

**Deloitte.**



# Audit Transparency Report

27 September 2024

**MAKING AN  
IMPACT THAT  
MATTERS**  
*since 1845*



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# Preface

This report sets out the practices and processes that are currently employed by Deloitte & Touche South Africa for the period *1 June 2023 to 31 May 2024*.

The report has been prepared in accordance with the requirements of the European Union's Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities, and the guidance contained in the Independent Regulatory Board for Auditors (IRBA) Staff Audit Practice Alert 7: Content of a Transparency Report.

**Throughout this report:**

- The Deloitte Pan African Trust is referred to as “Deloitte Africa”.
- Deloitte & Touche (South Africa) is referred to as “Deloitte South Africa” or “the firm”.
- 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 page 5 or About the network (<https://www.deloitte.com/global/en/about/governance/network-brand-alliances/about-the-network.html>).





# Audit Transparency Leadership Message



**Purpose-Driven Excellence**

Deloitte Africa Audit & Assurance strives for a focus on quality and our commitment to a culture of excellence in all that we do. These principles guide us as we continue to serve our clients, our people, and our communities with integrity, transparency, and a shared purpose.



**Client-Centric and Future-Focused**

South Africa, East Africa and West Africa are our core markets, and we remain fully committed to servicing these markets and supporting their development. We take pride in delivering cohesive expertise in these markets, ensuring that our clients benefit from our focus on excellence and a culture of quality collective strength and knowledge of our global firm.

We are dedicated to delivering across our global corridors where we possess differentiated capabilities, which are further emphasised by our ability to operate as a fully integrated African business. This integration allows us to deliver consistent, high-quality services across borders, ensuring that our clients benefit from our deep local expertise combined with global insights.



**Multi-Disciplinary Model**

Our purpose-driven and quality-focused model is underpinned by substantial investments in capacity building and capability development across the continent. Our multidisciplinary model (MDM) integrates top talent and leverages the strengths and resources of the Deloitte network, to address the specific needs of our stakeholders and exceed expectation through more innovative solutions. This approach is further strengthened by our global network, enabling cross-discipline collaboration and the sharing of best practices worldwide.



**Quality at our Core**

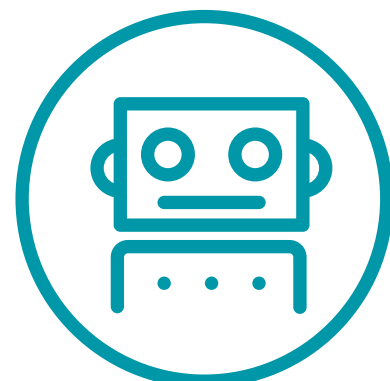
We continue to invest and improve on our audit quality journey. Deloitte subscribes to very high standards of audit quality that we have set for ourselves at a global level. We do so because we want to provide services of the highest quality, as this is how we ensure a positive impact on capital markets and act in the public interest. Quality is the foundation of our profession and the bedrock of our strategy. Our relentless pursuit of quality and commitment to advance the profession defines not just what we do, but who we are.



**Expanding Assurance Services**

Our industry leading Assurance teams provide critical insights and develop procedures to enhance the maturity of systems and create internal controls, ensuring that our clients meet their regulatory and internal commitments in an evolving environment. We shape the future of our profession by engaging and supporting industry CEOs, regulators, policymakers, investors, and other stakeholders, in navigating the complexities of global challenges and technological advancements.

Grounded in technical and industry expertise, our Assurance services also support financial statement audits, fostering trust and confidence in corporate reporting. This is particularly crucial in the evolving contexts of Environment, Social, and Governance (ESG) and integrated reporting. Additionally, we are leading efforts in



**Embracing Technological Advancements**

As the audit landscape evolves at an unprecedented pace, we are committed to leading the transformation of our profession by harnessing the power of innovative technologies. Our investments in advanced technology enhance our audit platforms, analytics, and tools, enabling data-driven, risk-based audits that deliver greater transparency, deeper insights, and instil confidence in our clients. Our commitment to keeping up with and leading technological transformation is vital in evolving our products to meet future stakeholder needs.

As we continue to integrate artificial intelligence into our service offerings, we are not only improving the quality and efficiency of our audits, but also transforming the talent experience and supporting communities through innovation. This forward-thinking approach positions us as leaders in the profession, driving the future of audit and assurance services.

Deloitte Africa Audit & Assurance is characterised by Purpose Beyond Profit as the foundation of our values and ways of working. We strive to make a significant impact on our clients, our team, and the communities we engage with. Our dedication to upholding the highest professional standards in the public interest is underpinned by our pursuit of excellence, creating an exceptional environment for talent development and nurturing the next generation of business leaders.

**Eric Tshabalala**  
Africa Audit & Assurance Managing Partner,  
Deloitte South Africa



# Deloitte network



# Deloitte network

### Deloitte South Africa: legal structure and ownership

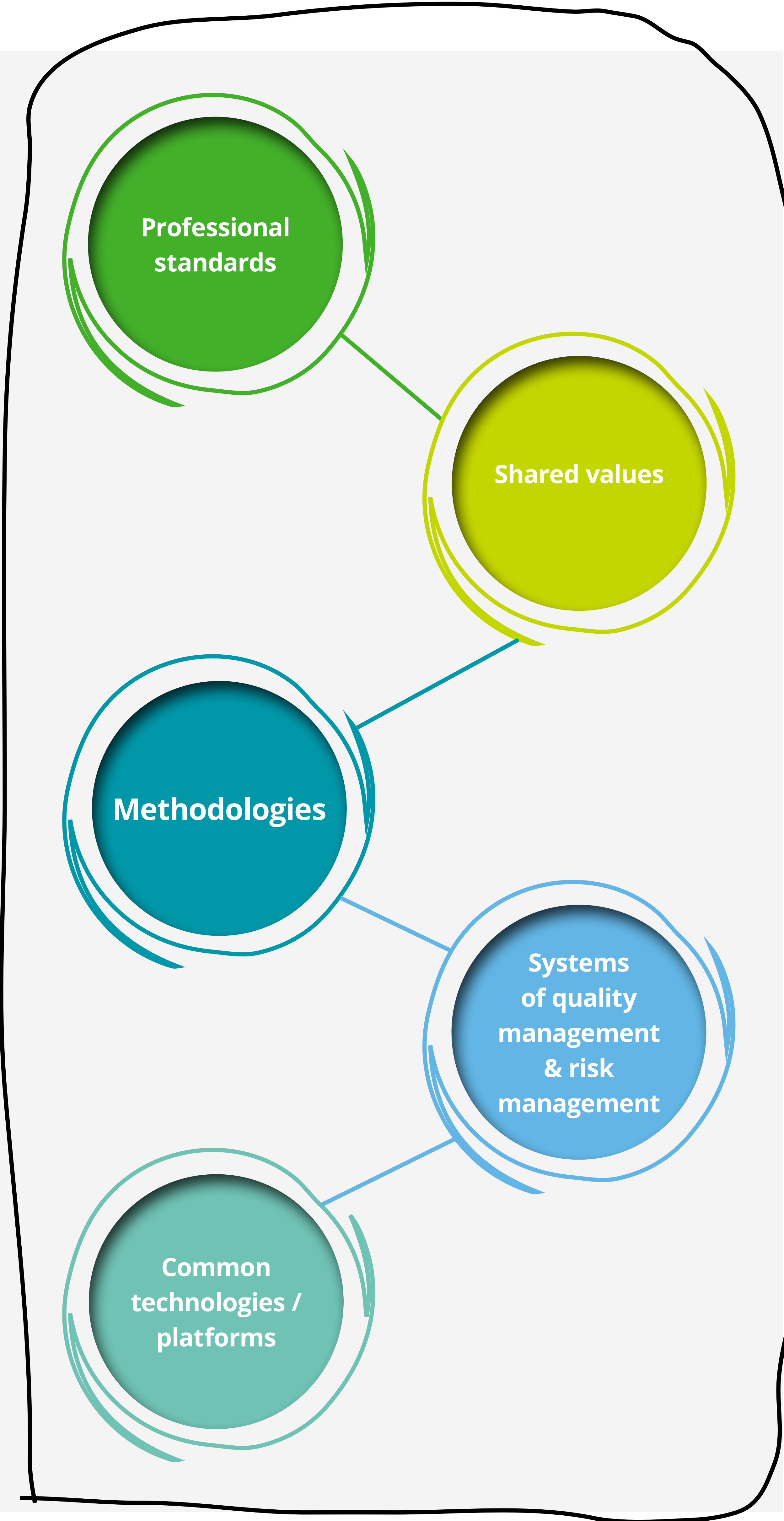
Deloitte South Africa is connected to the Deloitte network through the Deloitte Pan African Trust, a member firm of Deloitte Touche Tohmatsu Limited. Deloitte Africa holds practice rights to provide professional services using the “Deloitte” name which it extends to Deloitte entities within its territory comprised of Botswana, Ethiopia, Ghana, Kenya, Malawi, Namibia, Nigeria, South Africa, Tanzania, Uganda, Zimbabwe, and Zambia, and territorial rights over Lesotho, Rwanda, Burundi, and Eswatini.

During the financial year ended 31 May 2024, we re-entered the Ethiopian market and initiated a change in the Zimbabwean practice that is expected to conclude by 2025. The current partners in Deloitte Zimbabwe will take over the Zimbabwe country practice and will exit Deloitte Africa and the Deloitte network.

The firm is authorised to serve as an auditor for clients in South Africa, under Independent Regulatory Board for Auditors (IRBA), with registration number 902276. Our firm operates as a partnership and is established under South African law, with its head office at 5 Magwa Crescent, Waterfall City, Waterfall, Johannesburg.

### Network description

The Deloitte network (also known as the Deloitte organisation) is DTTL, a globally connected network of DTTL 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 private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their respective related entities and establishes 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 services to clients and does not direct, manage, or control any member firm or any of their respective related entities.

