

Illuminating Audit

Quality is core. And continuous.

Deloitte Limited, Cyprus - Transparency Report 2017

31 August 2017

Regulatory Context

This Transparency Report has been prepared in accordance with the provisions of article 48 of the Law of 2009 and 2013 on Statutory Audits of Annual and Consolidated Accounts.

The provisions require the annual publication of certain information by auditors, defined as statutory auditors, that have issued an audit report on the annual financial statements of one or more public interest entities during the financial year. This information is to be published on their website or deposited with the Companies Registrar within 3 months of each financial year.

Deloitte Limited changed its year end in 2016 from 31 December to 31 May. The enclosed Transparency Report has been prepared on the basis that such audit reports were issued in the extended 17 month period from 1 January 2016 to 31 May 2017. The Firm will issue its next Transparency Report for the year 1 June 2017 to 31 May 2018.

The terms Firm and Deloitte will normally denote the Deloitte Cyprus firm, Deloitte Limited, throughout this document. The Cypriot firm, Deloitte Limited, is a Cyprus registered entity authorised to practice as an audit firm in Cyprus. A full description of the Legal structure of Deloitte Cyprus is set out in the Appendix on page 68 of this report.

Preface

To our Clients and Stakeholders:

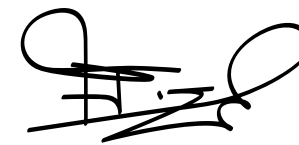
At Deloitte, we are committed to the consistent execution of high-quality audits, professional excellence and serving our clients, investors and the capital markets with distinction. Through their actions, our professionals reaffirm every day that audit quality is deeply rooted in our culture and is intrinsic to all that we do. We recognize that the needs of the investing public will be very different tomorrow than they were yesterday, and that our profession plays a vital role across the globe, even in individually small countries, like our own, we have a part to play in a bigger picture, and that this drives the economic engine of the capital markets and thus the world's economies.

As we aspire to the very highest standards of audit quality, we are focused on making audits more responsive to rapidly changing market conditions, evolving investor demands, and increasing regulatory requirements. To this end, we are making significant investments in our people and technology to transform our audit approach. We are incorporating technological advancements as they become available to us. At the same time, we are enhancing our learning and development programmes to build the skills and capabilities required of the next generation auditor, and the Deloitte Network is collaborating across the profession and with academia to address improvements in audit education.

This report contains information related to the internal and regulatory inspections of our audit practice. We respond vigorously to all findings, and have used the inspection process to drive continuous improvement in our audit quality. We are proud of our commitment to this process.

We publish this report each reporting period to provide disclosure that is responsive to certain categories of information identified within the Law directed at corporate governance and transparency. We commit to you that here at Deloitte we will continue to collaborate with regulators, elected officials, and others on issues impacting financial reporting and the profession. Within this report, we share more about our commitment and continued investments in audit quality.

Sincerely

A handwritten signature in black ink, appearing to read 'Christis Christoforou', with a stylized flourish at the end.

Christis Christoforou
Chief Executive Officer (CEO)
Deloitte Limited

Our purpose defines us

We serve our clients with quality and distinction

Making a measurable and attributable impact

We inspire our people to deliver value

Mentoring and developing future leaders and colleagues for life

We contribute to society

Building confidence and trust, upholding integrity and supporting the community

We are leaders in the profession

Challenging ourselves to deliver innovative ideas that reflect unique capabilities

We're focused on illuminating what a high quality audit looks like – raising the bar on client experience and service. We believe in making an impact that matters and aspire with assurance.

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Committed to making an impact that matters



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Committed to making an impact that matters

Every day we challenge ourselves to do what matters most – for our clients, people and society.

The independent audit is a central element of the financial reporting system to protect investors and promote the effective functioning of capital markets. Making sure audit quality keeps pace with emerging economic, business, financial and regulatory conditions is crucial to continuously enhance the overall robustness and integrity of financial reporting. Effective corporate governance, within the entities that are subject to audit, driving the ethos of quality and transparency consistently is the perfect partner of an independent audit within the financial reporting system. Good corporate governance will always ensure that the importance of meeting the informational needs of investors – no matter the size of the entity – is understood.

