRM) application
- Firm and personal financial relationships, including the use of the Global Independence Monitoring System (GIMS)
- Employment and other relationships
- Independence confirmations
- Independence consultations
- Independence-related policies, communications, and learning
- Breaches of independence requirements
- Disciplinary measures for failures to adhere to applicable independence requirements



**DESC**

Deloitte Entity Search and Compliance

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions



**SRM**

Service Request Monitoring

Application integrated with DESC that provides a standard business process workflow for submitting and reviewing preapproval requests to provide services to [and enter into business relationships with] clients



**GIMS**

Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators

**Long association requirements of audit partners and practitioners**

Deloitte Netherlands complies with the applicable rotation requirements of the Wta, ViO, IESBA Code of Ethics and the US Securities and Exchange Commission, where required.

Monitoring of rotation requirements and overall threats to independence arising from the long-term association of senior members of the audit team is an integral part of the independence practice reviews performed on a selection of audit files. Approval from the Director of

Independence is required if a member of the Audit/Assurance team has been involved in a senior role in the provision of assurance services to the Audit/Non-audit Assurance Client and/or its affiliates for seven or more consecutive financial years and the engagement team concludes that there is no independence threat. Monitoring of long association for Partners and Key Audit partners is in place for PIEs.

**Inspection and testing procedures of personal independence**

Deloitte performs an annual assessment on a selection of partners, directors and senior and other managers in order to establish whether they observe the independence rules and compliance requirements relating to personal independence. All individuals holding a leadership position are tested annually. Based on the DTTL requirements, all partners and directors are assessed at least once every five years. On an annual basis, in accordance with DTTL instructions, a percentage of the senior and other manager population is tested. Additionally, Deloitte performs inspection and testing procedures on all candidates for partnership and directorship and for lateral hires on certain levels. The Director of Independence annually reports the outcomes of these procedures to the Reputation & Risk Leader, the Executive Board, the Supervisory Board and DTTL Global Independence.

**Firm transactions**

Deloitte Netherlands has policies and procedures in place to ensure—among other things—that potential independence concerns related to transactions, such as acquisitions or divestments, are identified and resolved in a timely manner. During the year 2021/2022, Deloitte the group has acquired three businesses, so called Geography Firm transactions. All acquisitions are consulting related activities in the field of ServiceNow implementations, pricing software and business integration.

**Compliance with applicable policies**

Deloitte Netherlands has a disciplinary policy targeting non-compliance with internal and external independence policies or procedures. During 2021 Deloitte Netherlands performed 198 (personal) independence assessments of partners and employees (2020: 232 assessments). The findings involved instances of non-compliance with the applicable internal policies on timeliness and accuracy of the registrations in the Global Independence Monitoring System. The level of compliance is not yet at the desired level and further actions have been implemented to improve as also mentioned in the paragraph on lessons learned above.

## Ethics

All Deloitte people are expected to act with integrity in accordance with high ethical standards as described in the Deloitte [Global Principles of Business Conduct](#) (“Global Code”). The Global Code is embedded into each member firm’s Code of Conduct and defines the commitments that all Deloitte people make regarding ethical standards, as well as explaining each individual’s responsibilities to their clients, colleagues, and society.

Deloitte Netherlands maintains policies and procedures that build on the global policies and are designed to provide reasonable assurance that its people comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by Deloitte Netherlands are in accordance with VGBA requirements. Deloitte Netherlands also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, a standard-setting body of the International Federation of Accountants (IFAC). When [the national professional requirements] are more restrictive than the Deloitte Global policies and procedures, Deloitte Netherlands follows the applicable national requirements.

## Making an Impact

Our culture of ethics and integrity is fundamental to our Purpose, to making an impact that matters and becoming the undisputed leader in professional services. The number one action to achieving this Purpose is to stand firm for doing the right thing.

Our NSE Code of Conduct sets out our DTTL Shared Values and Global Principles of Business Conduct. These are critical to our reputation and continued success, and are embedded in everything we do: how we serve clients, how we direct our businesses, how we work together and how we contribute to society. Fundamentally, the reputation of our firm rests on the personal ethics of every Deloitte. Our ethics programme is designed to build trust in our professions and among our professionals, strengthen our reputation and relationships with stakeholders, minimize ethical risk, and help all our people to make the best professional choices. This becomes even more important given our growing and more diverse organisation.