“Deloitte” is the brand under which approximately 460 000 dedicated professionals and practitioners in independent member firms (or their respective related entities) throughout the world collaborate to provide audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to select clients. These member 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 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 audit and assurance clients under the rules and regulations applicable to audit firms. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent, cannot obligate or bind any other, and are liable only for their own acts and omissions, and not those of any 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 Africa: governance – leadership in action

Deloitte South Africa and other practicing firms within Deloitte Africa are governed by the Deloitte Africa Board, which is constituted in terms of the Africa Participation Agreement. The Board comprises independent non-executive directors, ex-officio directors, and a cross-representation of partners of the firm. The Board provides oversight on key matters including governance, strategy, alignment to the Global firm, transformation, risk management and regulatory matters.





**Ruwayda Redfearn**  
CEO Ex-officio



**Graeme Berry**  
Chief Operating Officer



**Delia Ndlovu**  
Chair



**Alex Gwala**  
Southern Africa



**Penny Binnie**  
Southern Africa



**Wesley Govender**  
Southern Africa



**Oduware Uwadiae**  
West Africa



**Saleem Cassim**  
Southern Africa



**Carike Nel**  
Southern Africa



**Alice Tembo**  
Southern Africa



**Doreen Mbogho**  
East Africa



**Fatima Abba**  
Southern Africa



**Eshak Harunani**  
East Africa



**Yemi Saka**  
West Africa



**Ory Okolloh**  
Independent Non-Executive



**Nikiwe Bikitsha**  
Independent Non-Executive



**Ron Sonenthal**  
International Observer



**Zama Dlamini**  
Specialist Member



# Our purpose and commitment: instilling trust and confidence

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





# Deloitte Audit & Assurance:

Our commitment to serving the public interest

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# Deloitte Audit & Assurance:

## Our commitment to serving the public interest

### A focus on quality

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

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

### Deloitte Global leadership

The Deloitte Global Audit & Assurance Executive, which includes the Audit & Assurance Business Leaders from the larger member firms is led by Jean-Marc Mickeler, the Deloitte Global Audit & Assurance Business Leader. His responsibilities include working with the member firms to define and drive the global Audit & Assurance strategy, with a particular focus on:

- Driving key audit and assurance initiatives across the Deloitte network to accomplish quality outcomes.
- Leading transformational initiatives to innovate the way our audit and assurance engagements are executed to meet the evolving needs of our stakeholders.

### The company we keep

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

The company we keep is a critical foundational aspect of our Audit & Assurance strategy and global shared values that guide our behaviour to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact. Our audit and assurance portfolio risk appetite statement serves as the foundation for the company we keep. The risk appetite statement can be used as a tool to promote robust discussion of risk, and as a basis upon which acceptance and continuance decisions can be debated and challenged effectively and credibly. The statement as shown below sets the tone for our risk culture and aims to drive global consistency in the engagement acceptance and continuance decision-making process:

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

Consistent with our commitment to purpose and to act in the public interest, we recognise that taking on a degree of risk is a natural consequence of doing business. In order to deliver high-quality audit and assurance services, we proactively identify and manage risk through our quality management processes, policies, and procedures to make informed decisions aligned to our strategy and values.

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

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

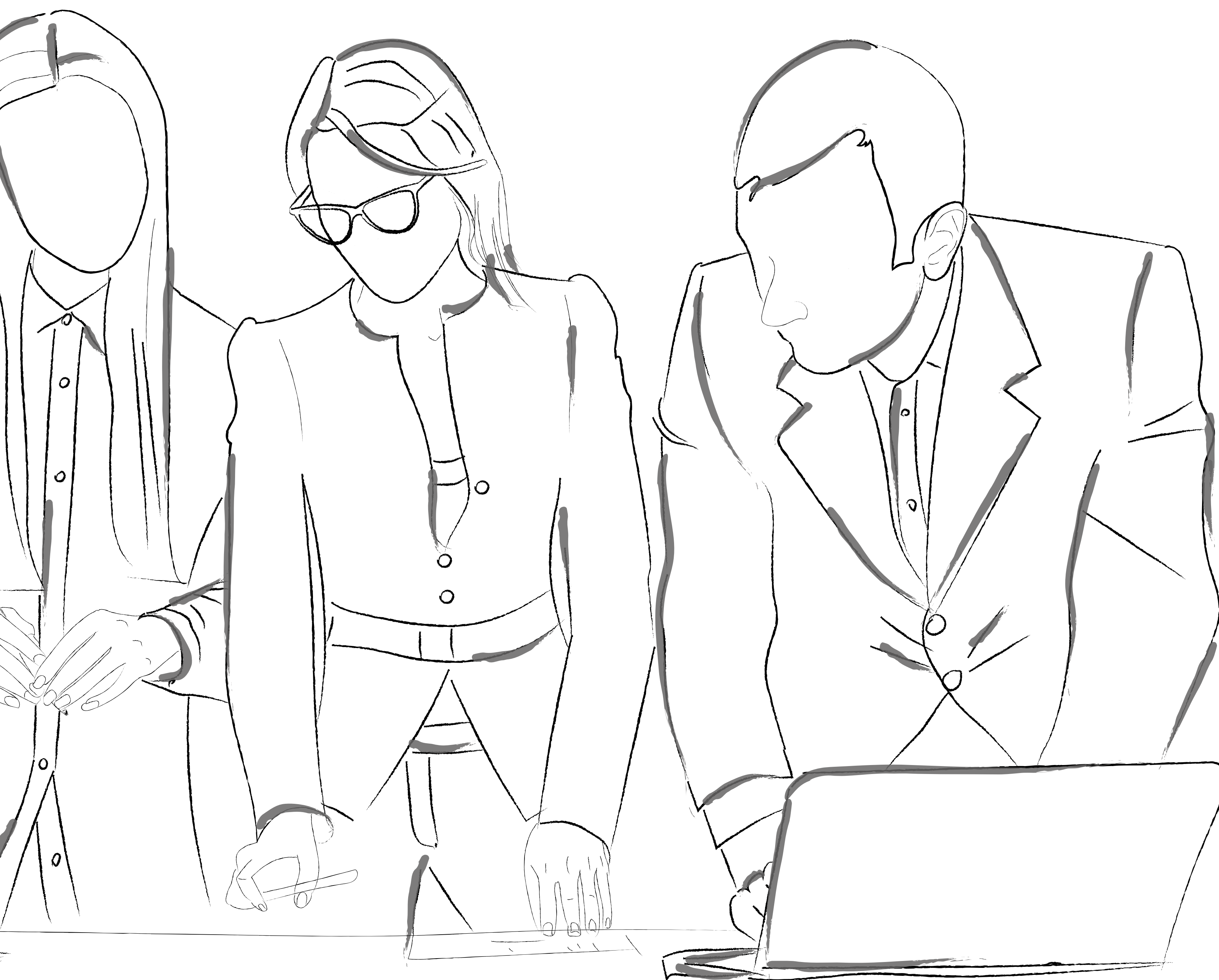
- Is able to perform the engagement and has the capabilities, including time and resources, to do so.
- Can comply with all relevant professional standards and laws and regulations, including those relating to ethics, independence, and conflicts of interest assessments and considerations.
- Considers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

### Fewer, stronger member firms

Within the Deloitte member firm structure, Deloitte South Africa is part of the Deloitte Africa member firm. As a locally registered and regulated audit firm in South Africa, we have decision-making authority regarding regulatory matters and professional obligations and maintain ultimate responsibility for the execution of audit and assurance services in accordance with professional standards and local laws and regulations. The firm is responsible for maintaining and operating an effective system of quality management to support the performance of high-quality audit and assurance engagements. As a member of a combined firm within the Deloitte network, we work in close cooperation with the other geographies in the Deloitte Africa member firm and benefit from additional oversight of quality, risk management, and monitoring activities. This structure fosters shared investment in innovation and resources as well as the sharing of leading practices across geographies, driving standardisation and consistency across the audit and assurance business and contributing to our collective aspirations of continuous improvement in quality.