The evolving landscape

This is a challenging and exhilarating time to be a part of such a profession that has the capacity to matter to so many people in different walks of life but all bound by the common need for understandable information that has reliability and relevance as its primary qualitative characteristics.



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Evolving audit

We believe audit is evolving - thus investing heavily in the audit that meets today's demands and at the same time can also grow into the audit of the future is crucial. Deloitte has embarked on an ambitious path to elevate the value proposition of the independent audit and we are mobilizing globally to achieve our goals. We use design and data analytics to increase our effectiveness and are exploring ways to further leverage technology.

The auditor reporting changes that have come into effect in this Transparency period are assisting in addressing expectation gaps by reporting on key audit matters and related audit responses – providing further opportunity for in-depth discussions on key matters and raising the value proposition that is within a high quality audit.



“That which we saw on the horizon not so long ago has transformed into our new reality, and we must respond as planned.”

Costas Georghadjis
Audit & Assurance Leader



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What impact will you make?

Ours will include shaping the future of audits.

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

Global reach, local insights

The Deloitte Network is one of the world’s largest accounting networks and provider of audit services. Combining our scale and global leadership structure and forums enables us locally to develop and adopt best-practice systems of quality control to support our audit teams. We focus on cultivating world-class capabilities. As a multi-disciplinary firm we have specialists available to assist our auditors deal with complex challenges and bring the best of Deloitte to solve problems and deliver high-quality audits.

We are passionate about what we do at Deloitte, and our innovative culture will help us meet the challenges ahead. This report provides you with a deeper understanding of our Firm and the priority it places on audit quality.



02

A welcome message from our CEO and Audit & Assurance Leader



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Welcome to our 6th Transparency Report

Embracing the principles behind the Transparency Report, we are pleased to set out our approach to ensuring audit quality, robust governance and ethics.



"The audit profession is in the midst of an evolution. Yet, the heart of the role - quality, transparency, and observing the highest of standards - will always remain."

Christis Christoforou
CEO



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“Whether we deliver an audit in our public interest role or to a private entity to validate the past so as to provide assurance that future visions are built on strong foundations - we aspire with assurance to add value in every opinion issued and insight shared – to illuminate the what, how and why of change so our clients can act ahead.”

Costas Georghadjis
Audit & Assurance Leader



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The overall landscape, both internally and externally, locally, regionally and globally, continues to be ever-more volatile, highly uncertain, and complex with increased scrutiny from regulators and legislators. This is the landscape not only for Deloitte, as a professional services organisation in Cyprus and around the world, but also for our clients. Transparency has become an increasingly central element in navigating through these new and challenging territories to build the road to a steadier future.

We hold ourselves to very high standards and are honoured by the important public interest role entrusted to us through our responsibilities as auditors and fully comprehend that consistently demonstrating high audit quality is the one key factor that will help us deliver on this role. And so, we take every improvement opportunity and use it to our advantage and in securing our place as a leader and role model in Cyprus.

Times ahead whilst challenged with uncertainties are enveloped in opportunity for Deloitte to take pride in the role we can play in assisting, through an audit or other professional service offering, our clients to face their realities head on.

This is attributed to our willingness to adapt, invest, and learn. Our trusted eminence with global vision at the same time as buckling down to what matters most to all our stakeholders - be they clients, audit committees, investors, employees, regulators or the wider community at large, spurs us on every single day to focus on doing the right thing.

What have we been doing to drive audit quality further forward?

- Achieving, as a first in Cyprus, ISO27001 ISO/IEC 27001:2005 certification for our Information Security Management System. We undertook this initiative so that our clients can rest assured that we will treat their confidential information with its due respect.



