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# Deloitte Audit Limited - Leadership message<sup>1</sup>

Welcome to our Audit Transparency Report for the year ended 31 May 2021. This report sets out the practices and processes that are currently employed by Deloitte Audit Limited, in accordance with the requirements of article 18 of the Accountancy Profession Act (Cap. 281) and of the European Union's Regulation 537/2014 on specific requirements regarding the statutory audit of public-interest entities.

My message last year focused on the significant challenges caused by the outbreak of COVID-19 and reflected on how our audit practice was responding to these disruptive events. Authorities have responded resolutely to the global pandemic in order to address the crisis and transition to recovery. Successful vaccination programs and economic stimulus have been critical for protecting lives, stimulating economic recovery and managing the social and economic consequences of this global pandemic. This gives cause for optimism for a resilient and inclusive recovery in order to emerge stronger from the pandemic.

Our audit practice responded to the disruptions of the pandemic by adapting to new ways of working whilst also responding to emerging audit risks and maintaining our focus to safeguard the safety and well-being of our professionals. I am proud

of the resilience of our organisation and the dedication of our professionals as we navigated successfully through the pandemic, maintained our focus on audit quality and supported our community. There is much that we have learnt from the way we have adapted that we shall seek to build upon in the future.

As focus shifts towards recovery, the firm is committed to continue investing in audit quality and innovation. Our journey of continuous improvement in audit methodology and approach is fundamental to delivering greater value and more insights to our stakeholders and is pivotal to enhancing confidence in the audit profession. At the same time, we continue to actively contribute towards important themes such as the ongoing development of the audit profession and corporate sustainability reporting that will shape our profession in the future.

These exciting developments must however be tempered with the recent assessment of our jurisdiction by the Financial Action Task Force. This has put significant focus on structural weaknesses and the need for reform that local authorities have committed to implement. We certainly believe that Malta can emerge stronger from this experience if we collectively tackle the issues in the appropriate manner with



conviction and resolve. Our firm remains strongly committed to upholding the values of ethical business and is conscious of its ongoing responsibility to work in the wider public interest.

I trust that you will find this report interesting and insightful.

A handwritten signature in blue ink, appearing to read 'Marc Alden'. The signature is fluid and cursive, written over a white background.

**Marc Alden**  
Chief Executive Officer (CEO)  
Deloitte Malta  
30 September 2021

<sup>1</sup>Throughout this report, the terms "Deloitte, we, us and our" refer to one or more of Deloitte Touche Tohmatsu Limited, its network of member firms and their related entities. For more information about the Deloitte network, please see p. 3 or click [here](#).

# Deloitte network

## **Deloitte Malta: legal structure and ownership**

The term 'Deloitte Malta' is used to refer to Deloitte Audit Limited, a Maltese entity authorised to practise as an audit firm in Malta, together with its connected undertakings in line with the definition of 'audit firm' set out in article 2(1) of the Accountancy Profession Act (Cap.281). Unless the context requires otherwise, use of the term 'firm' also refers to Deloitte Malta.

Deloitte Audit Limited operates as a limited liability company, established under Maltese law, with registered office at Deloitte Place, Triq L-Intornjatur, Central Business District, CBD 3050, Malta and having registration number C 51312.

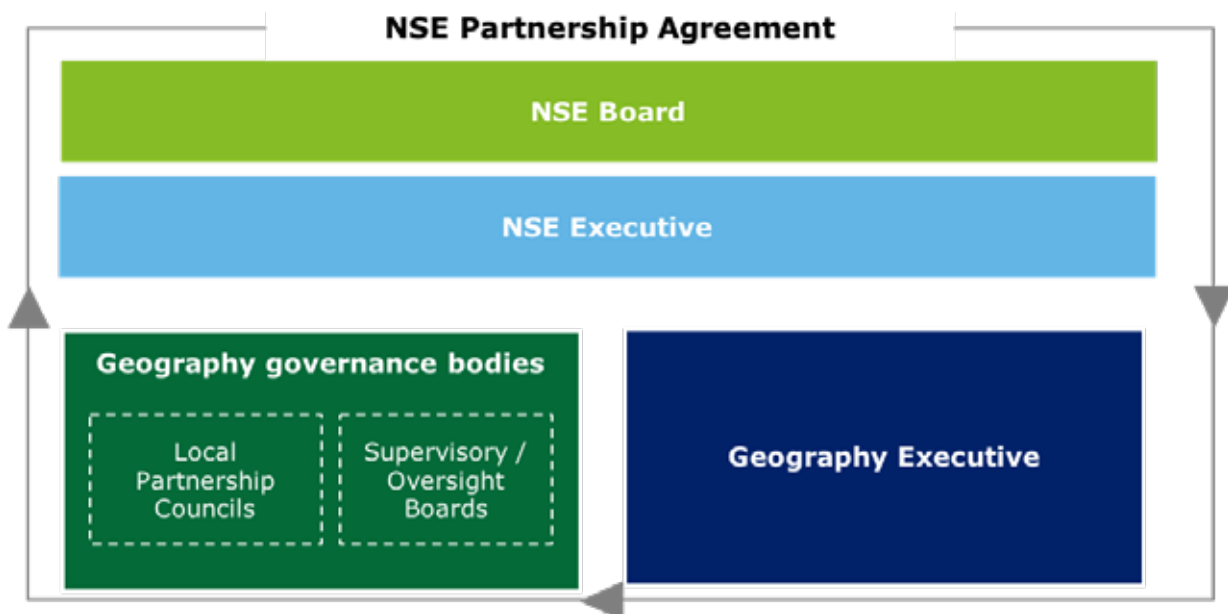
On 1 June 2019, the Deloitte Central Mediterranean member firm (comprising the Deloitte practices in Italy, Greece and Malta) combined with the Deloitte North West Europe LLP to create Deloitte North and South Europe (NSE) LLP. With effect from 1 June 2020, Deloitte

NSE LLP is the member firm of DTTL for Bahrain, Belgium, Cyprus, Denmark, Egypt, Finland, Greece, Iceland, Iraq, Ireland, Italy, Jordan, Kuwait, Lebanon, Libya, Malta, the Netherlands, Norway, Oman, Palestinian Ruled Territories, Qatar, Republic of the Sudan, Saudi Arabia, Sweden, Switzerland, United Arab Emirates, the United Kingdom and Yemen.

Deloitte Central Mediterranean S.r.l. (DCM) is the affiliate of Deloitte NSE LLP for Italy, Greece and Malta. It does not provide services, but it holds minority stakes in Deloitte & Touche S.p.A., in the Greek company Deloitte Certified Public Accountants S.A. and in the Maltese company DCM Limited and, directly or indirectly, in other operating entities of the Deloitte network in Italy, Greece and Malta.

