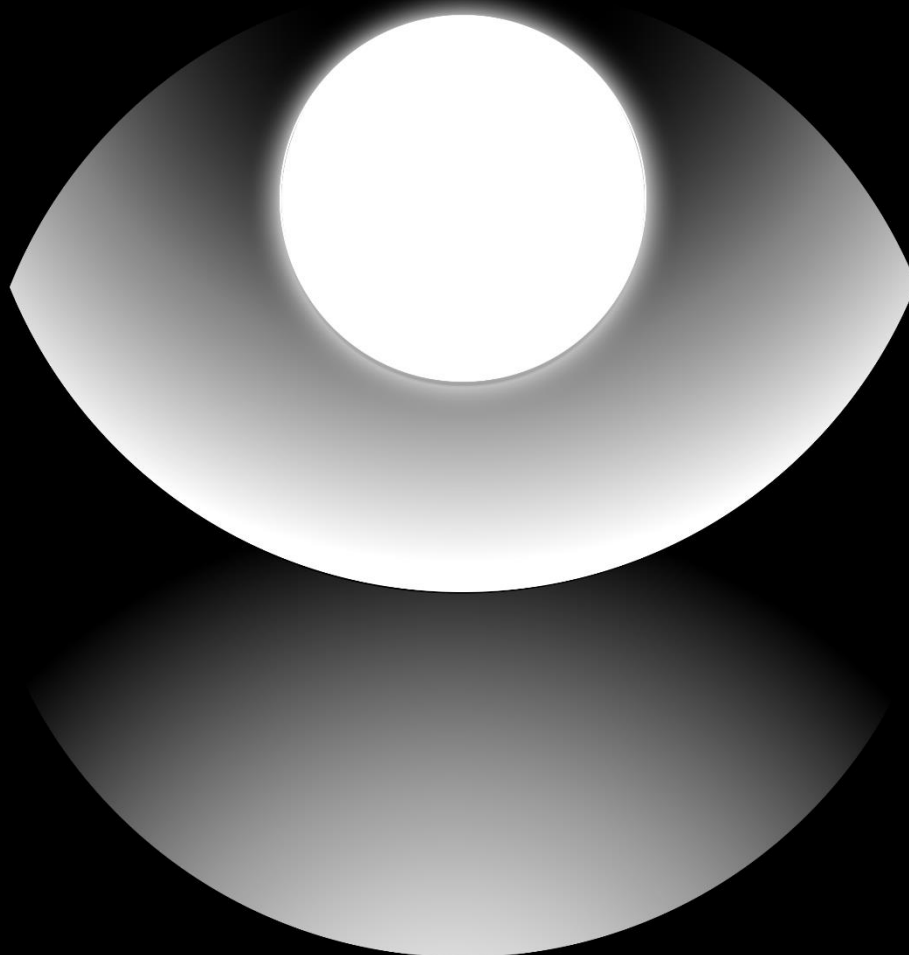


**Deloitte.**



**2019 Transparency Report**  
Deloitte Touche Tohmatsu Jaiyos  
Audit Co., Ltd.

Aspire with assurance

September 2019

Audit & Assurance ●

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# Deloitte Thailand Leadership Message

To our clients and stakeholders:

At Deloitte, we are committed and dedicated to delivering professional excellence and consistently performing audits which are of the highest quality to our clients and stakeholders. Audit quality is our foundation and our number one priority. We have implemented policies and procedures to foster a culture based on quality and integrity. Our people are committed to serving investors and the capital markets, and to building confidence in the independence audit process.

We actively promoted a culture of openness through dialogue and culture involvement by the firm leadership. We are committed to the highest levels of ethics, integrity and quality. This is evidenced by our business practices and client service standards, our leadership behavior and shared values, and most importantly, by the quality of the people we employ.

Our purpose is to make an impact that matters to our clients, our people and our society. We serve our clients by bringing innovative insights and helping them to solve complex challenges. Our shared values – lead the way, serve with integrity, take care of each other, foster inclusion and collaborate for measurable impact – guide the way we behave to make a positive, enduring impact.

In this report, we provide information on the principles, policies, standards and actions we have implemented in our audit practice. This report is prepared on a voluntary basis without any regulatory requirements. We hope it will offer you a deeper understanding of our continued commitment to quality and our steadfast adherence to high ethical principles and professional standards.

Sincerely,

Subhasakdi Krishnamra  
Country Managing Partner

Chavala Tienprasertkij  
Audit Leader





# Deloitte network

## Deloitte Thailand: legal structure and ownership

Before September 1, 2018, Deloitte Touche Tohmatsu Jaiyos Co., Ltd. is connected to the Deloitte network through Deloitte Southeast Asia Ltd., a member firm of Deloitte Touche Tohmatsu Limited. Deloitte Touche Tohmatsu Jaiyos Co., Ltd. is referred to throughout this report as "Deloitte Thailand. Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., a subsidiary of Deloitte Touche Tohmatsu Jaiyos Co., Ltd., is referred to throughout this report as "DTTJ Audit" and Deloitte Southeast Asia Ltd. is referred to throughout this report as "Deloitte SEA". Deloitte SEA holds practice rights to provide professional services using the "Deloitte" name which it extends to Deloitte entities within the territories of Brunei Darussalam, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam including Deloitte Thailand. DTTJ Audit is authorized to serve as an auditor for clients in Thailand. Deloitte Thailand and each of its primary subsidiaries – DTTJ Audit, Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd., and Deloitte Touche Tohmatsu Jaiyos Accounting Services Co., Ltd. - are private limited companies registered under the laws of Thailand. These subsidiaries provide audit, risk advisory, tax, consulting and financial advisory services. Each of the subsidiaries operates as a separate legal entity with its own management to align with the way we conduct our business. Each of these subsidiaries is owned, directly or indirectly, by Deloitte Touche Tohmatsu Jaiyos Co., Ltd. and by the partners who actively participate in the practice.