02 A welcome message from our CEO and Audit & Assurance Leader

- Investing in our audit practice with innovative technology and manpower.
- Rolling out, and adopting as a core component of our culture, a set of eight Audit Quality Imperatives that concisely articulate the most important areas of audit quality focus.
- Consistently reinforcing with our professionals that the role we serve is one of an independent evaluator, in which professional scepticism is a critical mind-set.
- Revamping our audit approach to focus effort in those areas that present the most significant risks and to more closely integrate all aspects of the financial statement audit.
- Investing in our people through Deloitte University programmes; a state-of-the-art learning and leadership development centre near Brussels and in Chantilly in France.
- Holding ourselves accountable. We have set Audit Quality Indicators and use Audit Quality Measurement and Monitoring tools. We will continue to measure ourselves against these metrics and incentives that are tightly aligned with achieving our quality objectives.



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Our heritage

While the world has changed significantly since the Deloitte network was founded in 1895 and the creation of our Firm nearly 60 years ago, our commitment to audit quality and leadership in the public accounting profession remains a hallmark of our brand. At the heart of that commitment is our belief that nothing is as important as a foundation rooted in quality, which we strive to protect by performing our work with the highest levels of integrity.

- Differentiating our services on the basis of quality. We are committed to providing exceptional value at a fee that is fair and competitive.
 - We have engaged in candid conversations with the audit committees and the management of our clients concerning fees commensurate with levels necessary to perform a quality audit.
 - In limited instances where we believe the fee offered is not sufficient to perform a high-quality audit, or the company does not share our commitment to high standards of financial reporting, we have not and will not accept or continue these engagements.
- Constructively engaging with our regulators – via active roles on the various Committees and Council of our professional Institute. In 2016, we were in scope for a regulatory review by the newly established Cyprus Public Audit Oversight

Board. We have welcomed all comments they have made, in the manner intended, for the sake of improvement and serving our public interest role to the fullest.

We hope you find the remainder of this report a valuable reference and a clear demonstration of Deloitte’s rigorous, innovative and on-going measures to enhance audit quality. Each of our professionals recognises that we all own quality, individually and collectively. For this, we say thank-you to all Deloitte people.


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A message from our Risk & Reputation Leader



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Doing the right thing and focusing on quality

The new realities of the local economy, and the landscape globally, have pushed the role of ethics and the activities we undertake to protect our brand ever more to the forefront of our daily routines.



A message from our Risk
& Reputation Leader
Eleftherios Philippou

Quality – non-negotiable

Our commitment, at Deloitte, to quality is resolute. It is part of my role as Risk and Reputation Leader to ensure that this culture is prevalent throughout, and in every facet of, our organisation. Quality is our most significant risk management tool upon which we are making an ever-increasing investment in education, professional development and compliance as the environment in which we operate becomes more complex.

The ethics of quality

Performing our audit engagements in an ethical manner, fully conversant with the risks presented by that engagement is the way things get done at Deloitte. Ethics and risk management form the corner pieces of high quality service provision. Just as top athletes increase their fitness, and talented



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musicians refine their craft, so too can we practice and enhance our ethical fitness. Ethics is the art and discipline of discerning the Right, the Good, and the Fitting action to take, and having the creativity and courage to do it. Attention to the ethical lenses of the 'Right', the 'Good', and the 'Fitting' help us stay ethically fresh and guide us through the ethical, often, grey zone. I see it as one of the most important elements of my role; to disseminate this message successfully across the entire Deloitte population in Cyprus.

In these trying times for capital markets and public trust, as a Firm, we welcome the emphasis being placed by investors and regulators on the quality of audit scepticism. We are continually addressing the challenge of enhancing professional scepticism and innovation in our audits, thus "doing the right thing and focusing on quality".

The new realities of Cyprus

The challenge of the new Cypriot economic realities must be confronted with integrity, innovation, vision, risk-awareness and strength. We see our role as key in leading our clients and driving the foundations of a stable economic future for the good of the



whole of society. Inherent within this is the incessant need to prioritise quality in the execution of audits.

Changing regulatory, legal and professional environment

2016 saw the beginnings of the impact of the EU Regulation and in June 2017 the EU Directive – together, the conclusions of a lengthy debate about how audits should change across the European Union - has been implemented through a new Auditors

Law in Cyprus. We are pleased that they have arrived. The legislation adopted will result in big changes both for auditors and the companies they audit. A number of the new provisions in the legislation will strengthen corporate governance and enhance the transparency of audits to investors and audit committees.