## NSE Governance

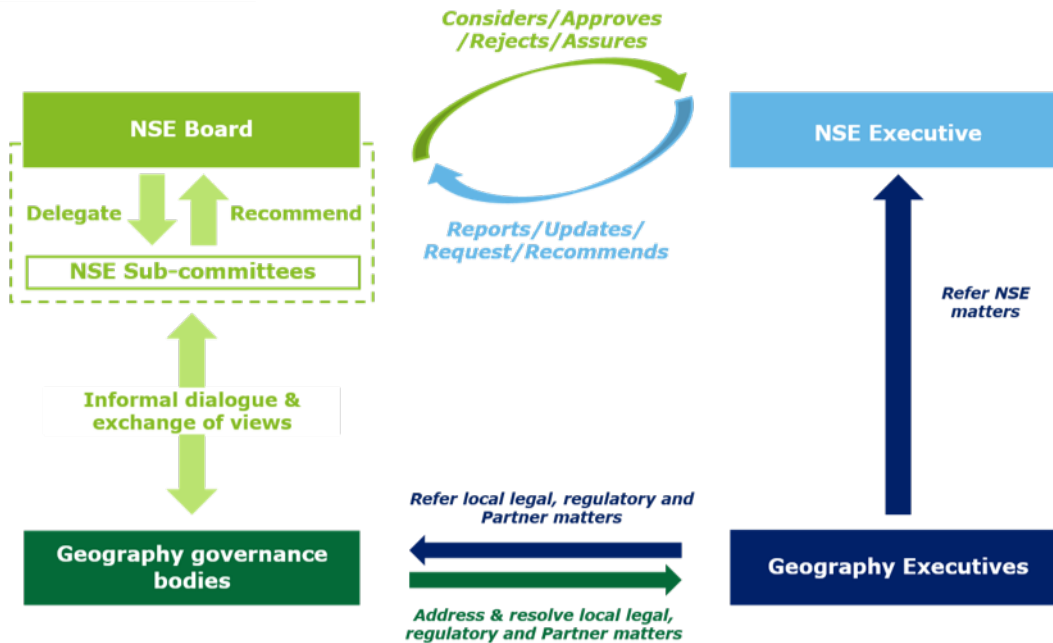
The Deloitte NSE governance structure consists of the NSE Board, NSE Executive, Geography governance bodies and Geography Executives, underpinned by the NSE Partnership Agreement:



- The **NSE Partnership Agreement** underpins the governance of NSE
- The **NSE Board** is the primary governance body of NSE, responsible for ensuring high quality governance and stewardship of NSE. The NSE Board works with the NSE Executive to set and approve the long-term strategic objectives of NSE and the markets in which it operates. The NSE Board comprises the NSE CEO, NSE Chair and elected members, as well as Independent Non-Executives (INEs) and a Deloitte Global Representative. The latter do not have voting roles
- The **NSE Board** oversees the risk appetite in each business area; is responsible for the oversight of the executive function, ensuring alignment with Deloitte Global obligations; and is responsible for the promotion and protection of NSE Equity Partner interests generally
- The **NSE Executive** is responsible for developing NSE strategy and vision as well as NSE policies, and overseeing their implementation and execution
- **Geography governance bodies** exist where this is required for legal and/or regulatory purposes and to oversee local Partner matters. Examples include the UK Oversight Board and Dutch Supervisory Board
- The **Geography Executive** works with the NSE Executive to reflect the Connected+ Autonomy operating model (balancing local and central requirements), including the development and delivery of approved plans, in line with the NSE strategy, tailored to reflect local market conditions

The NSE governance and leadership structure provides clear paths of communication from a Geography to NSE level:

**Governance Structure**



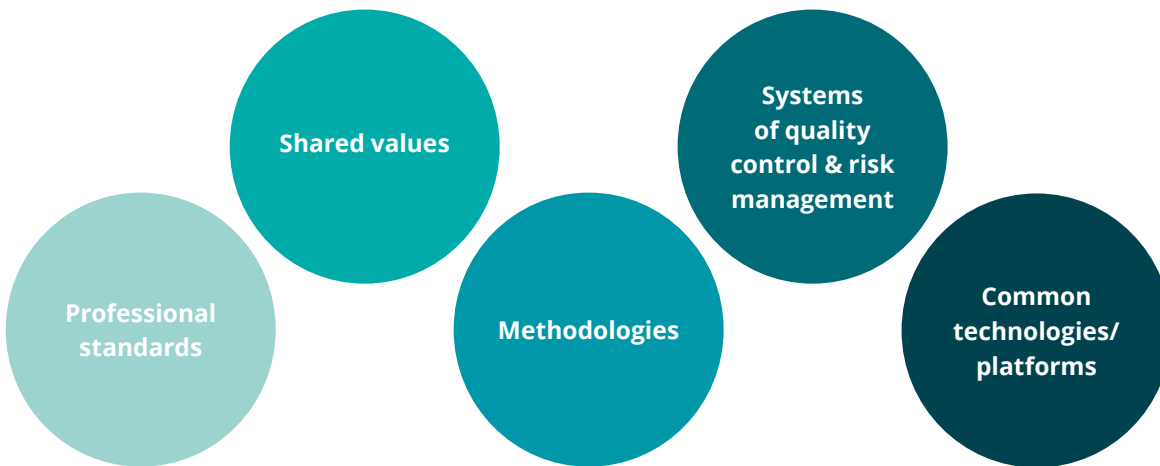
**Deloitte NSE Board sub-committees**

<p><b>Audit &amp; Risk (Standing)</b></p> <ul style="list-style-type: none"> <li>Oversee the appointment of internal and external auditors to the firm</li> <li>Oversee audit quality in accordance with applicable regulations</li> <li>Oversee the level of risk acceptable in each business area</li> <li>Provide oversight and support to the national practices in the delivery of audit quality and local legal and regulatory compliance</li> </ul>
<p><b>Public Interest Oversight (Standing)</b></p> <ul style="list-style-type: none"> <li>Oversee public interest matters as they affect NSE</li> </ul>
<p><b>Partner Matters &amp; Fairness (Standing)</b></p> <ul style="list-style-type: none"> <li>Make recommendations to the Board regarding the admission, suspension, retirement of NSE Equity Partners, and make determinations in relation to any NSE Equity Partner's long term ill health</li> <li>Ensure fairness between NSE Equity Partners across all Geographies</li> </ul>
<p><b>Nomination (Standing)</b></p> <ul style="list-style-type: none"> <li>Produce a shortlist of potential candidates and recommend to the Board a final list of candidates to stand in Board elections</li> <li>Ensure diversity requirements are met in the composition of the Board</li> </ul>
<p><b>Elected Leader (event driven)</b></p> <ul style="list-style-type: none"> <li>Oversee selection of candidates for NSE Chair and NSE CEO roles</li> <li>Run the election process and present proposals for NSE Chair and NSE CEO candidates to the full NSE Board for approval</li> </ul>
<p><b>Governance &amp; Composition (event driven)</b></p> <ul style="list-style-type: none"> <li>Review the composition and size of the Board whilst both respecting the minimum number of elected Board members representing each Geography and seeking to ensure the firm's diversity requirements are met in the composition of the Board</li> </ul>
<p><b>Remuneration (event driven)</b></p> <ul style="list-style-type: none"> <li>Seek feedback, conduct appraisals, and make recommendations to the Board with regard to the proposed assignment of Equity Groups and the allocation of NSE Units to the NSE Chair, the NSE CEO and holders of such other senior management positions as the Board may determine</li> </ul>
<p><b>Compensation &amp; Partner Units (event driven)</b></p> <ul style="list-style-type: none"> <li>Review and discuss with the NSE CEO the processes established and applied for the determination of NSE Units and Equity Groups to NSE Equity Partners (other than the NSE Chair and NSE CEO), to ensure that the principles set out in the Profit Sharing Memorandum proposed to the Board by the NSE CEO are consistently applied and the NSE Unit allocation process results in fairness between NSE Equity Partners and groups of NSE Equity Partners (other than the NSE Chair and NSE CEO) provided that the Committee shall not duplicate the work of the NSE CEO and/or the Remuneration Committee</li> </ul>
<p><b>Transactions &amp; Major Projects (event driven)</b></p> <ul style="list-style-type: none"> <li>Consider on behalf of the Board and provide recommendations to the Board on proposals from the NSE CEO to borrow money, make investments, give undertakings and enter into contracts on behalf of the firm subject to agreed thresholds</li> <li>Oversee major projects as directed by the Board and ensure that the interests of the firm are protected</li> <li>Consider, report to the Board on and make recommendations to the Board on major transactions or other significant investments</li> </ul>