### Deloitte Southeast Asia Ltd. (Deloitte SEA)

Before September 1, 2018, Deloitte SEA was a member firm of Deloitte Touche Tohmatsu Limited. Deloitte SEA holds practice rights to provide

professional services using the "Deloitte" name which it extends to Deloitte entities within its territory which comprised of Brunei, Cambodia, Guam, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Comprising approximately 340 partners and 8,800 professionals in 25 office locations, the subsidiaries and affiliates of Deloitte SEA combine their technical expertise and deep industry knowledge to deliver consistent high quality services to companies in the region. All services are provided through the individual country practices, their subsidiaries and affiliates which are separate and independent legal entities.

### Deloitte Asia Pacific (Deloitte AP):

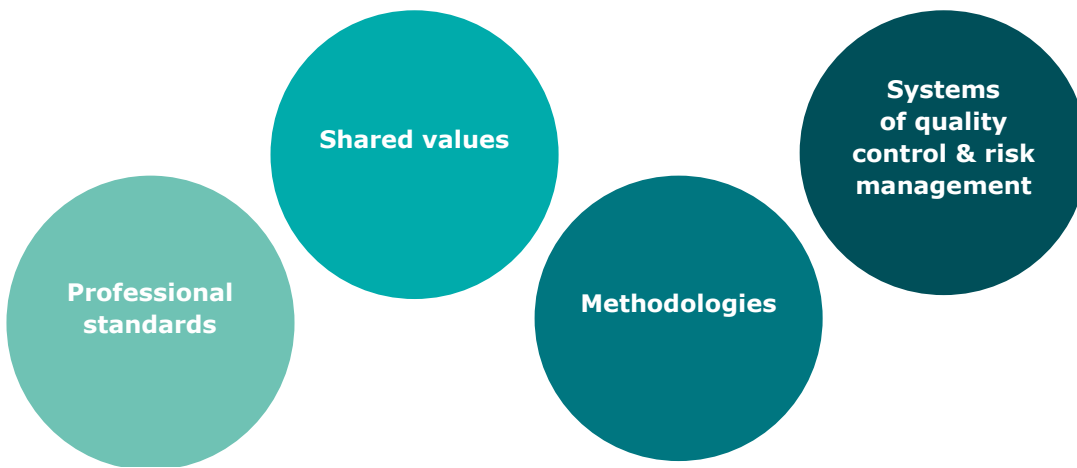
From September 1, 2018, Deloitte SEA, along with Deloitte firms in Australia, China, Japan and New Zealand, came together and formed Deloitte Asia Pacific (Deloitte AP). On September 1, 2018, Deloitte AP became the member firm of Deloitte Touche Tohmatsu Limited. Deloitte AP brings together over 44,500 professionals to provide multidisciplinary services to our clients. Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of Deloitte Touche Tohmatsu Limited. Members of Deloitte AP and their related entities provide services in Australia, Brunei Darussalam, Cambodia, East Timor, Federated States of Micronesia, Guam, Indonesia, Japan, Laos PDR, Malaysia, Mongolia, Myanmar, New Zealand, Palau, Papua New Guinea, Singapore, Thailand, Marshall Islands, Northern Mariana Islands, People's Republic of China (incl. Hong Kong SAR and Macau SAR), Philippines and Vietnam. In each of these, operations are conducted by separate and independent legal entities.



## Network description

### The Deloitte network

The Deloitte network is a globally connected network of member firms and their affiliates 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*)

Deloitte Touche Tohmatsu Limited is a UK private company limited by guarantee. DTTL serves a coordinating role for its member firms and their affiliates 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 affiliated entities.

For more information about the Deloitte network, please see: [About Deloitte](#).



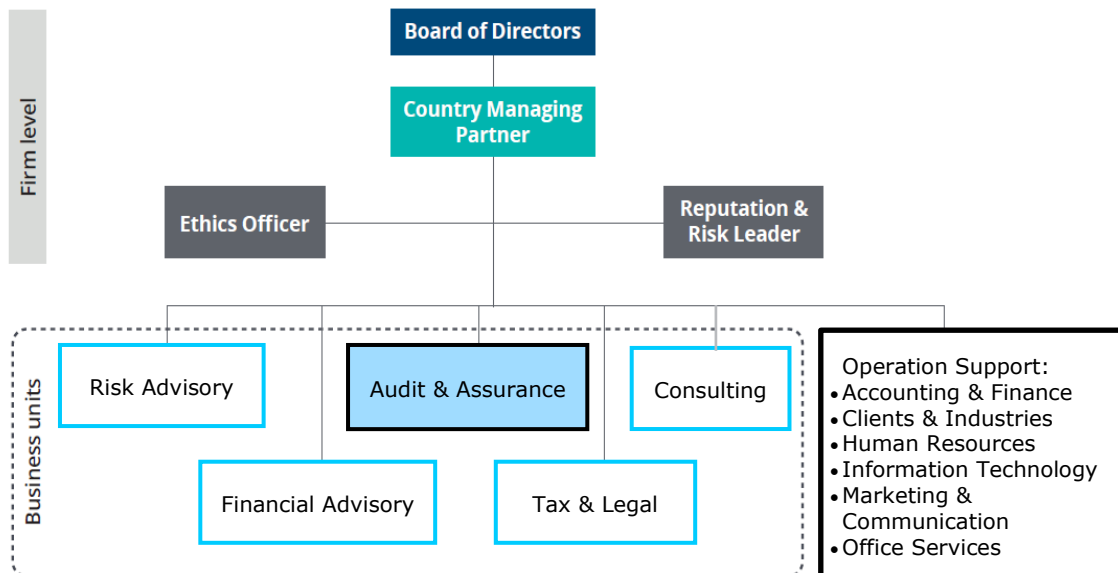
## Deloitte Touche Tohmatsu Jaiyos Co., Ltd. ("Deloitte Thailand"): governance – leadership in action