Furthermore, with the application of the new audit report in full swing, we welcome the greater transparency it affords to financial statements audits bringing about an increase



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in confidence from all stakeholders. We continued training our people and conveying awareness programmes in 2016 so that our practitioners were fully prepared for the onset of, and new risk exposures from, the required reporting which was for financial periods ending on or after 15 December 2016.

We have successfully undergone our first regulatory inspection from the Cyprus Public Audit Oversight Board in relation to our audits of public interest entities and now look forward to the next. We look forward without complacency - there is always room for improvement - but with comfort that we have in place the policies and processes and have recruited the right professionals to ensure satisfactory outcomes in these reviews. Whatever comments are raised will be actioned by Deloitte in the spirit of acceptance and for the benefit of continuous improvement.

What next?

At Deloitte, we are firmly committed to restoring economic growth. Pivotal to this goal, is our devotion to quality with inbuilt

ethics as the foundation. Over the next year, we will build upon our ethics awareness programmes to keep ethical conduct front and centre of our people’s minds daily – after all, without integrity, high quality is not within reach. It all starts with integrity.

We will continue to provide our people with extensive and timely information regarding the current economic climate and future developments, both positive and negative, and their implications. Our aim throughout is to heighten the level of awareness within our people and clients, rather than change established procedures.

I leave you with a quote that speaks for itself from Martin Luther King

“The time is always right to do what is right”

Martin Luther King 1929-1968, American leader of civil rights movement and Nobel Peace Prize winner

Thank you for your interest.

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

The systems of quality control (SQC) that support our auditors are designed to provide reasonable assurance that:

- (a) Assurance engagements comply with Deloitte policies and therefore relevant professional standards and applicable legal and regulatory requirements; and
- (b) Reports issued are appropriate in the circumstances.

Our monitoring programmes provide evidence of our compliance with the application of Deloitte policies and methodologies, as well as areas for improvement where consistent application is not achieved.

Our most recent Practice Review Program was concluded in September 2016 and enables us, amongst our other programmes, through its distinct segments – the direct review of the system of quality control and specific, detailed reviews of selected completed engagements, to affirm that, overall, our systems of quality control are operating effectively.



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Our Purpose and Aspiration

Being Purpose-led gives us a sense
of the everyday



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Our Purpose

To help express who we are and what we stand for, we've articulated our Purpose - to make an impact that matters.

Defining ourselves

Empowered by each other and by our leaders, we use our rich store of individual and collective talent to do more than simply deliver an audit as it is today – we will actively define what it can do next.

Our Shared Values sit at our core as we seek to transform ourselves to stay ahead of the forever changing landscape and environment we operate within led by our Purpose.



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Our Purpose

Making an impact that matters – This is what we do. This is who we are.

Deloitte has long been a purpose-led organisation. That Purpose was put into words to inspire Deloitte professionals. With a defined Purpose to lead us, Deloitte acts with courage and conviction to make an impact that matters every day. Our Purpose statement is a clear and compelling declaration of why we exist.

Our desire to make a positive, enduring impact every day for our organisation and its stakeholders requires that:

- Every day we challenge ourselves to do what matters most-for clients, our people, and the society in which we operate in.
- We serve clients distinctively, bringing innovative insights, solving complex challenges and unlocking sustainable growth.
- We inspire our talented professionals to deliver outstanding value to clients, providing an exceptional career experience and an inclusive and collaborative culture.

- We lead the profession by challenging ourselves to do what matters most, delivering innovative ideas that reflect our unique capabilities.
- We contribute to society, building confidence and trust in the markets, upholding the integrity of organisations and supporting our communities.

These Purpose-driven behaviours are guided by our Network’s Shared Values.

Our Values

Living our values – everyday

Our Shared Values bind the people of the Deloitte member firms together, providing the basis for trusting one another and helping enable the network to achieve its vision.

Integrity

We believe nothing is more important than our reputation. That’s why we are committed to sustainable, responsible business practices. Behaving with the highest levels of integrity is fundamental

to who we are. We demonstrate a strong commitment to responsible business practices.