## Network description

### The Deloitte network

The Deloitte network (also known as the Deloitte organisation) 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)

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 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 organisation. 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 organisation is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

### **Deloitte Malta : governance – leadership in action**

The leadership and management of the firm are underpinned by strong governance structures that provide oversight of the Audit & Assurance practice.

It is by maintaining robust and accountable governance and leadership structures that we seek to achieve the highest levels of quality and integrity and that we earn the trust of our clients, our people, the capital markets and the public.

### **The Board of directors (Board)**

During the year under review, the firm's Board was responsible for protecting the broader interests of the firm and its directors, and for overseeing management and operations at a strategic level.

The Board was comprised of the Chief Executive Officer and all of the firm's directors and met on a quarterly basis.

### **The Operations and Management Committee**

The Deloitte Malta Operations and Management Committee was responsible for the governance and oversight of the firm's different businesses, including the Audit & Assurance practice. Specific responsibilities included approving audit and assurance business strategy and approving the business plans.

During the year under review, Marc Alden was the firm's Chief Executive Officer (CEO).

The following were the members of the Deloitte Malta Operations and Management Committee during the year ended 31 May 2021, who were appointed by the CEO to serve for the period in which he is in office:

Marc Alden (CEO) - Committee Chair  
Raphael Aloisio (Financial Advisory Business Leader)  
Claudine Cassar (Consulting Business Leader)  
until 23 November 2020  
Conrad Cassar Torregiani (Tax Business Leader)  
Ian Coppini (Risk Advisory Business Leader)  
Sarah Curmi (Audit & Assurance Business Leader)  
Malcolm Booker (Clients & Industries Leader)  
until 31 May 2021  
Caroline Cassar Reynaud (People & Purpose Leader)  
Angela Fleri Soler (Risk & Reputation Leader)

Sarah Curmi (Audit & Assurance Business Leader) and senior management develop and implement the strategy for the Audit & Assurance practice, including related policies and procedures. In all of their activities, Deloitte Malta senior leaders are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. Deloitte Malta strategy is developed in alignment with the overall strategic direction established for the Deloitte network.

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

### **Compliance Principal**

For the purpose of the Accountancy Profession Act (Cap.281), David Delicata is the firm's Compliance Principal.



## Directors of the firm

The individuals who were authorised to sign audit reports on behalf of the firm during the year ended 31 May 2021 are set out in the table below:

Name	Authorised to sign audit reports on behalf of the firm
Marc Alden	
Raphael Aloisio	
Michael Bianchi	✓
Malcolm Booker <sup>9</sup>	
Roseanne Bonello	
Antoine Carabott	✓
Chris Borg	
Nick Captur	
Claudine Cassar <sup>8</sup>	
Caroline Cassar Reynaud	
Conrad Cassar Torregiani	
Giselle Cini	
Ian Coppini	✓
Chris Curmi	
Sarah Curmi	✓
David Delicata	✓
Jonathan Galea <sup>1</sup>	
Mark Giorgio <sup>2</sup>	✓
Damian Heath <sup>3</sup>	
Ludwig Micallef <sup>4</sup>	
Angela Fleri Soler	
Craig Schembri	
Bernard Scicluna	✓
Matthew Xuereb <sup>5</sup>	
Michael Zarb <sup>6</sup>	
Rachel Zarb Cousin <sup>7</sup>	
Annabelle Zammit Pace	✓

As from:

<sup>1</sup> 16 April 2021

<sup>2</sup> 01 December 2020

<sup>3</sup> 16 April 2021

<sup>4</sup> 16 April 2021

<sup>5</sup> 16 April 2021

<sup>6</sup> 16 April 2021

<sup>7</sup> 16 April 2021

Until:

<sup>8</sup> 23 November 2020

<sup>9</sup> 31 May 2021

## Deloitte Malta: legal structure and ownership

During the year under review, the firm's core operating entities, namely Deloitte Audit Limited, Deloitte Services Limited, Deloitte Technology Solutions Limited, Deloitte Digital and Technology Limited, Deloitte Advisory and Technology Limited, Deloitte Technology Limited and Malta International Training Centre Limited were beneficially owned by a partnership comprising of limited liability companies (hereinafter referred to as the "Ownership Entities") and DCM Limited. These entities are also the partners in the Deloitte Malta civil partnership. The activities of the Deloitte Malta civil partnership comprise solely of the governance, treasury, compliance, human resources and all logistics and support activities required by the operating entities.

Each one of the Ownership Entities is beneficially owned by the individual who has been appointed as the sole director of the respective Ownership Entity. Ownership Entities participate in the profits available for distribution.