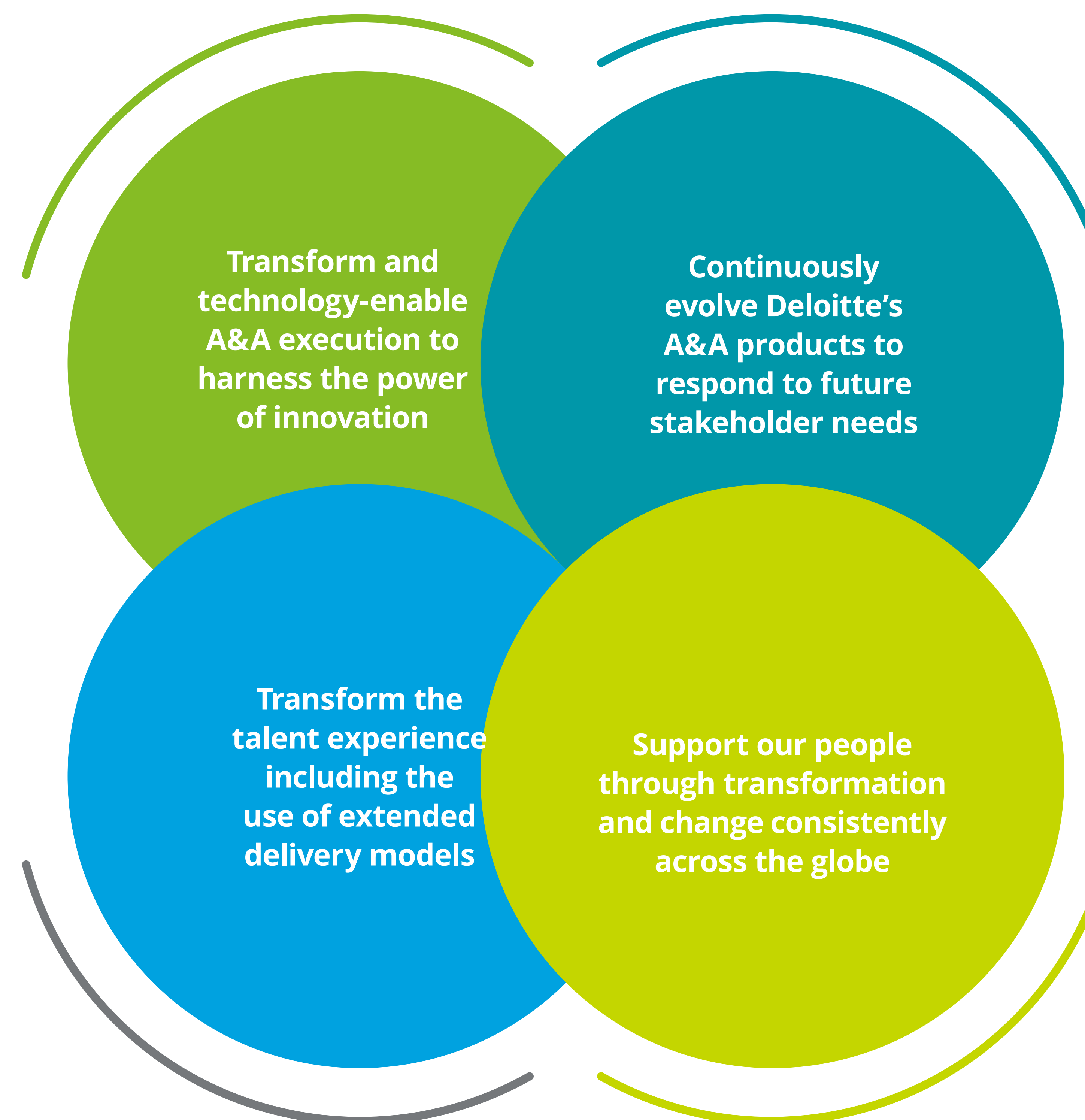
Our people's commitment to integrity, to serve the public interest, and to deliver high-quality assurance over the areas that matter most to our stakeholders is at the core of everything we do.



Our unwavering dedication to quality drives our sustained quality leadership position. We remain focused on excellence across people, process, and technology. Each of these core components helps us to deliver our vision for a better future, creating an impact that goes beyond expectations.

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

**The Audit & Assurance transformation and change strategy is focused on the following outcomes:**



### **Delivering excellence through process, people, and technology transformation<sup>1</sup>**

With The Deloitte Way, Deloitte is bringing standardisation, consistency, and efficiency to drive quality into the core of how our engagements are executed: with automation that improves routine tasks and analytics that support audit execution – yielding a deeper and more insightful view into the available data. As a result, we are improving the quality of the services we deliver while also creating a richer talent experience for our people and clients.

Innovation and technology enablement are an expectation in today's fast-changing world, and this expectation holds true for the profession as well. Today's complex business environment requires that the audit and assurance we deliver is dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and we are evolving our audit and assurance services as Deloitte clients innovate their businesses and processes. Leveraging evolving technology and data, Deloitte delivers deeper insights to create more consistent and transparent audit and assurance for our stakeholders.

Deloitte is committed to the continued investment in emerging technologies and diversity of thought that enables the delivery of enhanced quality, insights, and value to our clients and the markets. Deloitte's global audit platforms, Deloitte Omnia and Deloitte Levvia, demonstrate our commitment to delivering digital, high-quality engagements of all sizes and levels of complexity. Deloitte Omnia is our cloud-based, end-to-end delivery platform for large and complex engagements, while Deloitte Levvia delivers a streamlined, right-sized digital experience for low risk, less complex entities. Ongoing enhancement and global deployment of both platforms are well underway and will continue as we embed further innovation for a differentiated client and auditor experience.

<sup>1</sup>For more information about Deloitte audit innovation, please refer to *Deloitte Global Impact Report* and *Audit innovation and Audit & Assurance: the Deloitte way* pages on [Deloitte.com](https://www.deloitte.com).



**Deloitte A&A's GenAI strategy**

Deloitte A&A is continuing to invest in artificial intelligence innovation, and we have already made significant progress on transforming the delivery of our work with our innovative technologies, Deloitte Omnia and Deloitte Levvia. We are focused on ethical and responsible use of GenAI for both clients and our people:

- Within the entities we audit, we are evaluating the impact of AI implementation on financial reporting and other disclosures, as well as the entity's assessment and response to AI-related risks (including related internal controls). Companies have already begun adopting and incorporating AI into their business processes, and we will be ready to consider any relevant implications to the financial reporting processes.
- We continue to assess how we can use Gen AI in our audits and remain focused on harnessing the power of cognitive technologies within our Deloitte Omnia and Deloitte Levvia platforms. We have solutions in use today already using AI. Going forward, we believe Gen AI will further support our auditors in delivering high quality audits including supporting further risk-sensing, identification of potential issues, and automation of certain processes. Professional skepticism and the skill set that we rely on as auditors today will however continue to be critical to responsible use and evaluation of AI, specifically Gen AI.
- Finally, we are investing heavily in learning and development for Deloitte A&A practitioners and professionals, training them on the impact of Gen AI, its risks, limitations, and expectations about how to use Gen AI effectively on their engagements.

**Sustainability reporting<sup>2</sup>**

The foundations of business are changing rapidly – long-term resiliency and the ability to create enduring value is directly linked to alignment with the values and expectations of society. Market participants and other stakeholders are calling for greater insight into how organisations are building, protecting, and enhancing enterprise value over time, and are specifically demanding enhanced transparency around climate-related and broader environmental, social, and governance (ESG) impacts and the dependencies of an entity's business model and strategy.

Specifically, Deloitte recognises that climate change poses a risk to financial stability and impacts businesses in many sectors with increased disclosure and reporting expectations from various stakeholders. Deloitte's audit approach is designed to promote consistent and appropriate consideration of climate

related risks and opportunities that enable a deeper understanding of potential impacts of climate change on the financial statements to enable evaluation and well-documented conclusions. We continue to emphasise this with our people through learnings, guidance, and other resources.

The evolution from traditional financial reporting to broader corporate reporting is happening at pace, with significant standard-setting activity driving companies to ready themselves for new or enhanced disclosure requirements. The IFRS Sustainability Disclosure Standards published by the International Sustainability Standards Board (ISSB) create a global baseline for sustainability reporting. Other jurisdictions have passed their own corporate reporting requirements, notably the EU's Corporate Sustainability Reporting Directive (CSRD), which mandates reporting in accordance with European Sustainability Reporting Standards (ESRS) and has significant extraterritorial reach, and the US SEC's climate disclosure rule, which requires registrants to disclose climate related risks. Deloitte is a strong advocate for enhanced sustainability reporting and recognises the important role we play in raising awareness of these new requirements through active stakeholder engagement.

Corporate reporting standards and regulatory requirements are intended to drive better connectivity between financial and non-financial reporting and to help users of corporate disclosures better understand and compare information about entities. To be effective, these standards need to enable corporate reporting that is comparable, based on a global baseline, and supplemented by local considerations where warranted. Given the comprehensive nature of certain sustainability reporting requirements and the pace at which it has been developed, further guidance and interpretation is needed in the marketplace to support both preparers and users of the information. As these standards are brought into regulation around the world, so too are the associated enforcement, monitoring, governance and controls, assurance, and training mechanisms. It is critical that the entire sustainability reporting ecosystem – including standard-setters, policy makers, and regulators – work together to limit fragmentation in support of consistent, comparable disclosures.

The developments in standard-setting and rulemaking make clear that information in financial reporting and information contained in sustainability reporting together are essential inputs to inform a stakeholder's view of an entity's value. Therefore, there is a growing demand for companies to integrate climate-related and other sustainability considerations into internal control policies and procedures, enhancing the maturity of systems, processes, and

governance over climate-related and other sustainability information. Those charged with governance (e.g., audit committees, boards) are increasingly incorporating sustainability considerations in their oversight responsibilities of an organisation's management, its reporting, and their data-collection processes and controls.

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Deloitte understands that given the increased risks associated with climate change, it is important for climate-related factors to be properly incorporated into corporate reporting. Today some stakeholders' expectations may not be met by financial statements prepared in accordance with current accounting frameworks. As corporate reporting continues to evolve and stakeholders accommodate and adapt to market shifts and public sentiment, it is important to allow for appropriate due process to develop robust standards applied consistently across the globe and to drive reporting that is responsive to the growing asks of investors and other stakeholders.

Deloitte remains committed to engaging in meaningful and transparent conversations with investors, standard-setters, regulators, and other relevant stakeholders. We continue to support reduced standard and regulatory fragmentation and look forward to greater market confidence as consistency in standards is realised globally.

<sup>2</sup>*For more information about Deloitte's Global Impact Report.*



On 26 June 2023 the International Sustainability Standards Board (ISSB) issued its inaugural standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and IFRS 2 Climate-related Disclosures. In South Africa, a decision has not been made in terms of the adoption of these standards, however, discussions and roundtables are underway among relevant stakeholders to pave the way forward.

The Johannesburg Stock Exchange (JSE) published Sustainability Disclosure Guidance in June 2022. The Guidance aims to achieve consistency in the reporting of sustainability information by JSE-listed entities. The Guidance remains relevant and provides a comprehensive framework for reporting relevant and material sustainability matters aligned to an African context.

In May 2024, the South African Prudential Authority published Guidance Notice 1 of 2024: “Guidance on climate-related governance and risk practices for insurers”, as well as Guidance Notice 3 of 2024: “Guidance on climate-related disclosures for banks”. The purpose thereof is to provide insurers and banks with guidance regarding climate-related disclosures, taking into consideration the International Sustainability Standards Board climate-related disclosures standard under the four thematic areas of governance, strategy, risk management, and metrics and targets.