Outstanding value to markets and clients

We play a critical role in helping both the financial markets and our member firm clients operate more effectively. We consider this role a privilege, and we know it requires constant vigilance and unrelenting commitment.

Commitment to each other

We believe our culture of borderless collegiality gives us a competitive advantage, so we work hard to nurture and preserve it. We go to extraordinary lengths to support our people.

Strength from cultural diversity

Both our clients and our people benefit from multidimensional thinking. Bringing together individuals of different backgrounds, cultures, and thinking styles helps clients rise above complex business challenges, and enables our people to develop into better professionals and leaders.



And Aspiration

....And honed in on our Aspiration. In all we do in our Audit & Assurance practice, we illuminate the what, how, and why of change so our clients are ready to act ahead.

Our Aspiration

Aspiring to be the undisputed leader

Deloitte aspires to be the undisputed leader in professional services, the first choice of the most sought-after clients and talent. Our aspiration is not just about our top line revenue but our reputation too.

In pursuit of that aspiration, we are mindful of our role in society, our obligation to our organisation and its customers, and our responsibility as employers. We aim high, confident that our daily efforts will come together exponentially to benefit a society that needs continuous infusions of integrity, business acumen, innovation, enthusiasm, thoughtfulness, and most of all, meaningful actions.

Deloitte is committed to driving economic growth, responding productively to challenges, and supporting the creation of a sustainable and prosperous society.

When our clients overcome challenges and capitalise on opportunities, economies can grow. When those clients implement new ideas and enhance the quality of their offerings, consumers can profit. And when those clients operate ethically and adopt environmentally friendly processes, society may thrive.

Deloitte's mission is to influence those activities through leadership, insight, expertise, problem-solving skills, and deep knowledge of our marketplace. Doing so demands teamwork, working together beyond geographic, functional, and business borders.

This multifaceted, inclusive approach is, perhaps, our greatest strength. The people who represent Deloitte come from many corners of the globe, bringing a tremendous variety of skills and backgrounds. Yet, they function "As One", aligned with our Shared Values that are appreciated by clients and talent alike.

Current market indicators indicate that, globally, we are taking the right actions to achieve our Aspiration.



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Shaping the future of audit

Investing in higher quality, greater value and more meaningful insights for our clients and leveraging technological advances



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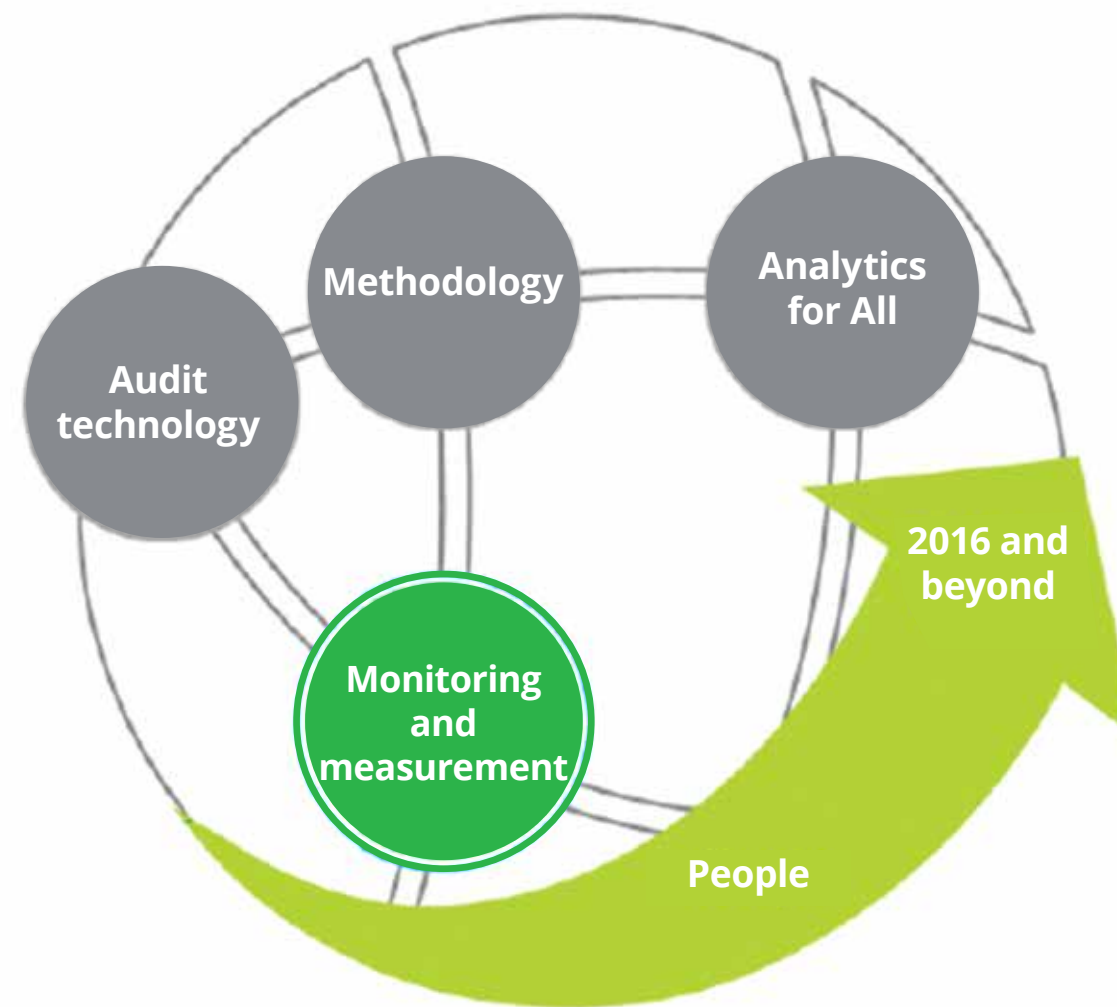
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A new angle on audit execution