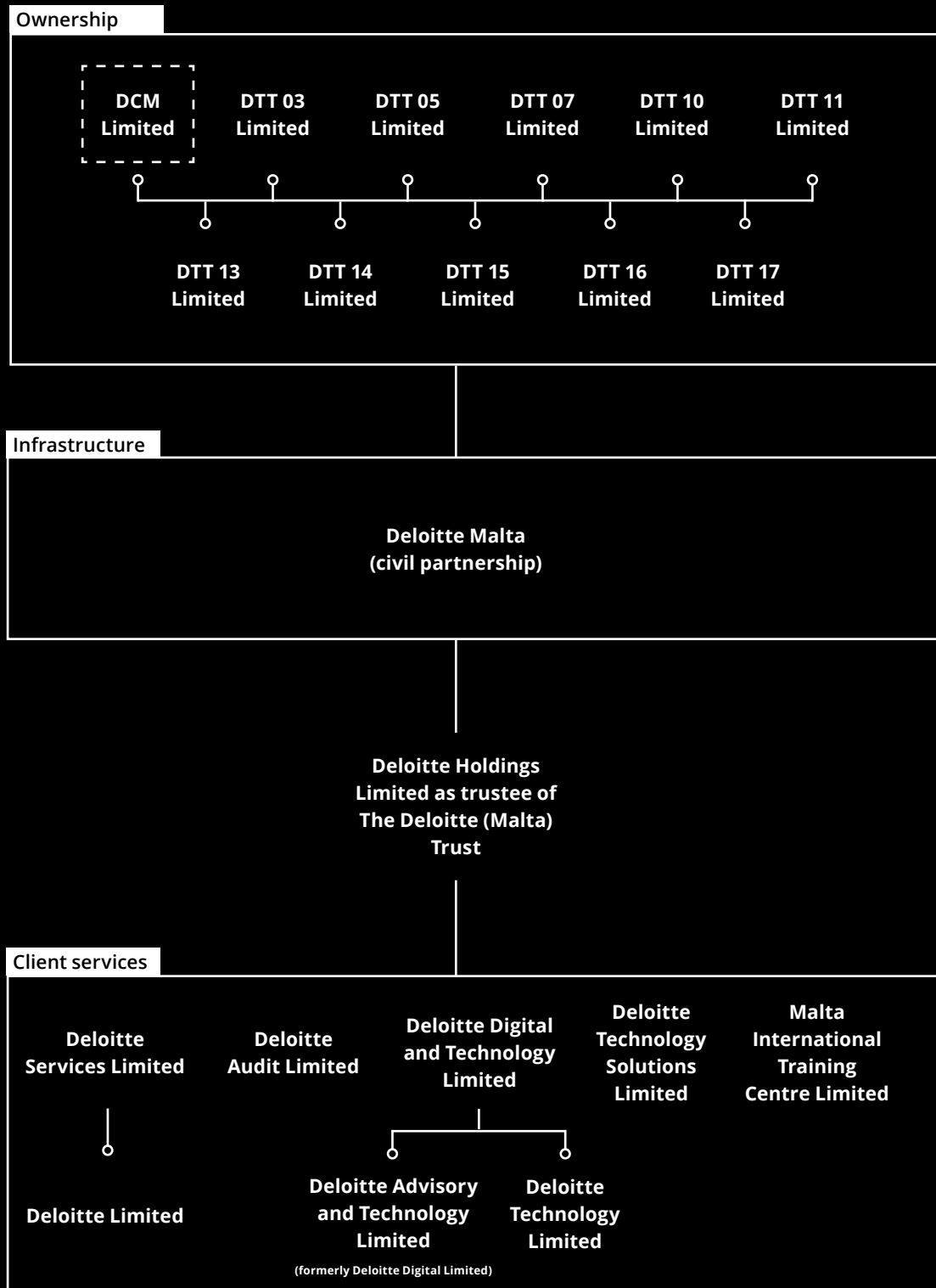
Through its interest in DCM Limited, DCM is vested with certain rights and powers with respect to the Deloitte Civil Partnership and the aforementioned operating entities.

Deloitte Holdings Limited is an intermediate ownership entity which acts as trustee of The Deloitte (Malta) Trust for the benefit of the Ownership Entities in the holding of the shares, directly or indirectly, in Deloitte Audit Limited, Deloitte Services Limited, Deloitte Technology Solutions Limited, Deloitte Digital and Technology Limited, Deloitte Advisory and Technology Limited, Deloitte Technology Limited and Malta International Training Centre Limited. The Trust is considered desirable so as to retain the flexibility provided by the civil partnership model, when regulating individual partnership interests and changes therein over time, within the context of limited liability companies and the consequential division of capital/interests into shares.

A diagram of the operating and ownership structure, as at 31 May 2021, is set out on the following page.

During the year under review, the Deloitte Foundation continued to support worthy causes in the community as part of its shared values.

The Deloitte Malta organisation chart



# Our purpose and commitment: instilling trust and confidence

At Deloitte Malta, 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 the services we deliver. 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

## Deloitte Global leadership

The Deloitte Global Audit & Assurance Leadership Team is led by Jean-Marc Mickeler, Deloitte Global Audit & Assurance Business Leader whose responsibilities include:

- Developing and driving Deloitte Global 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

## Entities Deloitte audits

As part of Deloitte Global Audit & Assurance's commitment to supporting the capital markets, Deloitte is focused on auditing entities where it serves the public interest and where Deloitte has the capabilities to perform a quality audit with objectivity and in compliance with applicable ethical and professional standards.

Deloitte Malta 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 Deloitte Malta 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.

## 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 Deloitte Malta.

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

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

### **Audit innovation<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, clients get an experience that is less burdensome, with 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 clients expect audits to evolve as they innovate their businesses and processes. Deloitte Malta auditors are enhancing procedures by making more use of data-driven analytics, as well as cognitive and cloud-based technologies. This is due in part to the increased automation and effectiveness these provide, but also the need for Deloitte Malta to stay ahead 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 has released Deloitte Omnia, our next-generation cloud-based audit delivery platform, as well as Deloitte Levvia, a tailored solution to support our very small audits. Further development, enhancement, and broad deployment of both solutions will continue over the next several years. Deloitte also has a global analytics platform, as well as an integrated suite of enabling innovation tools all connected in the cloud.

Deloitte Malta is committed to a journey of local implementation of Deloitte global innovation initiatives and cloud-hosted solutions. This includes use of Levvia, which provides the latest cutting edge technology for the audit of smaller non-complex entities common in the local market; Audit Online that provides support for the Deloitte Way Workflows and guided risk assessments; and Deloitte Connect, an online communication, information sharing and progress tracking tool to facilitate exchange of information with client management during the audit process. Deloitte Malta also continues to follow progress in the development and roll-out of Omnia.

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

## Environmental, social, and governance (ESG) reporting<sup>3</sup>

### Financial reporting today

To better assess the resiliency of corporate strategies to climate-related and other ESG matters, investors and stakeholders are seeking reliable and comparable information on the potential impacts of these matters. These matters could have implications on a company's financial accounting and reporting, in the context of the existing accounting standards and the financial statement audit. Companies follow financial reporting standards such as the International Financial Reporting Standards (IFRS) and US Generally Accepted Accounting Principles (GAAP). Auditors follow auditing standards such as those established by the International Auditing and Assurance Standards Board (IAASB), International Standards on Auditing (ISA), and Public Company Accounting Oversight Board (PCAOB) related to the audit of the financial statements. These standards require auditors to identify and assess the risks of material misstatement in the financial statements of the companies they audit, and design and perform audit procedures responsive to those risks. Deloitte is increasing awareness of the potential impacts of climate-related and other ESG matters on financial reporting through guidance, tools, templates, learning, and leading practices.

### Corporate reporting of the future

In addition, market participants and broader stakeholders are calling for greater insight into corporate performance, specifically demanding enhanced transparency around ESG impacts and dependencies of a company's business model and strategy. Over time, many standard setters and other organisations have developed frameworks or standards for reporting metrics and ESG information for use by companies. However, currently there is no global enforcement mechanism or assurance requirements for consistent adherence or adoption. Deloitte supports the International Financial Reporting Standards Foundation's (IFRSF) proposal to establish an International Sustainability Standards Board (ISSB) that, alongside the International Accounting Standards Board and under the governance and oversight of the IFRSF, would provide a set of global standards.

There is a growing interest for companies to integrate climate-related and other ESG considerations into systems of internal control, 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 companies' management—companies' readiness, companies' management skillsets, and implementation of processes and controls to collect data.