## Governance

There is an appointed Ethics Leader in the Netherlands, who is responsible for helping our professionals and

leaders in our firm to understand what is expected of them, ensuring that they comply, and seeing that there are appropriate consequences for ethical lapses. The Ethics Leader helps our leaders to set an ethical tone at the top and to build a culture of integrity.

Communication is key to building a consultative and “speak-up” culture. Our Chief Quality Officer is - in her role of NSE Ethics Leader - responsible for ethics within the NSE Firm. The NL- and NSE Ethics Leaders are supported by a Deputy Ethics Officer. Furthermore, the NL Ethics team currently consists of two confidential counsellors (‘vertrouwenspersonen’) and will soon be expanded by an extra internal and an external confidential counsellor.

The confidential counsellors are tasked with being the first point of contact for reporters, guidance during the process and aftercare, and have a duty of confidentiality according to the law. It’s not their role to find out the truth, but rather to support the reporter in proposing and discussing possible solutions. Employees, suppliers, business relationships, and other parties can also file a report - if they wish anonymously - using Speak Up, our 24/7 hotline that is run by an independent party. Twelve ethics ambassadors (partners and directors) in our businesses help to broaden the scope of the ethics programme, reaching out to all partners and Deloitte professionals, acting as linking pin between the business and the ethics team, and promoting our core values at a business level. On a periodic basis, the NL Ethics Leader reports on ethics issues and trends and the progress on the ethics programme to the NL Executive Board and NL Supervisory Board.

## Activities in 2021/2022

In 2021/2022, all newly promoted partners have attended - or will attend - the ‘Leading with Integrity workshop’, an interactive two-hour session that is delivered across the Deloitte network to all our partners around the world to help them drive consistency in the way they lead and build our Deloitte culture. All promoted directors have attended the Masterclass Ethical Leadership to emphasise the importance of setting an ethical tone at the top and building and maintaining a culture of integrity in their new leadership role. 86% of our professionals completed the ‘Ethics refresher’ e-learning for all partners and employees. This e-learning provides our people with 60 minutes to pause and reflect on the behaviors that are expected, consider ethical dilemmas, and find out more about what happens after a report has been made.

Especially in the last quarter of 2021/2022, we have seen an increase in the number of reported incidents this year

(a total of 94 in 2021/2022, compared to a total of 64 during 2020/2021 and 91 in 2019/2020). Although we cannot be sure about the exact explanation, we assume the return to office after COVID contributes to this observation. Furthermore we believe that the increasing reports of sexual misconduct in the Dutch news has put ‘ethics and integrity’ broadly on the agenda. As a direct response to this development, we organised dialogue sessions within our offices to facilitate the conversation with our employees about ethical and unethical behaviour, what do we expect from each other and the channels to report.

In September 2021, we measured the effectiveness of the ethics programme through our annual voluntary ethics survey. Many of our partners and employees across businesses responded to the survey, providing us with a clear view on how they see Deloitte as an ethical employer.

The survey results show that:

- There is an increased perception that Deloitte is an ethical place to work (98%, +1%). The overall awareness as well as the knowledge where to report (82%, -3%) unethical conduct has decreased.
- More people reported observed or experienced misconduct and there was a strong feeling that their report was addressed. Experienced retaliation also increased.
- Most observed or experienced unethical conduct is related to ‘Respect & Fair treatment’.
- Leadership has the most important influence on how our people experience ethics. There is important room for improvement for leadership to regularly put ethics on the agenda.

In addition, we relaunched the Values game, a virtual easy-to-use tool that is designed to kickstart conversations about culture, values and ethical dilemmas. It is meant to create awareness and mutual understanding and can be an easy and meaningful way to connect within teams while working remotely.

## Results

A total of 94 cases have been reported in FY22. From February – May 31 the number of cases has more than doubled. The increase in the number of cases in the last quarter of FY22 is also visible within NSE. The strongest increase is in the cases related to (sexual) harassment (nearly a fourfold increase) and to ‘fair treatment and inequality’ which are more than doubled. Obvious reason for this rise is the return to the office and the growing number of (informal) events after a long period of working from home due to COVID.

Four cases concerned incidents of alleged discrimination of which one case is still under investigation and one has been concluded ‘unsubstantiated’. The other two cases were related to the COVID policy.

These reports are from the entire Deloitte organization and is not limited to Deloitte Accountants B.V.