We are committed to delivering an exceptional audit experience. We provide the assurance that future visions are built on strong foundations, that are informed by relevant insights and guided by sound decisions. An audit is about much more than just the numbers. Its about the truth in the story behind.

With the onset of EU Regulation, Corporate Governance and revisions to Auditors Laws, the execution of an audit for today but which is also ready for tomorrow, will become ever-more concentrated on leveraging technology and talent skills to deliver something quite different than an audit of the past.



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How are we doing it?

- Developing auditors for today and the future, building advanced skills and critical thinking.
- Driving smarter and more effective audits, focusing attention on the areas that matter most.
- Innovating in the areas of Artificial Intelligence and more.
- Infusing a data-driven insightful approach into every engagement through audit analytics.
- Deploying advanced platforms to provide full support for the enhanced methodology, as well as delivering improved performance and flexibility.
- Introducing a trusted source for accessing leading tools and facilitating further collaboration.
- Assessing quality with an increasingly robust monitoring program that leverages database and diagnostic technology.

Across the network

Significant achievements across the Network to build on our foundation of quality by continually raising standards include:

1. A brand-new identity; based on Quality, Growth, Innovation and Talent.
2. Achieved growth of 9.4% for FY16 in the Global Audit business.
3. Recognised as a global leader in Audit Innovation, Analytics and Artificial Intelligence.
4. Won innovation awards across the world.
5. Achieved a global reduction of 40% in the number of engagements with findings in PCAOB inspections.
6. Deployed Magnia, Illumia and Cognia tools.
7. Centralised the Audit Quality Monitoring and Measurement program.
8. Invested in talent delivering one global learning curriculum.
9. Established the Centre of Excellence for Audit Quality.

Through our passion for deep quality, innovation and growth, we will shape the audit of the future, mould auditors of the future and Aspire with Assurance.



06

Leadership and governance

Leading through change and respectful
of what that means for clients, our people
and society



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Establishing the right tone

Our culture is driven by our Chief Executive Officer and wholly endorsed by our Management Committee and the full Board.

Christis Christoforou, our CEO, is an auditor by trade and understands the importance and value of a quality audit. Costas Georghadjis, our Audit & Assurance Leader, and Maria Paschalis, our National Professional Practice Director (NPPD), lead the audit quality agenda and are accountable for creating and supporting a business model and culture that allows practitioners to conduct high-quality audits.