Deloitte supports efforts to make publicly disclosed ESG information consistent, comparable, and reliable. Assurance provides a greater confidence in ESG information. Deloitte believes that there is a benefit of 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 scepticism, commitment to quality, and appropriate training that are equally critical. All of these are covered under the typical infrastructure of audit firms and will be further reinforced with the adoption of ISQM 1, which becomes effective in December 2022.

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.



<sup>3</sup> For more information about Deloitte's alignment with ESG, please refer to Deloitte [Global Impact Report](#).



### Coronavirus disease 2019 (COVID-19)

Deloitte's highest priority is the safety and well-being of its professionals. In this changing global environment as the impacts of COVID-19 continue to unfold, investors and stakeholders are looking to auditors more than ever to provide an independent opinion on companies' financial statements. Deloitte remains committed to this critical role and delivering the highest quality audits.

Entity management is faced with significant uncertainty in making judgments to project future operating results and cash flows, going concern, and developing valuation analysis, etc. The financial reporting process likely requires careful analysis and further considerations of impact from management and auditors given the current environment.

All stakeholders of the financial reporting ecosystem must exercise significant judgment in this unprecedented and uncertain environment - governments, when projecting the length of closures; bankers, when deciding if a loan can be repaid in full; management, when evaluating if a company can continue operating as a going concern and audit committees providing oversight of management;

auditors, when assessing these judgments; and investors, when analysing the available financial information in light of these unprecedented uncertainties.

Although the existing accounting frameworks have provisions for uncertainties, it is important for financial statement users and regulators to expect a higher degree of market and economic volatility in the near future.

Deloitte welcomes the public statements and guidance issued by regulators that recognise the current uncertainties and emphasise the importance of high-quality, forward-looking corporate disclosures. Importantly, some regulators have conveyed that good faith attempts to provide investors and other market participants with appropriately framed forward-looking information will not be second-guessed. 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.



Deloitte's overarching strategic objectives are principles-based and remain unchanged (e.g., investments in quality, people, and technology), however, some related processes have been modified or prioritized to factor in unanticipated changes due to the pandemic. Deloitte firms were required to implement monitoring and consultation processes to maintain high standards of quality and reinforce key areas of focus impacted by the implications of COVID-19.

Deloitte has been focused on setting the necessary tone for the historically challenging period that followed. From an audit risk perspective, the fluid economic and health environments globally continue to put pressure on the risk of fraud, asset impairments, and going concern in certain industries. Operational challenges in some industries can manifest into financial reporting challenges, while other industries may be benefiting from the current environment.

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 allowed for an agile and rapid response to the various impacts of the COVID-19 pandemic. Deloitte prepared for various contingencies in order to support changing needs and to support professionals during periods when they have been required to work remotely. Deloitte Global has

launched and continues to maintain the Deloitte Global Audit & Assurance Technical Delivery Resource Center – a central location for all Deloitte professionals to access globally relevant and locally adaptable COVID-19-related audit resources and guidance. These responses have allowed us to continue to reinforce execution of the Deloitte audit approach throughout the pandemic.

Deloitte has also led global initiatives to understand the implications of working virtually for professionals, to provide them with support to enhance team collaboration and to consider new ways of working in a remote environment. Despite the virtual working environment, learning was successfully delivered to Deloitte professionals through virtual programmes and we are using this experience to drive continuous improvement.

The transformation of audit execution in an increasingly dynamic work environment has led Deloitte to respond to the rapidly changing needs and requirements of the talent landscape. As Deloitte is organising the return to the workplace in several countries, it is challenging its historical working methods and considering a hybrid working environment.

Going forward, Deloitte will continue to focus its efforts and provide a consistent audit experience in a way that embraces the evolving expectations of clients and professionals.

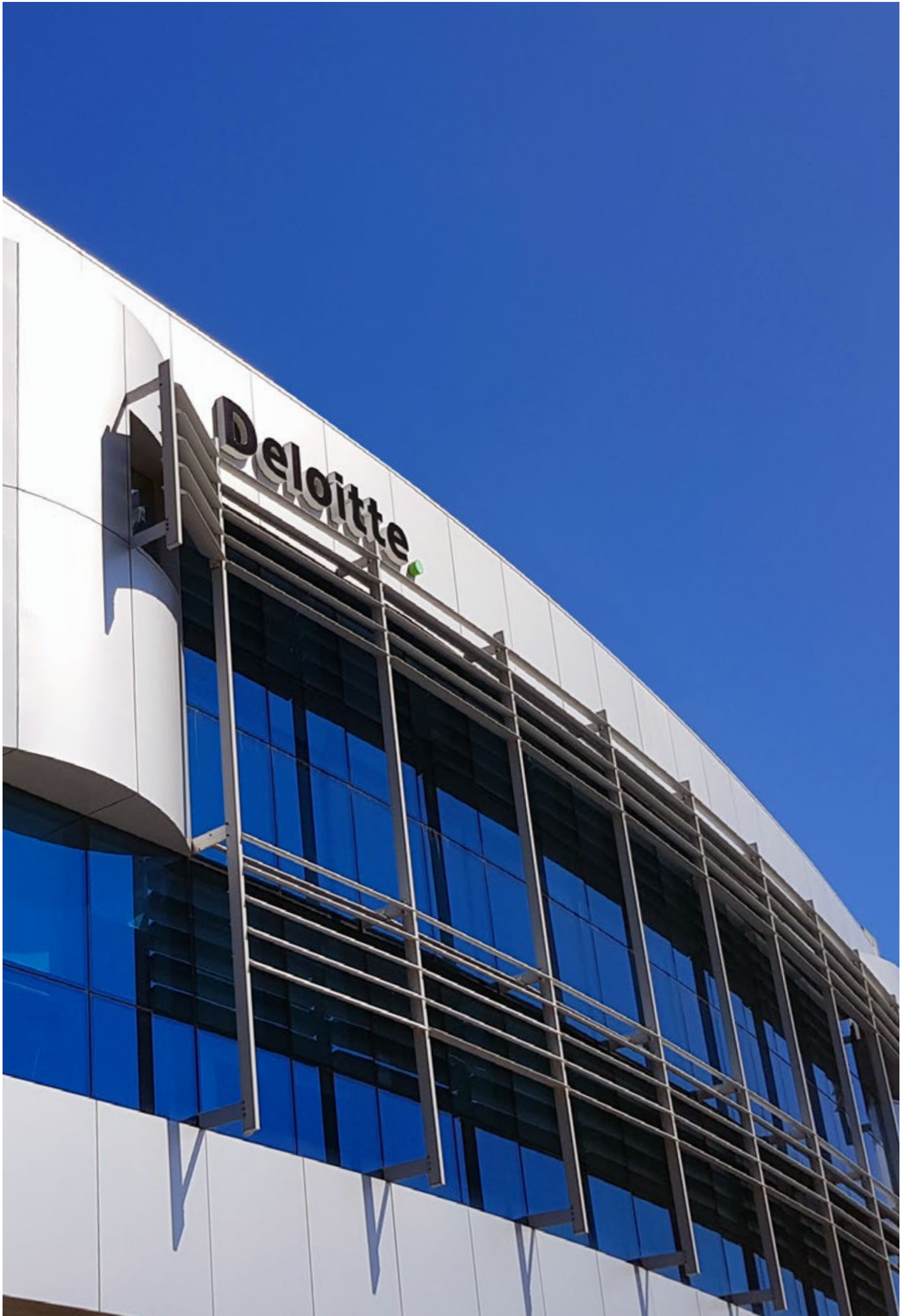
### **Multidisciplinary model (MDM)**

MDM is an important contributor to high-quality audits. 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 when auditing companies' financial statements that are increasingly complex as a result of COVID-19. Further, as big data utilisation 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:

- 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 specialised 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 may not be native to auditors.
- A diverse organisation helps attract and retain premier talent.
- Intellectual capital is available within the network to innovate audit processes, technologies, etc.
- Different parts of our business grow at different rates during different time periods in different markets. Our MDM provides a hedge 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's response to COVID-19 demonstrates both resiliency in putting audit quality and the public interest first which is further supported by the significant benefits of the MDM. Negative quality events have the potential to impact the Deloitte brand as a whole. Each non-audit Deloitte business has a shared and vested interest in supporting audit quality initiatives and Deloitte's strategy to deliver high-quality, globally consistent service to clients.