### Deloitte Thailand

Deloitte Thailand facilitates the coordination of the activities of its subsidiaries and has a management structure and a Board of Directors to provide governance across the organization.

The Board of Directors provides oversight and guidance to the management regarding operation and long-term strategy. The Board also reviews and approves actions on a variety of governance, operational and administrative matters. Deloitte Thailand has the full support and commitment of its Board of Directors and management team for its focus and dedication to Audit Quality. The Board is a governing body to facilitate the sound governance, the implementation of local rules and regulations and the implementation of DTTL and SEA policies and procedures. There are 5 members of the Board, one of whom is an independent non-executive director not involved in the business operation.

Deloitte Thailand Structure





## Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (“DTTJ Audit”)

### DTTJ Audit

DTTJ Audit is a subsidiary of Deloitte Thailand that provides audit, other attest services and audit advisory services to clients and is registered with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King to perform audit services.

DTTJ Audit Leader and senior management develop and implement the strategy for the Audit & Assurance practice, including related policies and procedures to comply with global, SEA and local requirements. In all of their activities, DTTJ Audit senior leaders are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. DTTJ Audit strategy is developed in alignment with the overall SEA and Global strategic direction established for the Deloitte network.

DTTJ Audit leaders participate in Deloitte network groups that set and monitor quality standards, and from which a number of audit quality initiatives emanate.



## Our purpose and commitment: instilling trust and confidence

At Deloitte Thailand, our purpose is to make an impact that matters. For Audit & Assurance, this means a focus on delivering independent high quality audits and instilling confidence and trust in the capital markets through our reports. This requires us to continuously build capabilities to support the delivery of high quality audits and make leading contributions to shaping the future of the audit profession.







# What Deloitte Audit & Assurance brings to capital markets

## Audit & Assurance Transformation

Being a relevant profession of the future and a sustainable practice that evolves with the pace of change in technology and society is critical. Driving this goal is the Deloitte Audit & Assurance Transformation initiative, which is currently being developed and deployed across the Deloitte network, including DTTJ Audit.

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

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

*most important issues and risks to drive globally consistent execution of Deloitte audits, leveraging scalable content and technology to comply with regulations and auditing standards.”*

## Audit engagement acceptance and continuance

As a part of Transformation efforts, global initiatives are underway to foster a standard approach to audit engagement acceptance across the Deloitte network, resulting in consistent decisions and consideration of risk.

*We exist because businesses and governments respect us, capital markets trust us, people want to work with us, and society benefits from the value we add.*

DTTJ Audit has detailed policies and procedures in place for accepting prospective clients and engagements and assessing engagement risk. These policies and procedures are designed with the objective that DTTJ Audit only accepts 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 ethical requirements and professional standards, including independence and conflicts of interest assessments and considerations.
- Considered the integrity of the potential client’s management team.

## Deloitte Global leadership

The Global Audit & Assurance Leadership Team is led by Jean-Marc Mickeler, Global Managing Director Audit & Assurance. Global Audit & Assurance responsibilities include:

- Developing and driving Audit & Assurance strategy.
- Setting audit methodology standards 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.

*“Deloitte Audit is the latest generation of Deloitte’s transformed audit platform. This comprehensive suite of capabilities delivers an insightful, customized audit approach that focuses on the*



### Audit innovation

With The Deloitte Way, Deloitte is bringing innovation into the core of how we audit: 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, clients get an experience that is less burdensome, with more transparency and deeper insight.

Innovation is 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 clients expect audits to evolve as they innovate their businesses and processes. While traditional procedures still have a place in auditing, Deloitte Thailand auditors are enhancing procedures by making more use of technology-based analytics, Artificial Intelligence (AI), cognitive & cloud-based technologies, etc. This is due in part to the increased automation and effectiveness such data analytics and other tools may provide, but also the need for DTTJ Audit to stay in front of technological advances used by the entities that we audit.

Innovation is an integral part of the entire audit delivery process.

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. This includes Illumia, our global analytics platform, as well as an integrated suite of enabling innovation tools all connected in the cloud. We are also developing our next-generation cloud-based audit delivery platform – Omnia – in addition to Levvia, a solution to support our very small audits.

 <b>COGNIA</b>	<b>How we equip our people</b> portal providing a full suite of tools
 <b>ILLUMIA</b>	<b>How we analyze data</b> approach to audit analytics
 <b>MAGNIA</b>	<b>How we deliver our audits</b> approach to audit delivery

DTTJ Audit has also developed a self-service platform, Rapier, which is designed to help practitioners to deliver quality, efficiency and value to clients. It is simple, intuitive and builds efficiencies into the administrative aspects of audits. As we carry on with our innovation journey, we will continue to invest in technology and innovation to facilitate effectiveness and efficiencies of our audits.