<b>Table: Number of reported incidents</b>	<b>21/22</b>	<b>20/21</b>
Professional conduct	5	16
Fair treatment or inequality	54	25
(Sexual) harassment	19	5
Corruption	0	0
Other or inquiry	16	18
<b>Total</b>	<b>94</b>	<b>64</b>

## Going forward

Our Ethics Operational Plan 2021-2023 is based on the number and nature of the ethics incidents and results of our ethics survey (see above).

The main priorities are:

- We need to further stimulate role model behaviour.
- We have to pay important attention to creating trust in reporting and mitigating (the risk of) retaliation.
- We must increase awareness of our ethics programme and reinforce a strong “speak-up” culture.

## **Statement on the effectiveness of the functioning of the internal system of quality control**

The Board of Deloitte Accountants B.V. recognizes its responsibilities for setting up and maintaining a system of quality control and related monitoring. Partly in response to the continuous internal evaluation that Deloitte Accountants B.V. performs, as described in this report, i) our system of quality control and the performance of our professionals has been further strengthened in the past year and ii) we see reason to continue that strengthening in the coming year.

Taking the above into account, we hereby declare that we evaluated the quality assurance and internal quality monitoring system on 29 September 2022 and established that:

- In our view, the quality assurance system of Deloitte Accountants B.V., as outlined in this report, performs effectively;
- Internal supervision of compliance with the independence regulations was performed;
- The technical professional knowledge of the employees and partners is of an adequate level and their knowledge of the developments in their professional field is up-to-date.

Rotterdam, 29 September 2022

Executive Board of Deloitte Accountants B.V.

Hans Honig

Oscar Snijders

Liesbeth Mol

Rob Bergmans

Johan Hopmans





# Deloitte Global Ethics

Deloitte is committed to conducting business with honesty, distinctive quality, and high standards of professional behavior.

Deloitte's Global Principles of Business Conduct ("Global Code") outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 345,000 people, giving a strong, principled foundation. The foundations of the network's ethics program is comprised of the following elements:





## Shaping the future of the audit profession

The provision of relevant and reliable financial and, increasingly, non-financial information is critical to both the capital markets and broader society. Policy makers, regulators, investors, company directors, audit committee chairs, and auditors all have an important role so that users of corporate information have a clear and complete picture of uncertainties and risks in a company's business model to help support their informed decision making.

Uncertainty and complexity are set to remain a central theme over the coming years, driven by heightened global challenges and the rapid advancement of technology.

Deloitte is committed to establishing a meaningful vision for the future of the profession which addresses the shifting needs of society. We are proactively engaging with a range of stakeholders to bring innovation into the audit of today—as well as the audit of tomorrow—to support the audit, corporate governance and reporting regime in continuing to serve their purpose to enable confidence and trust.



# Appendices

# Appendix A | EU EEA audit firms

## Disclosure in accordance with Article 13.2 (b)(ii)-(iv) of the EU Audit Regulation

**EU/EEA member state** (Article 13.2 (b)(iii) EU Audit Regulation: the countries in which each audit firm that is a member of the network is qualified as a statutory auditor or has its registered office, central administration, or principal place of business)

**Name of audit firms carrying out statutory audits in each member state** (Article 13.2 (b)(ii) EU Audit Regulation: the name of each audit firm that is a member of the network)

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
Austria	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
Belgium	Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	AS Deloitte Audit Eesti
Finland	Deloitte Oy
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Deloitte Audit Holding
	BEAS
	Cisane
	Constantin Associés
	D. Associations
	DB Consultant
	ECA Audit
	Opus 3.14 Audit et Conseil
	Pierre-Henri Scacchi et Associés
	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
Greece	Deloitte Certified Public Accountants S.A.
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP
Italy	Deloitte & Touche S.p.A.
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	Deloitte Lietuva UAB
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa Deloitte Audyt spółka z ograniczoną odpowiedzialnością
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, S.L.
Sweden	Deloitte AB

### Disclosure in accordance with Article 13.2 (b)(iv) of the EU Audit Regulation

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: € 2.1 billion<sup>3</sup>

<sup>3</sup> Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective member states provide statutory audit services as well as other audit, assurance, and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2022, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than the Euro is used in the member state, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2021 to 31 May 2022.