Assurance

With the heightened focus and scrutiny of sustainability reporting also comes the need for confidence over the quality of disclosures in the form of independent assurance. Assurance over sustainability reporting is increasingly becoming mandatory, as demonstrated by the corporate reporting regulations passed in the European Union that require limited assurance with an expectation to move to reasonable assurance in future years.

The growing demand for sustainability assurance highlights the importance of professional standards that enable consistent, high-quality execution globally. Deloitte is supportive of the IAASB’s work to develop a global sustainability assurance standard, ISSA 5000, i.e., as a global baseline for sustainability assurance. Widespread adoption of ISSA 5000 is critical to avoid the undue complexity and cost associated with fragmented assurance standards.

Deloitte is well positioned to deliver high-quality assurance on sustainability information. As auditors, we uphold the core tenants of integrity, credibility,

and objectivity and abide by professional requirements regarding competence, independence, and systems of quality management. Our audit work and related systems are subject to oversight and inspection as well as professional liability mechanisms to ensure that credible assurance is delivered to the market.

Below are specific actions that Deloitte is undertaking to support execution of high-quality assurance that appropriately addresses both voluntary sustainability reporting and mandatory reporting requirements:

- Developing and enhancing guidance for performing sustainability assurance through Deloitte’s global sustainability assurance methodology, which includes supplemental guidance for specific sustainability reporting standards and frameworks.
- Building capacity through global and localised learning focused on sustainability.
- Developing and starting to deploy technology-enabled solutions, such as a tool to evaluate a company’s sustainability disclosures against common sustainability standards.
- Engaging in shaping the capital market infrastructure for sustainability reporting tied to enterprise value through collaboration on climate and ESG standard setting reporting, and assurance initiatives, such as the IFRS Foundation, the International Auditing and Assurance Standards Board (IAASB), and the International Ethics Standards Board for Accountants (IESBA).
- Actively participating in various global platforms such as the World Economic Forum and the 2023 UN Climate Change Conference (COP28).
- Dedicated professionals with ESG experience within the firm provide specialist support to audit teams to ensure identification of ESG risks and provide advice on the appropriate approach and execution of related procedures.
- The firm participates in the IRBA sustainability standing committee, the Integrated Reporting Committee of South Africa working group.

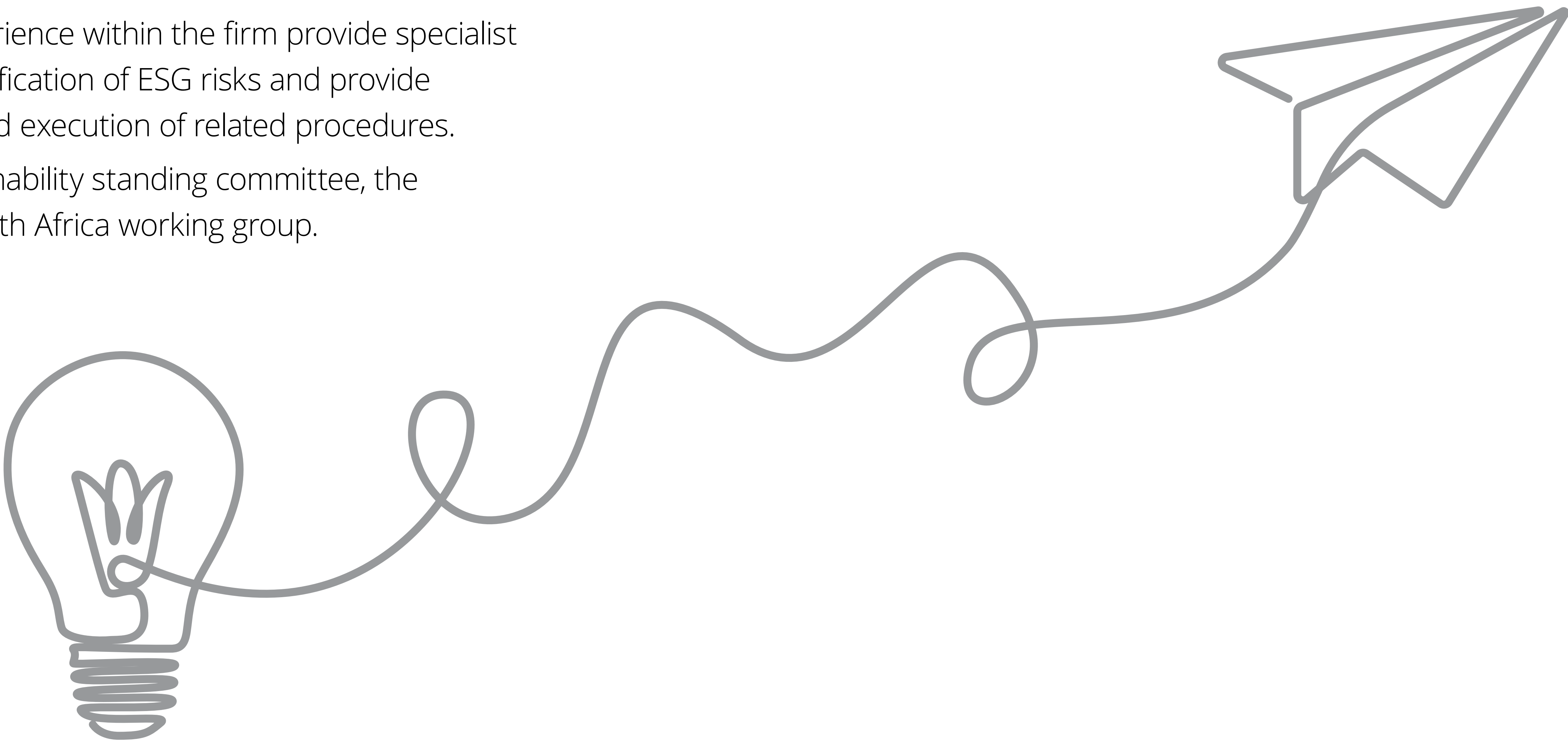
Deloitte supports the continued collaboration of all participants in the corporate reporting ecosystem, working together to develop and implement common standards upon which to measure, disclose, and ultimately assure sustainability information.

Deloitte’s commitment

Further, to help the world achieve the goals of the Paris Agreement<sup>3</sup>, Deloitte is committed to **WorldClimate**, a strategy to drive responsible climate choices within the Deloitte network and beyond.

Refer to the upcoming issuance of the 2024 Deloitte Global Impact Report for the complete report on this important initiative.

<sup>3</sup>The **Paris Agreement** is a legally binding international treaty on climate change. It was adopted by 196 parties at the United Nations (UN) Climate Change Conference (COP21) in Paris, France, on 12 December 2015 and was entered into force on 4 November 2016. Per the UN, its overarching goal is to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.





### Multidisciplinary model (MDM)

Deloitte's MDM brings the breadth and depth of services across Deloitte's businesses, connecting many different disciplines to provide expertise and broad perspective. The MDM is a core strength of Deloitte and will remain the foundation of our strategy. Our current strategy and business model have a positive impact on quality.

Specifically, the scope of corporate reporting is expanding and transforming considerably every day with the emerging voluntary and mandatory disclosure requirements around sustainability, cyber, AI, data privacy, and more. Deloitte prides itself on having a deep bench of independent specialists who can be deployed around the world on audit and assurance engagements to provide subject matter expertise and new, insightful perspectives.

### Other strengths of the MDM include:

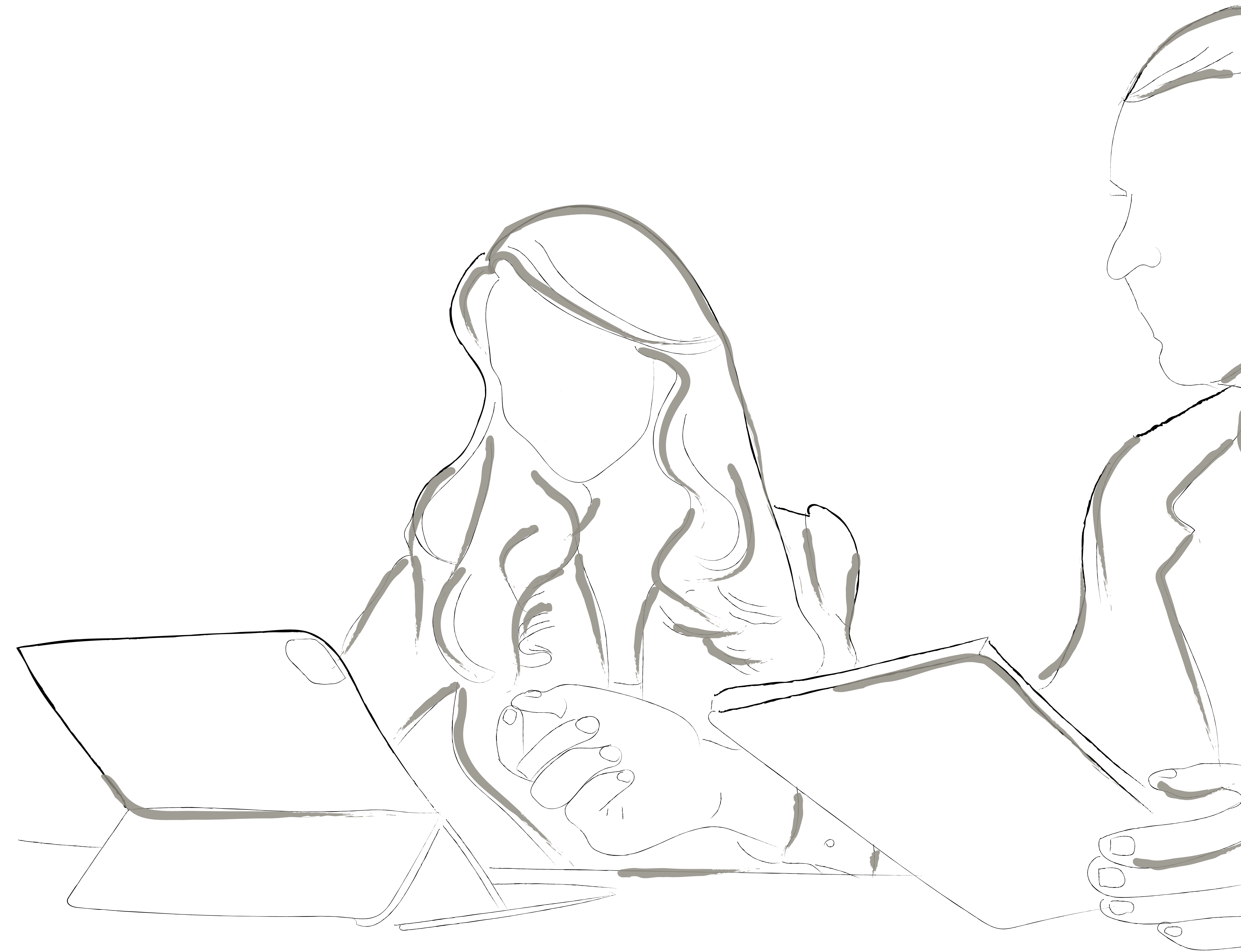
- The possibility to develop industry or thematic insights (e.g., climate, governance, corporate strategy, etc.) through multiple lenses, which enhances auditors' understanding of business risks relevant to conducting audit and assurance services.
- The breadth of the MDM creates richer career paths and mobility for our people making the business attractive to candidates who may not want to limit their career options to providing audit and assurance services only.
- The global scale of the MDM brings greater resilience to each Deloitte business line, including audit and assurance, allowing continued investment in technology, methodology, and process to support delivery of high-quality, cross-border services.