*"Audit Quality: is the lynchpin that will support or undermine Audit's successful transformation into a sustainable business."*

### Learning and development initiatives

Central to the Audit & Assurance Transformation initiative are various enhancements to the Deloitte talent and learning experience:

Deloitte's transformed approach to audit delivery is enabling our professionals to use more advanced analytics, apply the latest tools, technologies and more critical thinking, spend more time applying professional judgment, and gain a deeper understanding of a client's business and industry - all contributing to enhanced audit quality and an improved experience for our people.

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

- At the core, we have a single, global mandatory Audit technical learning curriculum for auditors, targeting learners by level, using a dynamic blend of live instructor-led, and digital on-demand courses and on-the-job activities.
- All client service professionals 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).

- Specific learning opportunities for traditional auditors (e.g. on big data) and specialists (e.g. audit skills). Mixed composition of traditional audits and specialists on engagement teams provides complementary skillsets, but also the need for different learning offerings.
- Enhanced project management, which is viewed as a key capability for the auditor of the future, and as such, is being integrated into talent strategies (e.g. recruitment and learning).

Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. Enhanced project management, a key capability for executing audit engagements, has been included in annual development programs. The objective of the DTTJ Audit professional development program is to help partners and other professionals maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, DTTJ Audit provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit Curriculum.

The annual processes for DTTJ Audit to monitor and follow up the courses:

- Communicate annual learning calendar for each level.
- Self responsibilities of staff to recheck and confirm accuracy of individual learning performance.
- Report summary of individual staff performance/CPE hours to all partners, counselors and performance team at least twice a year.
- Remind absentees to complete the sessions/mandatory courses in next learning cycle.

*To enable us to build consistently great leaders at all levels across the organization, a holistic approach encompasses more than formal learning is required; it includes Education, Experiences, and Exposures with clear Expectations at the center.*

*Each component of the framework provides a critical element in supporting our people in their career journey and enriching their talent experiences with Deloitte.*

### **Deloitte Thailand – One of Thailand Best Companies to work for in Asia 2019**

Deloitte Thailand is one of best companies to work for in Asia 2019 organized by HR Asia. Deloitte Thailand continues to build a diverse, inclusive and agile workforce that is deeply skilled and providing our people with exceptional professional experiences, including new approaches to connectivity, learning and development, and advancement.





### Deloitte University

Deloitte actively cultivates its collective knowledge and skills of professionals globally through continuing to invest in Deloitte Universities (DU). These are state-of-the-art learning and development centers focused on Deloitte culture, and rooted in the principles of connectedness and leadership in a highly inclusive learning environment.

Deloitte University Asia Pacific has been set up in Singapore and is committed to growing leadership skills at every level of the organisation. It provides corporate training for employees from the Asia Pacific region which includes team-based learning and business simulations.

Yearly, DTTJ Audit sends a group of professionals to the university to be trained on how to better develop strategic relationships with clients and reinforce their role as trusted business advisors, as well as to enhance their leadership capabilities.

# Deloitte.

# University

### Partner remuneration

Execution of high quality audits is expected from all professionals and is embedded across the Deloitte network. Audit quality is recognized through reward and recognition programs and is built into performance standards at every level, against which professionals' overall evaluations are measured.

In accordance with global policies, DTTJ Audit's partners are evaluated on a yearly basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Specifically, partner evaluations take the following factors into account:

- Demonstrates strict adherence to regulatory and risk compliance as well as consistent uncompromised delivery of quality client service.
- Supports and leads firm's strategies and initiatives, contributes as a leader in the firm.
- Demonstrates exemplary commitment and contribution to the attraction, development and retention of talent.
- Retains, strengthens, and expands strategic client relationships and consistently delivers high quality client work.
- Demonstrates a strong contribution to firm reputation and eminence building.



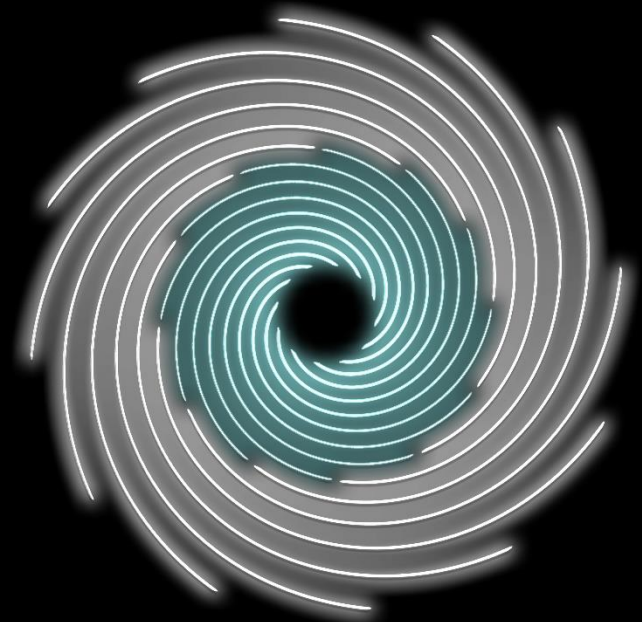
## The high quality audits we deliver

The experience of a high-quality audit, delivered well, will provide the audit committees, investors, and other stakeholders of the companies with (but not limited to):

- An audit report that is appropriate to the circumstances.
- Innovation in how we do the audit.
- More insights about their company than they had at the outset of the process.