# Appendix B | Financial information

## Disclosure in accordance with Article 13.2 (k)(i)-(iv) of the EU Audit Regulation

Turnover 2021/2022	Statutory audits of financial statements	Other audit and assurance engagements	Assurance-related services	Subtotal	Other Services	Total
Statutory audits of entities' financial statements (PIE)	35 (33)	5 (6)	1 (1)	41 (40)	0 (0)	41 (40)
Other statutory audits of entities' financial statements	137 (128)	59 (53)	4 (10)	200 (191)	137 (80)	337 (271)
Non-statutory audits of entities' financial statements	0 (0)	39 (36)	1 (2)	40 (38)	6 (11)	46 (49)
Other assurance entities	0 (0)	1 (4)	3 (24)	4 (28)	109 (69)	113 (97)
Non-assurance entities	0 (0)	0 (0)	34 (54)	34 (54)	699 (518)	733 (572)
<b>Total</b>	<b>172 (161)*</b>	<b>104 (99)</b>	<b>43 (91)</b>	<b>319 (351)</b>	<b>951 (678)</b>	<b>1.270 (1.029)</b>

\* In the context of transparency Deloitte Accountants BV would like to inform the user of the Transparency Report about the following: in the Transparency Report 21/22 an error was made in the appendix B (page 58). In the financial information revenue was not assigned to the right category. This resulted in turnover on statutory audits of financial statements being understated. Where EUR 145 MIO revenue on statutory audits of financial statements was stated this should have been EUR 172 MIO (+27). Other categories were overstated: other audit & assurance engagements EUR +5 MIO; assurance related services EUR +11 MIO; other services EUR +11 MIO.

This was caused by the misallocation of turnover by specialists. The error has been reported to our regulator The Dutch Authority for the Financial Markets and has been corrected in the table above. The error has been analysed and is found to be not systematic and has not appeared in earlier editions of the Transparency Reports or financial statements. Additional measures have been taken by Deloitte Accountants B.V. to prevent errors to be made in the future.

### Criteria for the financial information:

The revenue of Deloitte Coöperatief U.A. refers to the revenue of Deloitte Coöperatief U.A. and its consolidated subsidiaries in the reporting year 2021/2022, as shown in the financial statements of Deloitte Coöperatief U.A.

This revenue is categorized according to the nature of the services provided by Deloitte and the category of the relevant entity:

- The sub-division by the type of service is made on the basis of the service classification of the engagement number under which the relevant revenue is shown in the financial accounts, with these service types being classed in four categories;
  - The sub-division by entity category is based on the classification of the entity, which is linked to the engagement number under which the relevant revenue is shown in the financial accounts, with these entities being classed in five categories.
- The sub-division is consistent with the generally accepted terms in legislation and regulations, as recorded in the Accounting Regulations Guide.



- The revenue amounts shown relate to the 2021/2022 reporting year. Revenue amounts for the 2020/2021 reporting year are shown in brackets for the purpose of comparison.

The above table presents revenues in a more detailed way – in line with the definition of a statutory audit in Article 1(1)(p) of the Audit Firms Supervision Act [Wet toezicht accountantsorganisaties], including attachments. This definition is more comprehensive than the definition of a statutory audit in Article 13(2)(k) of EU Regulation 537/2014.

# Appendix C | Public interest entities

## Disclosure in accordance with Article 13.2 (f) of the EU Audit Regulation

Public Interest Entities Audited for Statutory Purposes by Deloitte Accountants B.V. in 2021/2022

Name
Aalberts N.V.
AFC Ajax N.V.
Algemene Friese Onderlinge Schadeverzekeringsmaatschappij "Zevenwouden" U.A.
Alliander N.V.
Anadolubank Nederland N.V.
Ansvar Verzekeringsmaatschappij N.V.
Arcona Property Fund N.V.
argenx SE
Assurant Europe Insurance N.V.
Assurant Europe Life Insurance N.V.
Bayer Capital Corporation B.V.
BinckBank N.V.
bunq B.V.
Christelijke Woningstichting Patrimonium
Citco Bank Nederland N.V.
Climate Transition Capital
CM.com N.V.
CRH Funding B.V.
DCDML 2016-1 B.V.
de Woningstichting
DELA Natura- en levensverzekeringen N.V.
Delft 2020 B.V.
Demir-Halk Bank (Nederland) N.V.

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Domi 2019-1 B.V.