Deloitte leadership recognises that each Deloitte business line is important and critical to the organisation's ability to deliver on its public interest responsibilities. Management's attention and investment allocation are not limited to the business lines with the highest growth rates.

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

While we are always evaluating ways to improve Deloitte's ability to deliver on our public interest mandate, we remain confident that Deloitte's MDM and our shared purpose and values make us well-positioned to navigate future challenges while continuing to lead with quality.

We recently embarked on a thoughtful process to modernise and simplify Deloitte's storefront and go-to market strategy. Regarding Audit & Assurance, we are confident this modernised storefront will further enhance the quality of the engagements we deliver, align core skillsets and capabilities, and provide vibrant career paths for our people.





# Shaping the future of the profession

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

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

In today's environment, a sharpened awareness regarding the heightened risk of fraud, the presence of emerging or evolving risk factors, and the need for effective internal control environments remains critical. Although the existing accounting frameworks have provisions for uncertainties, financial statement users and regulators should continue to expect a high degree of market and economic volatility in the near term.

Deloitte has consistently welcomed public statements and guidance issued by regulators that recognise uncertainties and emphasise the importance of high-quality, forward-looking corporate disclosures. Greater transparency benefits the public, just as raising awareness about these issues, especially when all corporate reporting ecosystem stakeholders participate. More clarity about the unique and complementary responsibilities of management, audit committees, entities, auditors, regulators, and other stakeholders enables the investing public to hold accountable these parties in a way that effectively serves the public interest.

The value of high-quality audit and assurance services is not diminished in the midst of global unrest. Rather, investors and other stakeholders continue to call for professional services based on independence and objectivity-based principles and practices to engender trust and inspire confidence in the capital markets – and Deloitte is committed to leading the way.

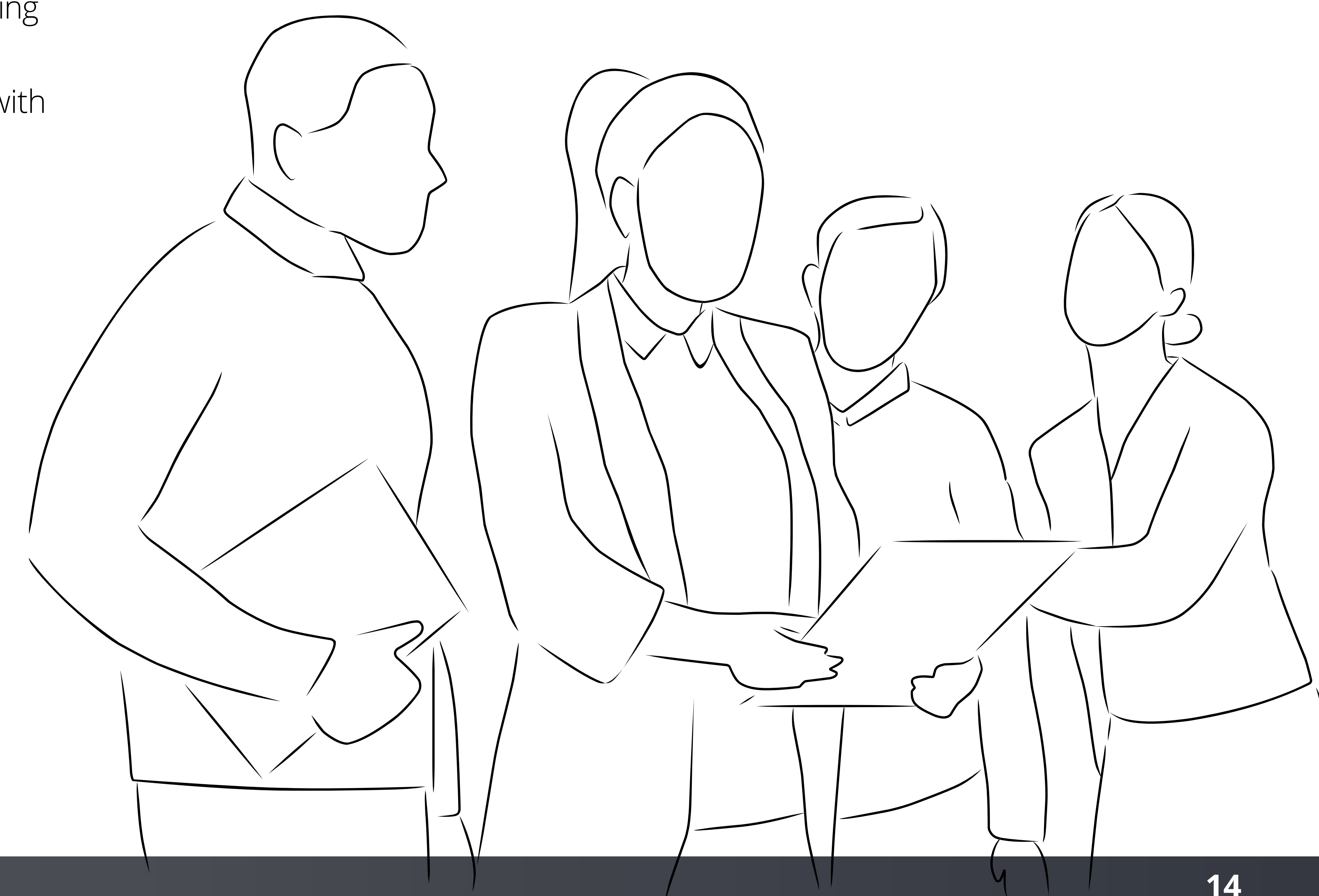
The firm's commitment to serving the public interest – especially as it relates to behaving according to the highest standards of ethics, integrity, independence, and transparency is steadfast. Deloitte is keenly aware of the gravity of responsibility that comes with meeting professional obligations and discharging its role as auditors within the corporate reporting ecosystem globally. The following principles remain at the forefront and are continuously reinforced with Audit & Assurance practitioners:

- Exercise professional scepticism and due professional care.
- Critically evaluate the quality of audit evidence obtained and determine whether it is sufficient and appropriate to address relevant risks.
- Make well-reasoned professional judgements supported by clear documentation.
- Foster a culture of excellence and consultation.
- Demonstrate commitment to integrity and ethical behaviour including compliance with regulatory and professional obligations.
- Stay connected and support one another.

Deloitte is committed to establishing a meaningful vision for the future of the profession which addresses the shifting needs of society.

We are continually innovating to improve our effectiveness through technology, data, and ways of working. In parallel, the role of audit and assurance in the corporate reporting ecosystem, its responsibility to act in the public interest, and its evolving contribution to societal value remains at the forefront of our work in this area. Through proactive engagement with a range of stakeholders, we seek to understand today's rapidly developing issues faced by society (e.g., sustainability, cyber, AI, data privacy, etc.) and the role that audit and assurance can play in responding and driving change for the better.

We strive to engage with these parties, both formally and informally, to share, offer, and debate ideas that foster our collective ambition to ensure the ongoing and growing relevance of audit and assurance to the capital markets.





# Professional development and performance management

Deloitte's culture of excellence and the design of learning programmes place people at the forefront.<sup>4</sup> Deloitte practitioners are technically proficient with high levels of ethics, integrity, professional scepticism, and objectivity, applying their judgement and experience with passion and commitment. We are continuously enhancing our skillsets, knowledge, and experience to go beyond the expected and deliver meaningful impact.

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

Deloitte practitioners bring diverse backgrounds, knowledge, and skills that enhance capabilities as an organisation in delivering the highest quality. We support and empower our people to achieve their full potential by valuing and demonstrating diversity, equity, inclusion, and wellbeing.

Deloitte recognises and rewards its Audit & Assurance practitioners and professionals and makes meaningful investments in their futures.

## Learning and development initiatives

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

skillsets are enhanced, we build greater confidence and become ever-better evaluators of risk.

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

- At the core, Deloitte has a single, global mandatory audit technical learning curriculum, tailored for learners by level, using a dynamic blend of live instructor-led, digital on-demand courses, and on-the-job activities.