*Quality is our essence.*

*Ensuring quality and instilling trust is the core mandate of audit, but it's also what stretches us to go further. Each day, we push, we question, and we redefine what audit can and should do. For us, quality isn't just about consistently conducting the audit to the highest standards, but about questioning what gets audited and why.*





# External and internal audit quality monitoring

## Audit Quality Monitoring & Measurement

A continued focus on audit quality is of key 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 objectives of the Global Audit Quality Monitoring & Measurement (AQMM) program are to:

- Transform the way audit quality is monitored and measured and audit deficiencies are resolved; and
- Enhance the internal system of quality control which all Deloitte network firms follow.

The AQMM program is focused on driving:

- Continuous, consistent, and robust monitoring of completed and in-flight engagements.
- Fundamental understanding of deficiencies and timely execution of corrective actions by all member firms consistently.
- Greater transparency and consistency in reporting key measures of audit quality.

DTTJ Audit maintains policies and procedures to promote an internal culture based on the recognition that quality is the number one priority. DTTJ Audit focuses on professional excellence as the foundation for achieving audit quality on a consistent basis.

*Audit Quality Milestones (AQMs) are instrumental in enabling engagement teams to improve audit quality and increase operational excellence of audits, which is critical in driving a successful transformation of the Audit & Assurance business.*

## Multidisciplinary model

Audit is the foundation of the Deloitte brand. In addition to Audit & Assurance, Deloitte Thailand has Consulting, Financial Advisory, Risk Advisory, and Tax & Legal practices. The diversity of five different businesses under one umbrella (multidisciplinary model) is one of the key differentiators of high-quality audits.

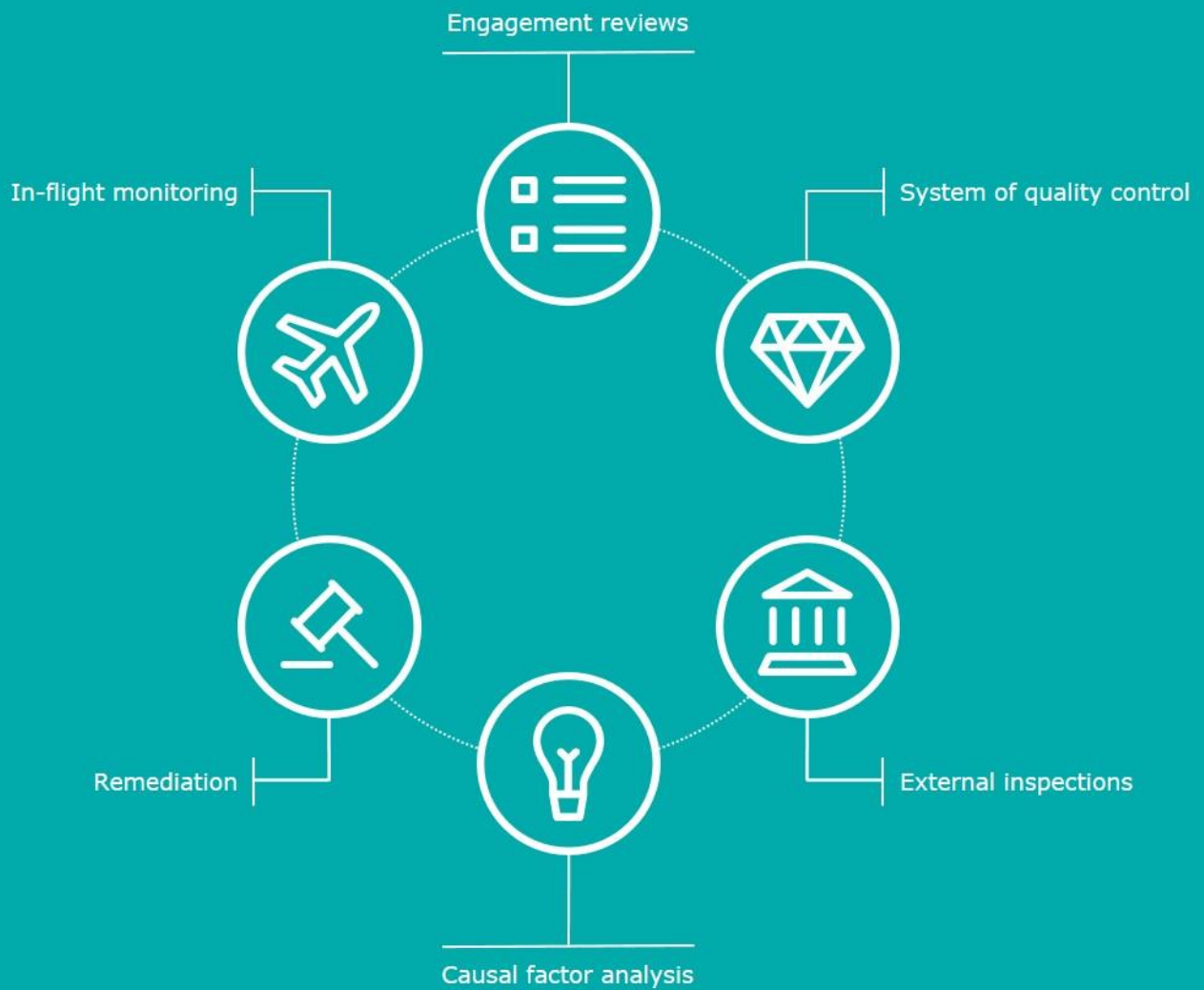
Among the benefits of the multidisciplinary model for audit:

- It is possible to develop industry insights through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audits.
- The audit practice has immediate access to specialized resources and expertise in other business lines. It promotes audit quality because auditors can tap the expertise of advisory professionals who are skilled in subjects that often are not native to auditors.
- A diverse organization helps attract and retain premier talent.
- Intellectual capital is available within the network to innovate audit processes, technologies, etc.