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Domi 2020-1 B.V.

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E.O.C. Onderlinge Schepenverzekering U.A

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EDML 2017-1 B.V.

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EDML 2018-1 B.V.

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EDML 2018-2 B.V.

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EDML 2019-1 B.V.

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E-MAC DE 2005-I B.V.

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E-MAC DE 2006-I B.V.

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E-MAC DE 2006-II B.V.

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E-MAC DE 2007-I B.V.

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E-MAC NL 2004-I B.V.

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E-MAC NL 2004-II B.V.

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E-MAC NL 2005-I B.V.

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E-MAC NL 2005-III B.V.

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E-MAC NL 2005-NHG II B.V.

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E-MAC NL 2006-II B.V.

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E-MAC NL 2006-NHG I B.V.

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E-MAC Program B.V.

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E-MAC Program II B.V.

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E-MAC Program III B.V.

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EMF-NL Prime 2008-A B.V.

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Eurosail-NL 2007-1 B.V.

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Eurosail-NL 2007-2 B.V.

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Fastned B.V.

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Givaudan Finance Europe B.V.

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H.I.G. Strategic Growth Europe B.V.

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Heineken Holding N.V.

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Heineken N.V.

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Holcim Sterling Finance

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IMCD N.V.

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IZA Zorgverzekeraar N.V.

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JDE Peet's N.V.

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Just Eat Takeaway.com N.V.

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Kendrion N.V.

---

Koninklijke Vopak N.V.

---

Louis Dreyfus Company Finance B.V.

---

Morgan Stanley B.V.

---

MUFG Bank (Europe) N.V.

---

N.V. Koninklijke Delftsch Aardewerfabriek De Porceleyne Fles Anno 1653

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N.V. Unive Zorg

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N.V. Zorgverzekeraar UMC

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Nederlandse Beleggingsmaatschappij voor Zeeschepen N.V.

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Norinchukin Bank Europe N.V.

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Novo Nordisk Finance (Netherlands) B.V.

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Onderlinge Verzekering Maatschappij ZLM

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Onderlinge Waarborgmaatschappij Zorg

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Pharming Group N.V.

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Phedina Hypotheken 2010 B.V.

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Randstad N.V.

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Redexis Gas Finance B.V.

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Roeminck Insurance N.V.

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Scildon N.V.

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Sligro Food Group N.V.

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Stedin Holding N.V.

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Stedin Netbeheer B.V.

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Stichting Acantus

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Stichting Accolade

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Stichting Actium

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Stichting Alwel

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Stichting Bazalt Wonen

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Stichting BPL Pensioen

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Stichting 'De Goede Woning'

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Stichting de Huismeesters

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Stichting Dunavie

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Stichting Elan Wonen

---

Stichting Idealis

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Stichting KleurrijkWonen

---

Stichting Mozaiek Wonen

---

Stichting Nester

---

Stichting Patrimonium Woonservice

---

Stichting Pensioenfonds Horeca & Catering

---

Stichting Pensioenfonds KPN

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Stichting Pensioenfonds Medisch Specialisten

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Stichting Pensioenfonds Metaal en Techniek

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Stichting Pensioenfonds van de ABN AMRO BANK N.V.

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Stichting Pensioenfonds voor Huisartsen

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Stichting QuaWonen

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Stichting Stadlander

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Stichting Studenten Huisvesting

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Stichting Thûs Wonen

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Stichting Trivire

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Stichting UWOON

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Stichting Wonen Limburg

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Stichting Wooncompas

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Stichting Woongoed Zeist

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Stichting Woonkwartier

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Stichting Woonplus Schiedam

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Stichting Woonveste

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Stichting Woonwaarts

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Success 2015 B.V.

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TenneT Holding B.V.

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TenneT TSO B.V.

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Unibail-Rodamco-Westfield N.V.

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Universal Music Group N.V.

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Vesteda Finance B.V.

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Veterfina Verzekeringsmaatschappij N.V.

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VGZ Zorgverzekeraar N.V.

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Waard Leven N.V.

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Waard Schade N.V.

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Wolters Kluwer N.V.

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Woningstichting De Goede Woning

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Woningstichting Domijn

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Woningstichting Eigen Haard

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Woningstichting GoedeStede

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Woningstichting Haag Wonen

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Woningstichting SWZ

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Woonstichting Centrada

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Woonstichting De Kernen

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