All client service practitioners are required to follow the firm's learning requirements for their roles and complete sufficient continuing professional development (CPD) each year on an outcomes basis to ensure compliance with regulatory requirements. The mandatory learning curriculum is delivered to practitioners as follows:

- In-person learning. These courses are developed globally and are supplemented with local content based on the prevailing needs of the practice.
- E-learning curriculum. This is global content on new and emerging issues, as well as reinforcement of current principles.
- Audit quality webcasts are attended by all partners and managers across the member firm. These webcasts allow topical information and learning to be shared on a frequent and timeous basis, including common practice review and external findings, and new and emerging issues.
- Consequence management is enforced when learning is not completed timeously.
- The firm has established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. All specialists are required to complete these courses before working on an engagement.

## Talent development

All client service practitioners have clearly defined role expectations and global Talent Standards which outline the capabilities that are required of practitioners at each level.

The objective of the Deloitte South Africa professional development programme is to help partners and practitioners maintain and enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, Deloitte South Africa provides formal continuing professional development programmes in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum. In addition, several professional development courses are available to all practitioners which are designed to develop key professional skills such as navigating difficult conversations, negotiation, how to manage your time, how to provide good feedback and coach others, using the “art of empathy, inquiry and storytelling” to foster and build sustainable relationships.

The professional requirements to remain a member of South African Institute of Chartered Accountants (SAICA) or a registered auditor with the Independent Regulatory Board for Auditors (IRBA) requires each practitioner to compile a CPD plan that is specific for their role and skill level, based on the relevant CPD frameworks applicable from both regulatory bodies. The Deloitte learning programme consists of mandatory and optional courses depending on the role and level of the individual, and each partner and practitioner can access learning available based on their developed and defined CPD plan.

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<sup>4</sup>For more information about Deloitte's commitment to its people, please refer to **Audit & Assurance People page** on [Deloitte.com](https://www.deloitte.com)



**Audit & Assurance Leadership appointments**

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

**Remuneration**

Execution of high-quality is expected from all practitioners and is embedded across the Deloitte network. This is recognised through reward and recognition programmes and is built into performance standards at every level, against which practitioners’ overall evaluations are measured.

In accordance with global policies, Deloitte South Africa’s partners are evaluated on an annual basis, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. The evaluation includes consideration of quality; based on regulatory and internal quality review outcomes; independence; and compliance with all relevant regulatory and internal policy requirements.

**Attraction and retention**

The current environment for talent is extremely competitive and attraction and retention of our people is a strategic priority for Deloitte. Deloitte is focused on transforming the Audit & Assurance talent experience, including reimagining

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

The Association of Certified Accountants (ACCA) was accredited by the IRBA in South Africa, enabling ACCA members to register for the IRBA’s Audit Development Programme (ADP) from 1 April 2024. Considering this development, Deloitte has established an ACCA pipeline within the South African Audit practice, as part of our commitment to exploring various talent pipelines to collectively expand the talent experience and future talent pool within the firm.

Deloitte South Africa as a way of expanding the talent pipeline has included prospective practitioners pursuing SAICA’s mid-tier designation Associate General Accountant (AGA).

Deloitte continues to receive recognition and awards across the globe for its commitment to delivering an unrivalled talent experience for its people [Awards and recognition | Deloitte Global](#).

In December 2023, the firm was awarded the following at the Gradstar Student Choice Awards:

- Top graduate employer of choice for Accounting and Auditing;
- Top graduate employer of choice for Consulting; and
- 2nd overall employer of choice.





# Deloitte's priority focus on quality



We recognise the critical role we play in serving the public interest by strengthening trust and transparency in the capital markets. We are proud of our culture, underpinned by our commitment to integrity and ethical behaviour, and continue to prioritise audit quality and making an impact that matters to our people, our clients and our stakeholders in all the markets we serve.

*Fatima Abba, Africa Audit & Assurance Quality & Risk Leader*

Deloitte's commitment to quality is central to everything we do. We consistently deliver on this commitment by instilling a culture of quality, integrity, and excellence across the network, establishing business and financial priorities, and developing effective processes, tools, and technologies applied in the execution of engagements. Deloitte's brand is defined by the high-quality audit and assurance services delivered and by the unwavering commitment to continuous improvement of our systems of quality management. Keeping 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 corporate reporting ecosystem.

### Leadership commitment and tone at the top

Deloitte's culture of quality, integrity, and excellence begins with a strong tone from the top – from senior leadership through to the leaders in all our offices and audit and assurance engagements. This commitment is demonstrated through the direct involvement of leaders in initiatives emphasising that quality and professional behavior is the highest priority for audit and assurance practitioners at all levels and consistent messaging that reinforces the importance placed on executing high-quality engagements. Deloitte sets high ethical standards for the conduct of all its professionals and embeds integrity expectations into the Deloitte Global Principles of Business Conduct.

Deloitte's relentless pursuit of quality defines not just what we do, but who we are.

### System of quality management (SQM)

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

Regulators and standard setters in South Africa and globally are also focused on the effectiveness and continued improvements in firms' SQMs. The firm complies with ISQM 1 which requires annual evaluation of the SQM.

ISQM 1 introduces a risk-based approach to the SQM that requires firms to respond to quality objectives and risks to our ability to execute high-quality audits in the following areas:

- The firm's risk assessment process.
- Governance and leadership.
- Relevant ethical requirements.
- Acceptance and continuance of client relationships and specific engagements.
- Engagement performance.
- Resources.
- Information and communication.
- The monitoring and remediation process.

The effective implementation and operation of ISQM 1 has been and remains a key element of Deloitte's global audit and assurance quality strategy. As part of the implementation of ISQM 1, quality objectives, quality risks and responses were formalised and brought together in a globally consistent technology platform to facilitate the design and maintenance of the system, as well as the operation through tri-annual self-assessments by business process owners and reporting capabilities to support the required annual evaluation.

The firm continues to work with leaders across the firm, as well as the broader network, to further enhance our proactive approach to managing the quality of engagements performed – identifying and addressing risks to quality and driving continued advancements in quality management processes serves us well into the future as the environment within which we operate continues to evolve and become increasingly complex.

Consistent with Deloitte's culture of continuous improvement and innovation, the firm's efforts relating to ISQM 1 and our SQM provide us the opportunity to continually challenge ourselves – examining those areas where we can further enhance and transform our SQM. Quality is always front and centre, and robust quality monitoring processes play an integral role in our ability to continually improve.

ISQM 1 requires an annual evaluation of the SQM. The firm performed its annual evaluation of its SQM as of 31 May 2024.



**Conclusion on the effectiveness of the SQM10**

The firm is responsible for designing, implementing, and operating a SQM for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm, that provides the firm with reasonable assurance that the objectives of the SQM are being achieved. The objectives are:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements and conduct engagements in accordance with such standards and requirements.
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.
- The firm conducted its evaluation in accordance with the ISQM 1.

The firm concluded that the SQM provides the firm with reasonable assurance that objectives of the SQM are being achieved as of 31 May 2024.

Reasonable assurance is obtained when the SQM reduces to an acceptably low level the risk that the objectives of the SQM are not achieved. Reasonable assurance is not an absolute level of assurance, because there are inherent limitations of a system of quality management.

**Independence, objectivity, and professional scepticism**

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

**Audit & Assurance approach**

Deloitte’s approach to performing a high-quality engagement involves the use of audit and standards-based assurance methodologies, common across the Deloitte network, supplemented by tools for use by our practitioners to plan, perform, supervise, review, document, conclude, and communicate the results of each engagement. Deloitte’s approach is underpinned by professional standards, as well as the requirements of applicable laws and regulations.

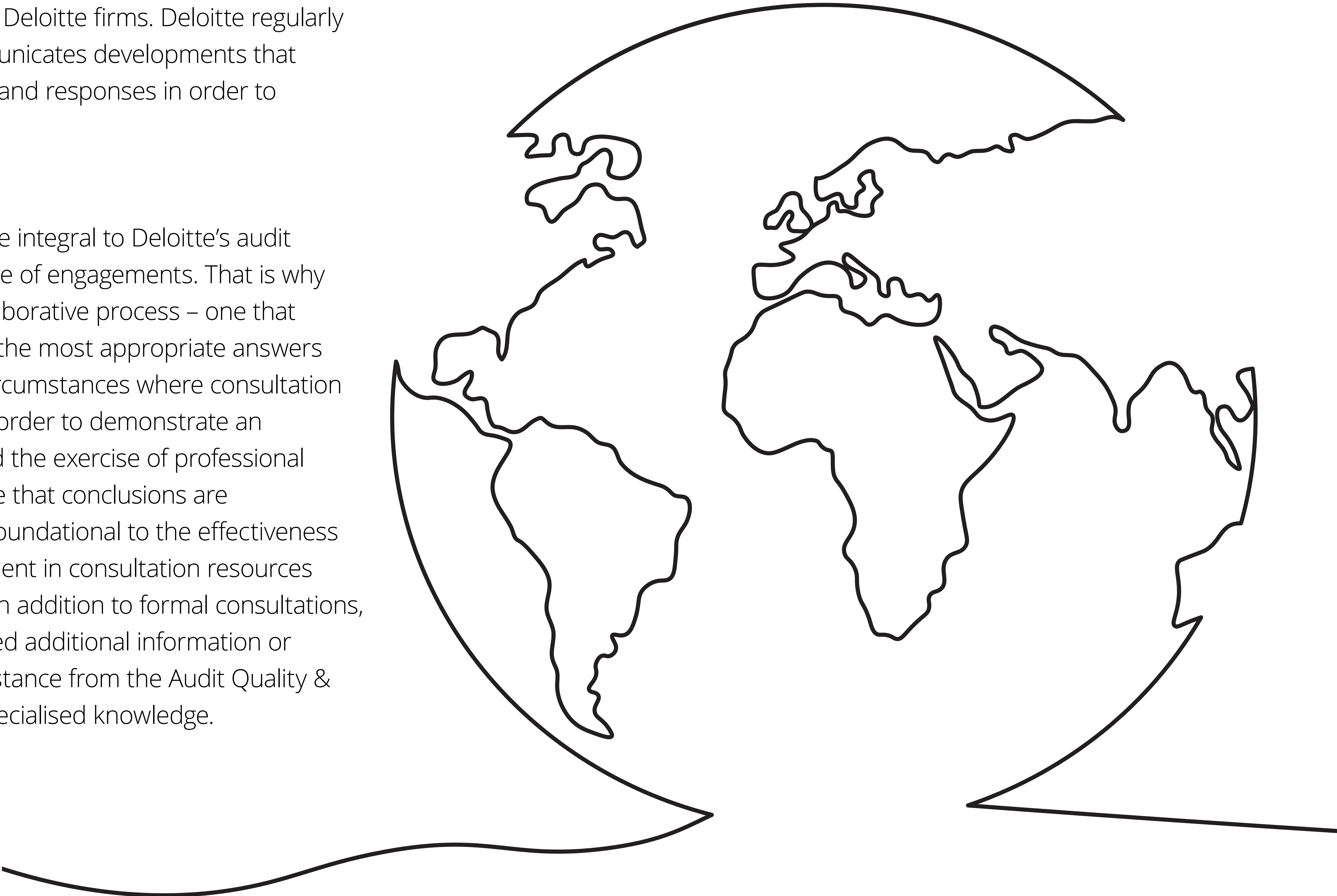
Deloitte’s audit methodology is risk-based, focusing on the financial statement account balances, disclosures, and underlying assertions that have a reasonable possibility of being materially misstated. Our methodologies are also dynamic – it evolves continuously to keep pace with the changing demands 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 engagements.