Negative quality events have the potential to impact the Deloitte brand as a whole. As such, each non-audit Deloitte business has a shared and vested interest in supporting audit quality initiatives.



# Audit Quality Monitoring & Measurement







### In-flight monitoring

Continuous audit quality monitoring by DTTJ Audit drives a faster response to audit issues on “in-flight” engagements, driving identification, timely solutions, and real time corrective actions achieved by:

- Deployment and monitoring of a series of core Diagnostics, enabling engagement partners and teams, as well as audit quality leader of DTTJ Audit to continuously monitor audit quality and take immediate action.
- A program of subject matter specific “health checks” to assist audit quality leaders of DTTJ Audit in assessing progress and identifying potential issues on in-flight engagements.
- An integrated approach to monitoring and measuring execution of the audit methodology enhancements.

As global financial markets continue to evolve, DTTJ Audit is enhancing its risk-focused audit approach, centered around internal controls, to deliver a consistent high quality, relevant and distinctive audit, and establish DTTJ Audit as the leader of the profession.

We will achieve this vision by:

- Securing commitment from global and member firm leadership to successfully accomplish and sustain the change.
- Changing auditor mindset to embrace the value of an internal controls strategy.
- Continuously improving our audit methodology to emphasize the important role of internal controls.
- Reviewing business processes to gain a deeper understanding of our clients, their businesses and risks.
- Defining a broader set of audit deliverables that demonstrate deep insights through innovative reporting (e.g. visualization of controls operating effectively).
- Providing support materials to facilitate auditor conversations with clients about the importance and benefits of internal controls.
- Providing tools and resources to equip our practitioners to build professional excellence on internal controls.

### Engagement reviews

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

- Risk-based engagement selection and consideration of all major industries served by DTTJ Audit.

- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- External partners and deputies who oversee practice reviews to increase global consistency.
- Identifying appropriate resources (from within Deloitte SEA as well as from other Deloitte geographies) with the right experience and industry expertise, including establishing central review teams.

### System of quality control (SQC)

SQC includes numerous elements such as documenting key areas of the SQC processes and controls and performing procedures for testing the operating effectiveness of the SQC, including execution of a comprehensive SQC review program. Used in conjunction with other metrics, Audit Quality Indicators (AQIs) further assist DTTJ Audit in developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey. AQIs are integrated with ongoing AQMM activities.

In addition, proper timing and sequencing of audit activities, including timely reviews of work performed and the resolution of matters identified, are closely associated with high quality audits. Audit Quality Milestones are intended to drive consistency of engagement teams in project management, timing of when work is done, and necessary focus on engagement staffing, including sufficiency and expertise of assigned resources.

### Causal factor analysis and remediation

Focusing on continuous improvement is essential to driving improvements in audit quality. Understanding why audit deficiencies occur is essential to the design of effective actions to remediate findings. Further, actions are taken when audit deficiencies in the performance of an audit engagement are identified. Engagement level remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An Audit Quality Plan is prepared by DTTJ Audit and provides for effective implementation and monitoring of key audit quality priorities.





### External inspections

In addition to DTTJ Audit own monitoring of audit quality, we are subject to external reviews by the Securities and Exchange Commission of Thailand (SEC Thailand) to assess and evaluate the firm-level quality controls to determine whether they comply with the Thai Standard on Quality Control 1 ("TSQC1"), which is equivalent to the internationally known ISQC1. SEC Thailand will also review engagement files from newly applied or renewed SEC Thailand approved auditors to assess whether audits are executed in accordance with both Deloitte policies and Thai Standards of Auditing.

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

We confirm that we are satisfied that our internal quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our system of quality control.

SEC Inspections (TSQC1)	Firm Rating obtained
1 <sup>st</sup> Inspection (Year 2010)	Very Good
2 <sup>nd</sup> Inspection (Years 2013-2014)	Very Good
3 <sup>rd</sup> Inspection (year 2015-2016)	Very Good
4 <sup>th</sup> Inspection (Years 2017-2018)	Very Good



## The organizational capabilities we build

Deloitte culture and the design of our learning programs place our people at the forefront. Deloitte professionals are technically proficient with high level of ethics, integrity, professional skepticism, and objectivity, and continuously enhancing.

Deloitte is committed to developing its people and accelerating their careers by creating a life-long learning environment. We are advancing audit education, skillsets, and flexible career options that appeal to future auditors.

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

We are driving a sustainable audit and assurance business that compensates its people fairly and funds ongoing investment in our business.





# Independence, ethics, and additional disclosures

## Deloitte Global Independence



Sets **independence policies and procedures** based upon the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the independence standards of the US Securities and Exchange Commission and the Public Company Accounting Oversight Board. Performs full reviews of independence quality controls on a three-year cycle; annual focused reviews for the off-cycle years; and in-depth follow-up reviews as needed.