In [Section 08](#) - along with the [Governance](#) details below, further explanation of the responsibilities for the System of Quality Control as it applies to our Audit business are given. In addition, Costas along with Eleftherios Philippou, our Risk and Reputation Leader (RRL), also serve on both the Management Committee and the full Board increasing governance and setting the tone in relation to audit quality.



The quality and risk functions contribute to Deloitte's prosperity and the execution of strategy in a commercial and sustainable manner, while protecting the Firm and keeping its people safe.



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We believe our leadership team, the tone-from-the-top they portray and the example they set are second to none. Their daily routines and their long term actions are all framed within the core value of integrity based on a deeply ethical philosophy: “to do the right thing even when no one is watching”. Integrity is a core value for all our people and the leadership team. Delivering on this priority is considered extremely high on the Management Committee’s agenda.

Enterprise risks

The Management Committee’s assessment of the potential risks to the achievement of the Firm’s strategy and to maintaining its reputation is set out in an Enterprise Risk Framework (ERiF) which underwent its full annual refresh as at 31 May 2017. Forming a standing item on the agenda, the ERiF’s purpose is in the identification of the most pressing risks faced by the business - Priority Business Risks - and to allocate a rating for each one of residual risk exposure, trending, speed of onset and the status of further actions, if any, desired to align the remaining risk exposure to the risk appetite of the Firm.

Organisation structure

Deloitte operates an integrated business model. Each of the five service lines; Audit & Assurance, Tax & Legal, Risk Advisory, Financial Advisory and Consulting; operates a common set of procedures and policies where possible and appropriate. Each of the service lines then develops additional policies and guidance to reflect the specific requirements of their business offerings. For the purposes of Transparency Reporting, this report contains information about Deloitte which is relevant to all of the service lines, as well as specific matters relevant to our audit business.


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“We share the view of leadership experts in that thoughtfully assessing and addressing enterprise risk and placing a high value on corporate transparency can protect the one thing we cannot afford to lose: trust.”

Nicos Kyriakides
Management Committee, PIC -
Limassol and Financial Advisory
Leader



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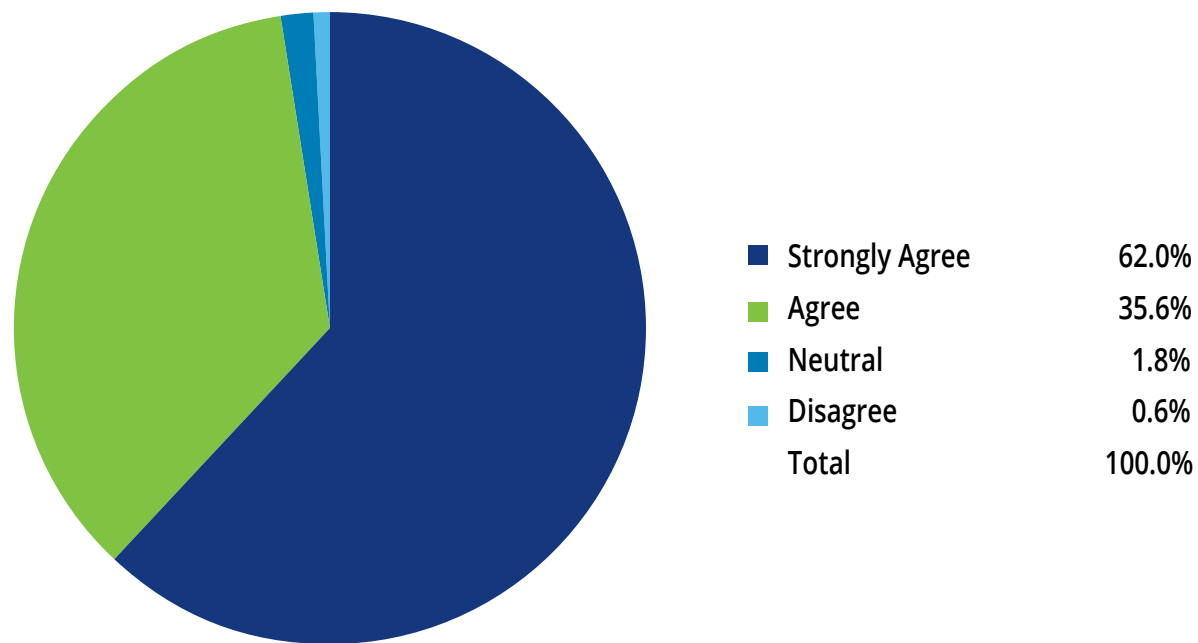
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In a survey carried out in September 2016 covering a broad spectrum of professionals within the Firm, the following question was asked.