## Professional development and performance management

Deloitte culture and the design of learning programs place people at the forefront. Deloitte professionals are technically proficient with high levels of ethics, integrity, professional scepticism, and objectivity, and are continuously enhancing their skillset and experience.

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

Deloitte professionals bring diverse backgrounds, knowledge, and skillsets that enhance capabilities as an organisation in delivering the highest quality audits.

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 consistency to our audits.

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



### Learning and development initiatives

Deloitte's transformed approach to audit delivery is changing the audit experience for professionals. Audit teams are empowered by advanced tools and technologies and more extensive use of data analytics within a guided workflow to execute the end-to-end audit cycle. For Deloitte professionals, 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 become more important—enhanced data analytics, project management, critical thinking, communication, enhanced professional judgment, and the application of accounting and auditing principles to work more effectively and deliver higher quality engagements.

Not only does Deloitte deliver value in more areas, but 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 for auditors, targeting learners by level, using a dynamic blend of live instructor-led, 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. In addition, warrant holders and members of the Malta Institute of Accountants must, on an annual basis, obtain a minimum of 25 hours of structured CPE, 10 of which must be related to core competencies, as well as 15 hours of unstructured CPE. These levels of development are achieved through structured, formal learning programmes, 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 specialisation).
- All client service professionals have clearly defined role expectations and global Talent Standards 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. Enhanced project management, a key capability for executing audit engagements, has been included in annual development programmes which provide a blend of technical and soft skill learning development. The objective of the Deloitte Malta professional development programme is to help directors and practitioners maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, Deloitte Malta provides formal continuing professional development programmes in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum.

Deloitte Malta follows the mandatory Audit Learning Curriculum prescribed globally with local supplementation for changes in laws and regulations. The attendance and completion of training programmes by directors and other professionals are monitored by the HR department using the Deloitte learning platform.

All members of staff are assigned to a team leader who is responsible for their development and well-being within the firm. A centralised team ensures that the global mandatory audit technical learning curriculum for auditors is implemented in accordance with the guidelines set by the Global Audit & Assurance Learning (GAAL) team. Monitoring is also carried out by the centralised team and assisted by the HR department, to ensure that the CPE requirements are adhered to and CPE documentation is submitted on an annual basis.

The Global Audit & Assurance Learning (GAAL) team was recognised in September 2019 as leaders for their exceptional work in bringing innovative and engaging learning to Deloitte professionals worldwide by the Stevie® Awards for Great Employers.

Deloitte Talent Standards provide clear role expectations for a globally uniform level of quality from all Audit & Assurance professionals. Global consistency allows our people to enhance both their personal performance and to ensure that our clients will experience a consistent Deloitte.



Global Audit & Assurance Talent Standards have been developed to be used by member firms as guidelines in the employee life cycle.

The Talent Standards are broken down into three capabilities namely:

- leadership - common to all Deloitte professionals regardless of business
- professional - common to all A&A professionals in a Talent Model regardless of which specific group they are a part of
- technical/specialised capabilities - applicable to a specific group within a Talent Model.

Over recent years, the firm has introduced further developmental tools to enable staff to check-in regularly on their career progression and technical skills.

#### **Deloitte University**

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



#### **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. The firm also ensures that appropriate succession planning is in place to ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.

#### **Directors' remuneration**

Execution of high quality audits is expected from all professionals and is embedded across the Deloitte network. The firm's appraisal and promotion processes and considerations are designed with the aim of establishing a strong linkage between audit quality and audit remuneration and a director selection process which is thorough and robust.

In accordance with global policies, Deloitte Malta's directors are evaluated on a yearly basis, and depending on the outcome of the evaluation, the remuneration of directors may increase or decrease. Directors who provide audit services are not evaluated or remunerated on the selling of other services to the entities they audit, or on criteria relating to any specific client sub-grouping. The aim is that this approach should preclude financial considerations from driving actions and decisions having a negative effect on audit quality, objectivity and independence.

# Deloitte's priority focus on audit quality

Deloitte's commitment to audit quality is central to everything we do, from instilling a culture of quality and excellence across the network, to business and financial priorities, and the processes, tools and technologies applied in the execution of audits. 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.



### **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 across activity levels 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.

### **Independence, objectivity and professional scepticism**

The execution of high quality audits requires independence, objectivity and professional scepticism. This means a continuous and tangible focus on Deloitte's critical role in protecting the public interest, including creating a culture of quality where doing the right thing is of paramount importance. As evaluators, Deloitte consistently reinforces the important role of who must maintain a mindset of professional scepticism throughout the conduct of our work. This approach to the audit is reflected in many aspects of 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 professionals to plan, perform, supervise, review, document, conclude and communicate the results of each audit. Deloitte's audit approach is underpinned by professional standards.

This audit methodology is dynamic—it evolves continuously to keep pace with the changing demands of investors, companies, and other stakeholders. It recognises 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 professionals in the execution of high-quality audits**

The resources applied by Deloitte professionals 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 professionals in the Deloitte Global Technical Library, an extensive online library. Deloitte regularly issues accounting and auditing guidance to our professionals and communicates developments that may affect audit quality.

### **Consultation**

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 consultation policies require that conclusions are documented, understood and implemented. 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 organisation with specialised knowledge.

### **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 Malta 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"). Effective 15 December 2022, ISQM 1 focuses on quality management at the firm level.

Deloitte's ISQM 1 implementation activities are well underway, working with leaders across Deloitte Malta, 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.

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 centre, and robust audit quality monitoring and measurement processes play an integral role in our ability to continually improve.

# External and internal audit quality monitoring



## **Audit Quality Monitoring & Measurement**

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.