Performs **on-going monitoring** activities of firms—enabling continuous enhancements to global policies, quality controls, tools, and practice support activities.



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



Supports **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 Thailand Independence

*Our stakeholders' trust is earned daily by every professional who represents Deloitte and supported by policies and reporting that promote transparency and accountability.*

Deloitte Thailand 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 Thailand 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 Thailand. Strategies and procedures to communicate the importance of independence to partners, other professionals and support staff have been adopted, emphasizing each individual's responsibility to understand and meet the independence requirements.

The key elements of the system of quality control that DTTJ Audit implemented in accordance with global policies include the following:

- Engagement acceptance and monitoring.
- Monitoring of rotation requirements.
- Business relationship assessments and monitoring.
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Global Independence Monitoring System (GIMS), annual independence confirmations, and consultation procedures, to monitor compliance with independence requirements.
- Procedures to identify and analyze non-compliance with independence requirements and apply related disciplinary measures and actions.
- Independence-related learning and communications.
- Assignment of responsibility for independence systems and controls.
- An internal review of independence compliance was conducted during the year.



### **DESC**

Deloitte Entity Search and Compliance

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



### **GIMS**

Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators

## **Rotation of key audit partners and professionals**

Our rotation policies require that the audit engagement partner (Thai SEC signing partner) for the audits of listed entities are rotated after 7 (seven) cumulative years of service and a time-out period of at least 5 (five) years before returning to serve the listed entities. For other key audit partners involved in the audits of listed companies and other public interest entities, the rotation requirement is 7 (seven) years. A time-out period of at least 2 (two) years is required before those partners are permitted to return to serve the listed and other public interest entities.

Our partners performing the engagement quality control review (EQCR) for listed companies and other public interest entities are required to rotate every 7 (seven) years and are subject to a 3 (three) year time-out period. The required periodic partner rotation is an important practice that helps us maintain our objectivity, fresh perspective and professional skepticism on audit engagements.

## **Deloitte Thailand Ethics**

Deloitte Thailand maintains policies and procedures that are designed to provide reasonable assurance that its professionals comply with relevant ethical requirements.

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

Deloitte Thailand has appointed an Ethics Officer who is an experienced partner with direct access to the CEO and the member firm's governing body. In addition, Deloitte Thailand has developed and implemented its own code of conduct, which incorporates the Deloitte Global Principles of Business Conduct and describes critical professional behavior that reflects local customs, regulations, and legal requirements.

Deloitte Thailand provides communication channels through which partners, other professionals and support staff can consult on and report ethical issues and situations. Deloitte Thailand reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems. In addition, Deloitte Thailand requires all partners, other professionals and support staff to confirm annually that they read and comprehend the code of conduct, and understand that it is their responsibility to comply with it.





**Deloitte Thailand Anti-Corruption statement**

Thailand’s Collective Action Coalition Against Corruption (CAC) is an initiative by the Thai private sector to tackle corruption via collective action. The CAC aims to encourage companies to implement anti-corruption policies and mechanisms to create an ecosystem of clean business.

We have been a full member of the CAC since April 2015 and we are committed to the CAC declaration on anti-corruption and have put in place good business principles and controls against bribery.

We strongly believe in doing business with integrity and supporting the fight against all kinds of corruption. Our partners and employees are expected to conduct themselves with honesty, fairness and high ethical standards. They are also expected to abide by all anti-corruption laws and avoid any impropriety or conflict of interest.

We have in place an Anti-Corruption Policy that applies to all our partners and employees who are required to read, understand and adhere to the policy.





## Deloitte SEA ISO/IEC 27001 Certification

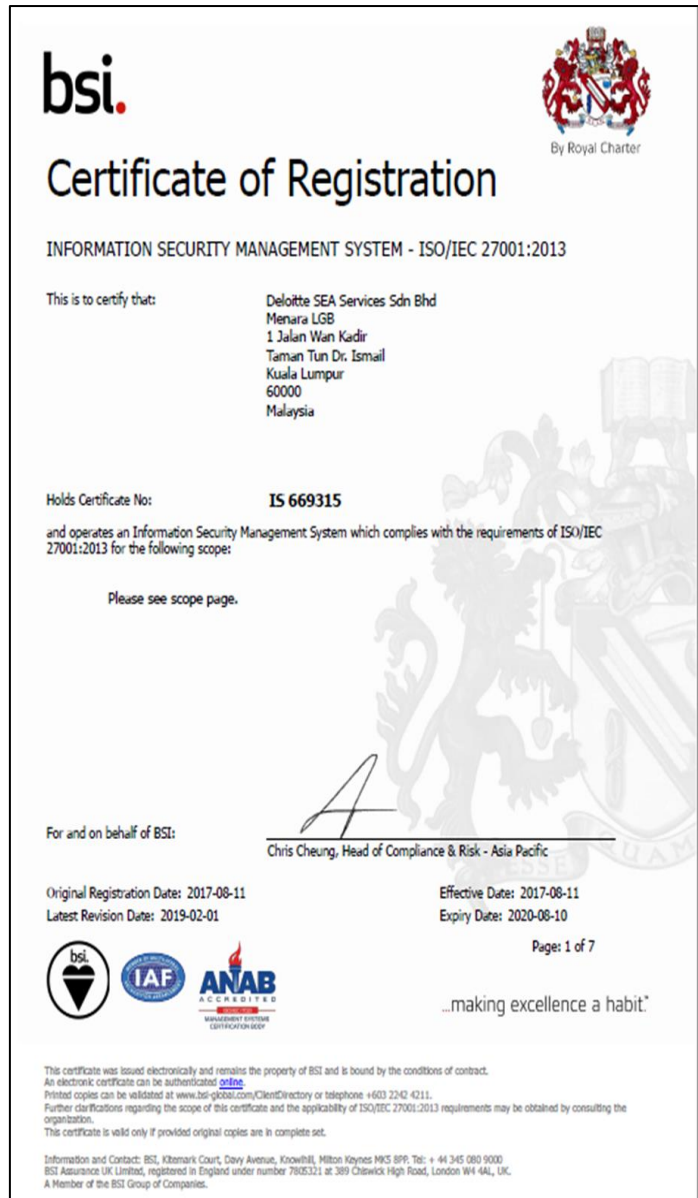
In 2013, all Deloitte entities in SEA (11 countries including Deloitte Thailand) have obtained the ISO/IEC 27001 Certification that they operate an Information Security Management System which complies with the requirements of ISO/IEC27001:2013. ISO/IEC 27001:2013 is the international standard that describes best practice for an Information Security Management System (ISMS). Achieving accredited certification to ISO 27001 demonstrates that organization is following information security best practice, and delivers and independent, expert assessment of whether data is adequately protected.