**Resources to support Deloitte practitioners in the execution of high-quality engagements**

The resources applied by Deloitte practitioners in the performance of their work include the proprietary tools, guidance, materials, and practice aids used in conducting engagements, which are available to all our practitioners in the Deloitte Research Portal , an extensive online library, and in our audit execution platforms EMS, Deloitte Omnia, and Deloitte Levvia. These resources drive greater standardisation and consistency across Deloitte firms. Deloitte regularly issues guidance to our practitioners and communicates developments that should be factored into audit risk assessments and responses in order to maintain and drive quality execution.

**Consultation**

Quality and risk management considerations are integral to Deloitte’s audit and assurance business and to the performance of engagements. That is why Deloitte views consultation as an essential, collaborative process – one that involves robust challenge and helps determine the most appropriate answers to complex questions. Deloitte has identified circumstances where consultation outside of the engagement team is required in order to demonstrate an appropriate level of professional judgement and the exercise of professional scepticism. Deloitte consultation policies require that conclusions are documented, understood, and implemented. Foundational to the effectiveness of the consultation process is Deloitte’s investment in consultation resources who have the appropriate skills and expertise. In addition to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from the Audit Quality & Risk team, or others in the organisation with specialised knowledge.









# External and internal quality monitoring

## Monitoring of quality

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

The objective of monitoring and remediation processes are to provide relevant, reliable, and timely information about the design, implementation, and operation of the SQM to leadership in order to enable appropriate and timely actions to be taken to respond to identified deficiencies. This includes the identification of deficiencies and good practices in the SQM and the assessment of the effectiveness of remedial actions in driving improvements in audit quality.



### SQM monitoring

SQM monitoring is an integral part of the firm's monitoring activities and considers relevant requirements in ISQM 1, as well as evaluating the design, implementation and operating effectiveness of responses that address the quality risks that have been identified for the firm.

#### Key components of SQM monitoring include:

- Risk-based approach to selecting business processes, quality risks and responses to monitor.
- Mandatory moderation panel to drive consistency in evaluating findings and deficiencies.
- Quality Management Observers and deputies, independent of the firm who drive global consistency by providing input and sharing best practices for monitoring programs.
- Identifying appropriate resources (from within the firm as well as from other Deloitte geographies or Deloitte Global) with the right experience.

Audit Quality Indicators (AQIs) are used in conjunction with other metrics to further assist the firm in developing and monitoring quality action plans and reporting on the progress in its audit quality journey.

#### The firm has the following AQI initiatives and reporting mechanisms:

- Monthly AQI reporting on our priority portfolio, which consists of listed clients and large Public Interest Entities (PIEs) across Africa, which includes an assessment of various quality metrics.

- Monthly forum where the results of the AQI reporting is discussed with the relevant engagement partners and if required, remediation plans are discussed and tracked in the subsequent forum.
- Quarterly AQI reporting to Deloitte Global.
- Quarterly AQI reporting to the Deloitte Audit Quality Board.
- Annual AQI reporting to Deloitte Global.
- Annual AQI reporting to the IRBA.



### Monitoring of in-process engagements

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

- Deployment and monitoring of a series of core diagnostics, enabling engagement partners and teams, as well as the firm's audit and assurance quality leaders to continuously monitor quality and take immediate action.
- A programme of subject matter specific "health checks" to assist the firm's audit and assurance quality leaders in assessing progress and identifying potential issues on in-process engagements.
- Results of monitoring of in-process engagements are evaluated overall to determine whether additional communication and support is needed for engagement teams with respect to adherence to the methodology or updates thereto.



### Inspections of completed engagements

Key components of inspections of completed engagements include:

- Risk-based engagement selection and consideration of all major industries served by the firm while considering selecting all signing partners or partner equivalents on a cyclical basis.
- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- Quality Management Observers and deputies, independent of the firm, who drive global consistency by providing input and sharing best practices for monitoring programs.

- A central review team for Deloitte Africa with the right experience and industry knowledge, to perform consistent and fair inspections.



### External inspections

In addition to the firm's own monitoring of quality, we are subject to external monitoring by the Independent Regulatory Board for Auditors (IRBA). The IRBA performs three types of inspections: a firm-wide inspection of the firm's system of quality management, a theme-based inspection, and inspection of a sample of individual audit engagement files. The IRBA's risk-based approach is not intended to select a representative sample of engagement files, and as a result, the inspection results should not be statistically extrapolated across the entire audit population.

The firm is also subject to oversight of the Public Company Accounting Oversight Board (PCAOB). The PCAOB also uses a risk-based method of selection when selecting issuer audits for review.

The IRBA has recently completed its 2024 audit quality review of the firm and issued the Inspection Report. Deloitte's response to the Inspection Report is due within the 30-day period under the inspection process. Deloitte is in the process of assessing the report and will determine next steps to be taken, which may include the submission of a request for reconsideration.

We achieved a 100% rating of good or acceptable quality outcomes on selected engagements reviewed by the IRBA in South Africa in 2022 and 2023 and selected engagements reviewed by the PCAOB in the United States in 2022.



### Root cause analysis and remediation

Continuous improvement is essential to Deloitte's culture of quality and excellence. Understanding why engagement level findings and SQM deficiencies occur is critical to being able to design effective remedial actions. When engagement level findings or SQM deficiencies are identified, whether through internal or external monitoring activities, actions are taken to identify gaps and develop appropriate remediation activities. Remediation is imperative to drive continuous improvement in quality and avoid future similar findings. An audit quality plan is prepared by the firm and provides for effective implementation and monitoring of key audit quality priorities.



# Independence, ethics, and additional disclosures





# Independence, ethics, and additional disclosures

## Deloitte Global Independence



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



Supports network services that a firm uses in the design, implementation, and operation of their system of quality management, including:

**Technical resources:** Global systems to provide its people with entity information to support compliance with personal and professional independence requirements, including financial interests, scope of service, and business relationship approvals.

**Intellectual resources:** Independence policy, e-learning, confirmation templates, monitoring instructions and other tools, templates, and guidance.

**Human resources:** Technical independence expertise, as required, which also informs potential enhancements to intellectual resources.



Participates in various elements of a firm's system of quality management monitoring and remediation process, as determined to be appropriate.



Promotes independence awareness across the Deloitte network through active engagement with independence and business leadership groups and periodic communications and alerts.

## Deloitte South Africa Independence

The Firm has quality responses that address quality objectives and quality risks as they relate to the relevant ethical requirements for independence. These responses include policies and procedures that are based on expectations set out in Deloitte Global Independence policies, and which are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. The Firm's leadership reinforces the importance of compliance with independence and related quality management standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of the Firm. Strategies and procedures to communicate the importance of independence to partners, other practitioners, and support staff have been adopted, emphasising each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within the Firm, including the design, implementation, operation, monitoring, and maintenance of the system of quality management related to independence.

As part of the firm's system of quality management, the Firm has:

- Implemented responses to address quality objectives and quality risks it has identified for its key independence areas;
- Performed appropriate monitoring activities over its key independence areas; and
- Has appropriate independence governance in place.

The firm's key independence areas include:

- Client, engagement, and business relationships, including use of the independence business process tools, the Deloitte Entity Search and Compliance (DESC) system, and the Service Request Monitoring (SRM) application

- Firm and personal financial relationships, including the use of the Global Independence Monitoring System (GIMS)
- Employment and other relationships
- Independence confirmations
- Independence consultations
- Independence-related policies, communications, and learning
- Breaches of independence requirements
- Disciplinary measures for failures to adhere to applicable independence requirements



### DESC

#### Deloitte Entity Search and Compliance

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



### SRM

#### Service Request Monitoring

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



### GIMS

#### Global Independence Monitoring System

Application that contains financial relationship data with relevant independence compliance indicators



Long association requirements of audit partners and practitioners

When individuals are involved in audit engagements over extended periods of time, familiarity- and self-interest threats may arise. In order to address these threats Deloitte Africa has implemented a policy on long association of partners and professional staff on audit engagements. The policy is based on local regulatory requirements, read with the International Code of Ethics for Professional Accountants (IESBA Code).