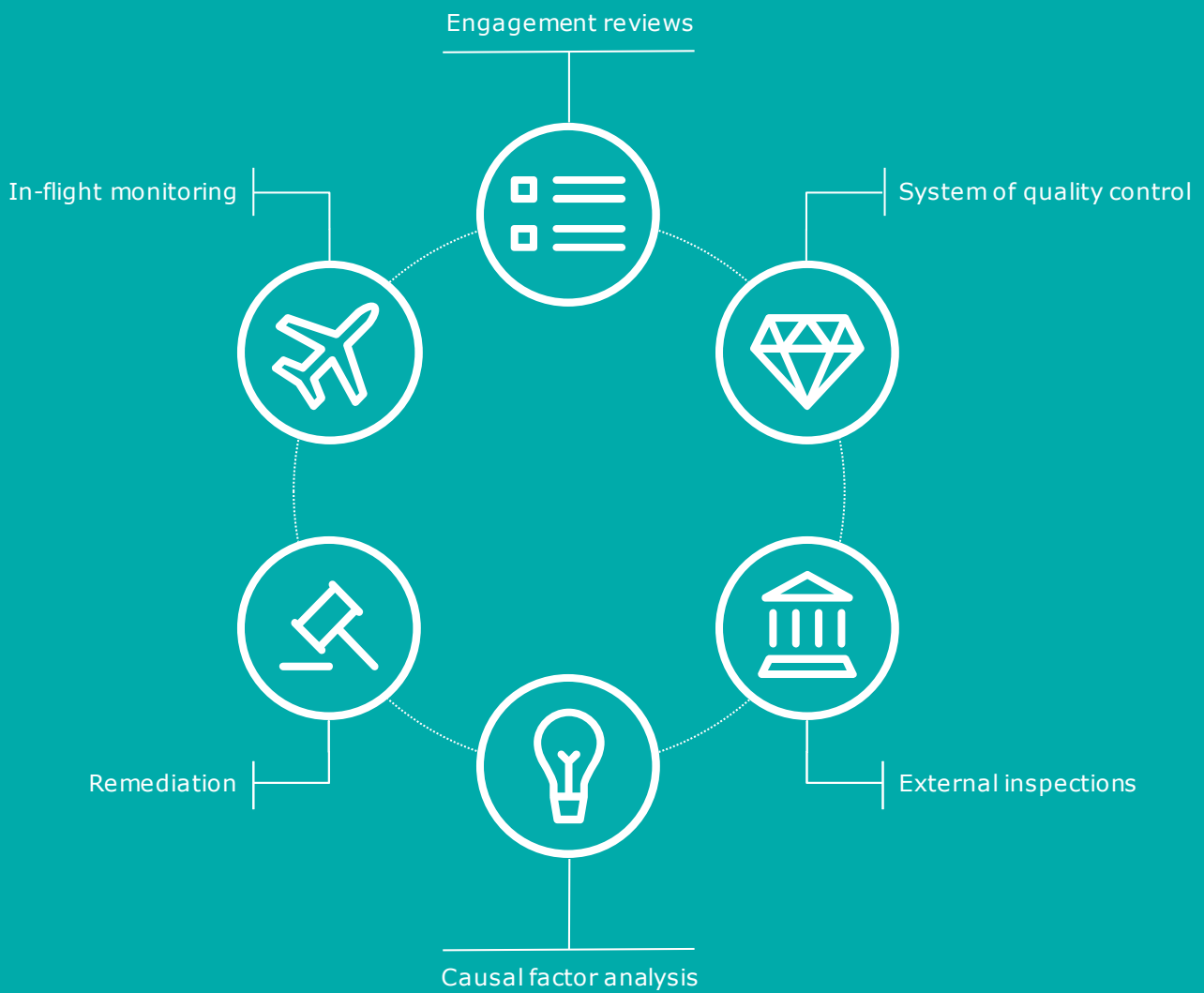
The objectives of the Deloitte Global Audit Quality Monitoring & Measurement (AQMM) programmes are to:

- 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

# Audit Quality Monitoring & Measurement





 **In-flight monitoring**

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

- Availability of a series of core diagnostics, enabling engagement directors and teams, as well as Deloitte Malta audit quality leaders to monitor audit quality and take immediate action.
- A programme of subject matter specific “health checks” to assist Deloitte Malta audit quality leaders in assessing progress and identifying potential issues on in-flight engagements.
- 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.

 **Engagement reviews**

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

- Risk-based engagement selection and consideration of all major industries served by Deloitte Malta.
- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- External partners and deputies who oversee practice reviews to drive global consistency.
- Identifying appropriate resources, principally from other Deloitte geographies, with the right experience and industry knowledge.

 **System of quality control (SQC) review**

SQC review 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. Deloitte is also preparing for the future by focusing on readiness activities for monitoring related to implementation of ISQM1. These preparations are further advancing quality control processes and the approach to monitoring, and continually strengthening our culture of continuous improvement.

Audit Quality Indicators (AQIs), used in conjunction with other metrics, further assist Deloitte Malta 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 used in public interest entity audit engagements 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 the skills, knowledge or experience of assigned resources.

 **Causal factor analysis and remediation**

Continuous improvement is essential to Deloitte’s culture of quality and excellence. Understanding why audit deficiencies occur is critical to the design of effective actions to remediate findings. Further, actions are taken when audit deficiencies are identified during the performance of an audit engagement. Engagement level remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An audit quality plan is prepared by Deloitte Malta and provides for effective implementation and monitoring of key audit quality priorities.

 **External inspections**

In addition to Deloitte Malta’s own monitoring of audit quality, we are subject to external reviews by the Quality Assurance Unit of the Accountancy Board within the Ministry for Finance.

Internal inspections	External inspections
Last inspection report issued in January 2021 covering the year ended May 2020.	Last inspection held between October 2020 / May 2021, generally covering the year ended August 2020, with the final report issued in August 2021.
Practice review for the year ended May 2021 in final stages of completion.	

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

Deloitte Malta confirms 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 practice and we use the findings of the practice review, other internal reviews, and external regulatory reviews to enhance our system of quality control.

# 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; provides an annual focused review programme to be performed by member firms as part of their Audit Practice Review for the off-cycle years; and performs 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 Malta Independence

Deloitte Malta 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 Malta 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 Malta. Strategies and procedures to communicate the importance of independence to directors, other professionals, 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 the member firm,

including the design, implementation, operation, monitoring, and maintenance of the system of quality control related to independence. The key elements of the system of quality control that Deloitte Malta implemented in accordance with global independence policies include the following:

- Engagement acceptance and monitoring
- Monitoring long association of directors and professionals with audited entities
- Business relationship assessments and monitoring
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Service Request Monitoring (SRM) application, and the Global Independence Monitoring System (GIMS).
- An Inspection & Testing program, and annual and special purpose independence confirmations, to monitor individuals' compliance with independence requirements

- Consultation processes including the identification of individuals who are to be contacted for independence matters
- Procedures to identify and analyse non-compliance with independence requirements and apply related disciplinary measures and actions
- Independence-related learning and communications
- An internal review of independence compliance was conducted during the year and the report was issued on 6 January 2021 covering the year ended 31 May 2020.



### 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 clients



### GIMS

#### Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators

### Long association requirements of audit directors and professionals

Key audit engagement directors cease their participation in the statutory audit of a public interest entity after having served seven cumulative years in a key audit director role with respect to the audit of that public interest entity. They do not participate again in the statutory audit of that audited entity before the required cooling-off period has been completed. In assigning the most senior personnel, other than key audit directors, to audit engagements of public interest entities, attention is paid to ensure a gradual rotation mechanism on the basis of individuals rather than of the entire engagement team.