### The scope statement of ISO 27001:

The Information Security Management System (ISMS) manages the protection of confidential information received from clients or third parties in connection with the design, development, and provision of audit & assurance, consulting, risk advisory, financial advisory, legal, and tax services, including working papers and deliverables generated from those services.

The information security objectives is covered the following:

- Integrity: protect the integrity of information from unauthorized or accidental modification, and protect the accuracy and completeness of this information.
- Confidentiality: preserve the confidentiality of information from unauthorized access and disclosure.
- Availability: ensure the availability of information as and when required by the business.



**bsi.**  By Royal Charter

## Certificate of Registration

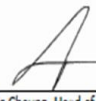
INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2013

This is to certify that: **Deloitte SEA Services Sdn Bhd**  
Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr. Ismail  
Kuala Lumpur  
60000  
Malaysia

Holds Certificate No: **IS 669315**




and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2013 for the following scope:

Please see scope page.

For and on behalf of BSI:   
Chris Cheung, Head of Compliance & Risk - Asia Pacific

Original Registration Date: 2017-08-11      Effective Date: 2017-08-11  
Latest Revision Date: 2019-02-01      Expiry Date: 2020-08-10

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   ...making excellence a habit.

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract. An electronic certificate can be authenticated [online](#). Printed copies can be validated at [www.bsi-global.com/ClientDirectory](http://www.bsi-global.com/ClientDirectory) or telephone +603 2242 4211. Further clarifications regarding the scope of this certificate and the applicability of ISO/IEC 27001:2013 requirements may be obtained by consulting the organization. This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kibbark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 345 080 9000  
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# Deloitte Global Ethics and Integrity Imperative

**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 264,000 people, giving a strong, principled foundation. The Deloitte Integrity Imperative amplifies the Global Code across the network by empowering leaders to set a strong tone from the top; encouraging people to speak up when they witness anything that runs counter to the Global Code; and helping Deloitte act quickly and appropriately in the face of misconduct.

**The Deloitte Global Ethics team and member firm ethics officers work closely with senior Deloitte leaders to build and enhance the foundations of the network's ethics program, which is comprised of the following elements:**

**Elements of the Deloitte ethics program**





## Shaping the future of the audit profession

Management teams, audit committees, investors, regulators, and standard setters all play critical roles in shaping the environment in which audits are performed. We strive to engage with these parties, both formally and informally, to share, offer and debate ideas with the objective of ensuring the relevance of audit and assurance to the capital markets.







# Appendix



## Appendix A | Audit Quality Indicators (AQIs)

An integral component of supporting audit quality improvement efforts, the audit quality “indicators” and/or “predictors” provide measurable data on the auditors’ ability and commitment to deliver quality audits.

These audit quality indicators help us monitor and measure improvement in audit quality, and to identify factors that may contribute to or cause practice review and/or external inspection findings.

Our AQIs include the following:

	Tone at the top		Delivery of sufficient / appropriate learning
	Partner / Manager involvement in engagements		Technical Resources
	Tenure of audit partners, directors, managers		Staff turnover
	Expert / Specialist involvement in engagements		Internal, external and regulatory inspections

### % Partner-manager time involvement in engagement

	FY15	FY16	FY17	FY18	FY19
% Partner-manager time involvement in engagement	21%	21%	24%	21%	21%

### Partner-manager Headcount to Field Staff Headcount

	FY15	FY16	FY17	FY18	FY19
Partner-manager to field staff ratio	1:6	1:6	1:6	1:7	1:7



### Staff turnover

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
% Staff turnover	18%	19%	25%	18%	21%

### % EQCR time involvement/Total engagement hours

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
% EQCR time involvement/Total engagement hours	0.8%	0.8%	0.7%	0.8%	0.9%

### Training hours

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
Total training hours	74,800	113,200	76,500	81,400	95,257
Average training hours per person	105	115	130	116	114

Note:

FY15, FY16, FY17, FY18 and FY19 is the fiscal year ended 31 May 2015, 2016, 2017, 2018 and 2019, respectively.



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