In South Africa, the Companies Act 71 of 2008 prohibits individuals from serving as the designated auditor for more than five consecutive years. The IRBA Code of Professional Conduct for Registered Auditors (Revised April 2023) addresses independence risks created by long association of personnel with an audit client, and how to address the risks.

In 2017 the IRBA imposed a rule on mandatory audit firm rotation (MAFR) which would become effective on 1 April 2023. In terms of MAFR, audit firms are not permitted to serve as the auditor of a Public Interest Entity (PIE) for more than 10 consecutive financial years. After a 10-year period, the firm would only become eligible for reappointment as the auditor after expiry of at least five financial years. MAFR was set aside by the Supreme Court of Appeal in 2023, and has not been reinstated as at the time of this publication. Although MAFR was set aside, the firm continues to support the underlying principles of MAFR as one of the measures to mitigate real or perceived familiarity and self-interest threats, and has rotated off several PIEs as a result.

Ethics

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

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 people 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, all of whom are experienced partners 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.

The firm maintains policies and procedures that build on global policies and are designed to enable its people to comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by the firm are in accordance with the IRBA Code of Professional Conduct for Registered Auditors (Revised April 2023)(IRBA Code). The firm 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 IRBA Code is more restrictive than the Deloitte Global policies and procedures, the firm follows the IRBA Code.

The firm reinforces its commitment to ethics and integrity through communication tools, learning programmes, compliance processes, and measurement systems for all people. Learning includes targeted content for onboarding, manager and senior manager promotion, partner admission, independent contractors, and refresher programmes every two years. Recent global training topics have included a focus on the importance of owning up to one’s mistakes, being an active bystander, navigating personal relationships in the workplace, demonstrating respect, integrity and professionalism on social media, and ethical learning, and courses have included a confirmation that professionals are aware that answers should not be shared with others and doing so would constitute a violation of the Global Code. In addition, the firm conducts ethics reviews for senior leaders and requires all partners, other practitioners, 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.

A dedicated Chief Ethics Officer is appointed to drive our ethics strategy and programme. We strongly believe that the tone at the top is critical to our ethics culture and as such leadership demonstrates ethical leadership not only in word, but also in the decisions and actions. As part of the drive to ensure an ethics culture, our Chief Ethics Officer regularly facilitates conversations with all partners, directors, and professional staff on topical issues. A functioning network of Ethics Champions across the Firm assists in driving our ethics messaging throughout all service lines and all regions across the continent. Our annual ethics survey confirmed that 96% of respondents believe that Deloitte is an ethical workplace.

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 460 000 people, giving a strong, principled foundation. The foundations of the network’s ethics program are comprised of the following elements:





# Appendices



# Appendix A | EU EEA audit firms

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

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

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

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



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

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: €1.9 billion<sup>5</sup>

<sup>5</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 2024, 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 2023 to 31 May 2024.

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



# Appendix B | Financial information

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

The breakdown of Deloitte South Africa's 2024 turnover\*:

Turnover	Rand
Statutory Audit (PIEs)	1 335 687 077
Statutory Audit (Non PIEs)	764 703 136
Non-audit services (PIEs)	74 423 598
Non-audit services (non-PIEs)	40 861 806
Other Services	1 558 768 338
<b>Total</b>	<b>3 774 443 955</b>

*\*Please note that this represents the turnover for the Deloitte & Touche partnership only; it excludes the revenue of other South African Deloitte legal entities.*





# Appendix C | Public interest entities

**Disclosure in accordance with Article 13.2 (f) of the EU Audit Regulation**  
Public interest entities audited for statutory purposes by Deloitte South Africa in the financial year ended 31 May 2024\*:

Name	
1 Life Insurance (RF) Ltd	Capitec Bank Limited
AECI Captive Insurance Company Limited	Citadel Fiduciary (Pty) Ltd
AECI Limited	Citadel Financial Protection (Pty) Ltd
African Reinsurance Corporation SA Ltd	Citadel Global (Pty) Ltd
Aldemore Bank PLC	Citadel Holdings (Pty) Ltd
Alexander Forbes Financial Services (Pty) Ltd	Citadel Investment Services (Pty) Ltd
Alexander Forbes Group Holdings Limited	Citadel Wealth (Pty) Ltd
Alexander Forbes Investments Limited	Clientele General Insurance Limited
Alexander Forbes Life Limited	Clientele Life Assurance Company Limited
Alexander Forbes Retirement Fund (Pension Section)	Clientele Limited
Alexander Forbes Retirement Fund (Provident Section)	Clindeb Investments Limited
Allan Gray Pension Preservation Fund	Dial Direct Insurance (RF) Limited
Allan Gray Provident Preservation Fund	Direct Axis (Pty) Ltd
Allan Gray Retirement Annuity Fund	Discovery Insure Limited
Altvest Capital	Discovery Limited
Auto and General Insurance Company (RF) Limited	Dotsure Limited
Bargenel Investments Limited	Electus Fund managers
Bell Equipment Limited	EPE Capital Partners Limited
Bestmed Medical Scheme	Escap SOC Limited
BNP Paribas Personal Finance South Africa Limited	Eskom Holdings SOC Limited
Bonitas Medical Fund	Fieldcore Services

Name	
BrightRock Holdings (Proprietary) Limited	First for Women Insurance Company (RF) Limited
Budget Insurance Company (RF) Limited	FirstRand Bank Limited
Cape Municipal Pension Fund	FirstRand Limited
Capitec Bank Holdings Limited	FirstRand Retirement Fund
Foskor (Pty) Ltd	Momentum Medical Scheme
Futuregrowth Asset Management (Pty) Ltd	Motor Compliance Solutions (Pty) Ltd
G4S Insurance SA Ltd	Motus Corporation Proprietary Limited
General Reinsurance Africa Limited	Motus Group Limited
Government Employees Medical Scheme	Motus Holdings Limited
Government Employees Pension Fund	Mpact Limited
Greenhouse 5 (RF) Ltd	Nampak Limited
Greenhouse Funding 4 (RF) Ltd	Nampak Products Ltd
Greenhouse Funding 5 (RF) Ltd	Naspers Limited
Greenhouse Funding II (RF) Limited	National Fund for Municipal Workers
Greenhouse Funding III (RF) Ltd	Nedbank Group Limited
Grindrod Freight Services (Pty) Ltd	Nedbank Limited
Grindrod Limited	Nedgroup Collective Investments RF (Pty) Ltd
H4 Collective Investments (RF) (Pty) Ltd	Nedgroup Investment Advisors (Pty) Ltd
Hollard Life Assurance Company Ltd	Nedgroup Investments (Pty) Ltd
Hollard Specialist Insurance Ltd	Nedgroup Private Wealth Stockbrokers (Pty) Ltd

\*Please note that this accords with data submitted to IRBA. These are PIEs classified as such by the audit partners and ADs.



Name	
Hollard Specialist Life Limited	Netcare Limited
Hudaco Industries Limited	Netcare Plus Solutions (Pty) Ltd
Impala Platinum Holdings Limited	Nqaba Finance 1 (RF) Ltd
Industrial Development Corporation of South Africa Limited	NWK Holdings Limited
King Price Insurance Company Limited	Old Mutual Alternative Investments (Pty) Ltd
Legal Expenses Insurance Southern Africa Limited	Old Mutual Alternative Risk Transfer Limited
Lesaka Technologies Inc	Old Mutual Customised Solutions (Pty) Ltd
Life Healthcare Funding Limited	Old Mutual Investment Group (Pty) Ltd
Life Healthcare Group Holdings Ltd	Old Mutual Life Assurance Company (South Africa) Limited
Life Healthcare Services	Old Mutual Limited
Liquid Capital (Pty) Ltd	Omnia Group (pty) Limited
Lubombo Spatial Development Initiative 2 NPC	Omnia Holdings Limited
M Sure Financial Services (Pty) Limited	Opco 365 (Pty) Ltd
Medshield Medical Scheme	Peregrine Administration Services (Pty) Ltd
Merafe Resource Limited	Peregrine Life Limited
MiX Telematics Ltd	Peregrine Solutions Nominees (Pty) Ltd
Platinum Health Medical Aid Scheme	Plus1X Solutions (Pty) Ltd
Precept Investments (Pty) Ltd	The Foschini Group Ltd
Precept Wealth Solutions (Pty) Ltd	The Rand Mutual Assurance Company Ltd
Prosus N.V.	The SA SME Fund Limited
Protea Mining Chemicals Division RSA	The Smart Life Insurance Company Ltd
PSG Collective Investment Scheme	Tiger Brands Limited
PSG Financial Services Ltd	Transaction Capital Limited
PSG Konsult Limited	Transcapital Investments Limited

Name	
PSG Life Limited	Transnet Second Defined Benefit Fund
PSG Securities Limited	TUHF Limited
Purpose Wealth (Pty) Ltd	TUHF Urban Finance
Quince Capital (Pty) Ltd	Ukhamba Holdings Pty Ltd
Rand Mutual Assurance Company Ltd	Urban Ubomi
Renasa Insurance Company Limited	Western National Insurance Company
Reunert Limited	Willis Group Holdings Plc
Reutech (Pty) Ltd	Worcester Casino Proprietary Limited
RGA Reinsurance Company of South Africa Limited	Yes Loans Proprietary Limited
RMA Life Assurance Company	York Timber Holdings Limited
RMB Holdings Limited	Zeder Financial Services Limited
RMB Morgan Stanley (Pty) Ltd	Zeder Investments Ltd
RMB Securities (Pty) Ltd	
Sabvest Capital Limited	
Sanlam Personal Loans (Pty) Ltd	
Sentinel Retirement Fund	
Small Enterprise Finance Agency (SEFA)	
Small Enterprise Foundation	
South African National Blood Service	
South African Retirement Annuity Fund	
Sun International Ltd	
Telesure Group Services (Pty) Ltd	
Telesure Investment Holdings Proprietary Limited	





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