### Ethics

All Deloitte professionals 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

professionals make regarding ethical standards, as well as explaining each individual's responsibilities to their clients, colleagues, and society.

In addition to the Global Code, other foundational elements of Deloitte's ethics programme include global policies, a programme of training and communications, and established reporting channels supported by defined incident management protocols. For continuous improvement, regular programme assessments and reviews are conducted and feedback is collected from Deloitte professionals through an annual ethics survey.

Ethics at Deloitte is led by the Deloitte Global Chief Ethics Officer at the global level, and by member firm Ethics Officers at the local level, who are experienced directors with direct access to the member firm's CEO and governing body. Deloitte Global and member firm ethics leaders work together to continually monitor risk and to reinforce compliance with the Global Code.

Deloitte Malta maintains policies and procedures that build on the global policies and 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 Deloitte Malta are in accordance with national requirements embodied in the Accountancy Profession (Code of Ethics for Warrant Holders) Directive (Directive Number 2) issued in terms of the Malta Accountancy Profession Act (Cap. 281). Deloitte Malta 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 Malta follows the applicable national requirements.

Deloitte Malta reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems. In addition, Deloitte Malta requires all directors, other professionals, and support staff to confirm annually that they have read and comprehended the member firm's Code of Conduct and understand that it is their responsibility to comply with it.

# Deloitte Global Ethics

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

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 programme is comprised of the following elements:





## Shaping the future of the audit profession

Deloitte is proactively engaging with a range of stakeholders – including policy makers, regulators, investors, company directors, audit committee chairs and industry bodies – to help to ensure audit and the corporate governance and reporting regime continues to evolve to meet the needs of society and to serve its purpose in promoting confidence and trust in the capital markets. All of these stakeholders play a critical role in supporting the provision of relevant information in the public interest. The drive to bring innovation to the audit reflects Deloitte’s commitment to enhance the audit of today as well as establish a long term vision for the future of audit.

# Appendices

# Appendix A | EU EEA audit firms

## Disclosure in accordance with Article 18.2(b)(ii)-(iii) of the Accountancy Profession Act (Cap. 281) and Article 13.2(b)(ii)-(iii) of the EU Audit Regulation<sup>1</sup>

**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
<b>Austria</b>	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Burgenland Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
<b>Belgium</b>	Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises BV / SRL
<b>Bulgaria</b>	Deloitte Audit OOD
<b>Croatia</b>	Deloitte d.o.o. za usluge revizije
<b>Cyprus</b>	Deloitte Limited
<b>Czech Republic</b>	Deloitte Audit s.r.o.
<b>Denmark</b>	Deloitte Statsautoriseret Revisionspartnerselskab
<b>Estonia</b>	AS Deloitte Audit Eesti
<b>Finland</b>	Deloitte Oy
<b>France</b>	Deloitte & Associés
	Deloitte Marque & Gendrot
	Audalian Commissaire
	BEAS
	Cisane
	Constantin Associés
	DB Consultant
	ECA Audit
	Jacques Serra et Associés
	Laurens Michel Audit
	Opus 3.14 Audit et Conseil
	Pierre-Henri Scacchi et Associés
Revi Conseil	

<sup>1</sup>EU Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities

EU/EEA Member State	Name of audit firms carrying out statutory audits in each Member State
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
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
United Kingdom <sup>2</sup>	Deloitte LLP
	Deloitte Limited
	Deloitte N.I. Limited

### Disclosure in accordance with Article 18.2(b)(iv) of the Accountancy Profession Act (Cap. 281) and 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: € 1.9 billion<sup>3</sup>

<sup>2</sup>On 31 January 2020, the United Kingdom was no longer part of the European Union. However, pursuant to an agreement between the United Kingdom and EU, the United Kingdom remained part of the EU customs union and single market and continued to apply EU law through the end of the transition period (i.e., 31 December 2020). The disclosure of total turnover from the statutory audit of financial statements includes turnover from the United Kingdom firms for the period from 1 June 2020 to 31 December 2020.

<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 2021, 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 2020 to 31 May 2021.



## Appendix B | Financial information

### Disclosure in accordance with Article 18.2(k)(i)-(iv) of the Accountancy Profession Act (Cap. 281) and Article 13.2(k)(i)-(iv) of the EU Audit Regulation

Breakdown of Deloitte Malta's turnover for the financial year ended 31 May 2021:

Turnover	€ '000
Statutory audit (PIEs or PIE subsidiaries)	849
Statutory audit (non-PIEs or non-PIE subsidiaries)	7,368
Non-audit services (audited entities)	3,973
Non-audit services (other entities)	18,874
Total	31,064

## Appendix C | Public interest entities

### Disclosure in accordance with Article 18.2(f) of the Accountancy Profession Act (Cap. 281) and Article 13.2(f) of the EU Audit Regulation

Deloitte Audit Limited issued statutory audit reports during the financial year ended 31 May 2021 on the entities listed in the table (as indicated) that fell within the definition of Public Interest Entity (PIE) during the financial period covered by the audit report.

The Maltese Accountancy Profession Act (Cap.281) defines PIEs as entities governed by the law of an EU Member State whose transferable securities are admitted to trading on a regulated market of any EU Member State, a credit institution (e.g. a bank) or an insurance company. Full definitions referencing applicable EU legislation are set out in Article 2(1) of the Accountancy Profession Act (Cap.281).

Any entity that would otherwise fall within the definition of PIE but which was not governed by the law of an EU Member State and / or whose transferable securities were admitted to trading on a market other than a regulated market of any EU Member State, has been designated as an Other Entity of Public Interest.

The Maltese Minister for Finance may from time to time designate other entities as PIEs, for instance entities that are of significant public relevance because of the nature of their business, their size, or their number of employees. To date, there are no such other entities that have been designated as PIEs.

Company	Audit Report Issued between June 2020 and May 2021	Credit Institution	Insurance Company	Listed Equity	Listed Debt	Listed Funds
Advent Insurance PCC Limited	Yes		•			
Agribank p.l.c	Yes	•				
Agriholdings p.l.c *	Yes				•	
APS Bank p.l.c	Yes	•				
APS Funds Sicav p.l.c	Yes					•
AQA Funds Sicav p.l.c	Yes					•
CC Funds Sicav p.l.c	Yes					•
CC Finance Group p.l.c *	Yes				•	
CRH Group Insurance Services Europe Limited	Yes		•			
Fortegra Europe Insurance Company Limited	Yes		•			
Highdome PCC Limited	Yes		•			
IDA Insurance Limited	Yes		•			
Lime Street Insurance PCC Limited	Yes		•			
Malta International Airport p.l.c	Yes			•		
Mangrove Insurance Europe PCC Limited	Yes		•			

<b>Company</b>	<b>Audit Report Issued between June 2020 and May 2021</b>	<b>Credit Institution</b>	<b>Insurance Company</b>	<b>Listed Equity</b>	<b>Listed Debt</b>	<b>Listed Funds</b>
Mariner Finance p.l.c	Yes				•	
Orlen Insurance Limited	Yes		•			
RS2 Software p.l.c	Yes			•		
Shoreline Mall p.l.c	Yes				•	
Traveljigsaw Insurance Limited	Yes		•			

\* Denotes Other Entity of Public Interest

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