“Communication from firm leadership consistently reflects audit quality as the number one priority”. The responses were anonymous.



Governance structures

We are underpinned by strong governance structures.

The leadership and management of the Firm are underpinned by strong governance structures, including a quality and risk function that provides oversight of the Audit & Assurance business.

Maintaining strong governance and leadership structures helps us maintain high levels of quality and integrity and earns the trust of clients, our people, the capital markets, and the public.

During March 2017, we undertook a review of our structures to ensure that we are fit-for-purpose and ready for the future. Our leadership has been shaped to meet continuing market challenges and to prioritise our continued investment in quality and in our people and is designed to provide the appropriate level of oversight.

The Board of Directors/Partners (Board)

Our Board is responsible for protecting the interests and reputation of the Firm and its partners, and for overseeing management and operations at a strategic level.

The Board ensures the Firm has an appropriate structure for corporate governance and has specific oversight of quality and risk. The Board comprises the CEO, the Chairman and all of the directors (commonly referred to as “partners”) and meets on a monthly basis. Additional meetings may be called.

The Board has established five committees to ensure appropriate management focus on significant matters and to assist the Board in discharging its role.

- Management Committee
- Governance Committee
- Risk Committee

- Audit & Assurance Quality Committee (AQC)
- Partner Evaluation and Nomination Committee

It will also establish ad-hoc additional committees as and when the need arises.

Biographical details of members of the Firm’s governance structure and Management Committee are provided in the [Appendix](#).

The Chief Executive Officer

Our CEO has full executive authority for managing the Firm. The CEO is nominated by a Board appointed committee comprising of 4 equity partners, and then elected by the full Board for a five year term. Unless approved by an increased majority, or, as is currently the case, it is within a grandfathering arrangement, the maximum term is 10 years.



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The overall responsibility for developing, implementing and monitoring quality policies and procedures and risk-related matters rests with the CEO. Day-to-day responsibility is delegated as follows:

Risk & Reputation Leader

- Enterprise risk framework
- Ethics
- Confidentiality, privacy and information security
- Independence and conflicts
- Business resilience
- Compliance, including regulatory compliance
- Engagement risk
- Client and engagement acceptance
- Quality control

Human Resource Leader

- People and performance

Audit & Assurance Business Leader

- Audit business objectives
- Compliance with quality standards

National Professional Practice Director (NPPD)

- System of quality control for Audit & Assurance

The Management Committee (formerly, until March 2017, known as the Executive Committee)

The Management Committee manages the Firm's day-to-day activities. The [Committee comprises of 9 members](#) and meets at least monthly.

- the CEO
- the business leaders of Audit & Assurance, Tax & Legal, Financial Advisory and Consulting
- the partners-in-charge of Nicosia and Limassol offices
- the Risk & Reputation Leader
- the Client and Industries Leader
- the HR leader
- partners appointed by simple majority



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The Risk Committee

The Risk Committee supports the business in providing professional services to clients. It oversees and advises on risk management functions, including quality agendas across the Firm. The Committee comprises of the RRL, all service line risk leaders and a voice from each sector of the Firm's QRM processes including independence, ethics, confidentiality etc. It has scheduled meetings every two months since the commencement of 2017.

The Governance Committee (formerly, until March 2017, the Oversight Board)

The role of the [Governance Committee](#) is to oversee the activities of the Management Committee on important issues and deal with any issues delegated to it by the Board. Its objective is to ensure that the decisions taken by the Firm are in the Firm's, and its partners as a whole, best interests. Therefore, it will give guidance on all matters it considers necessary including regulatory and fiscal



issues, partner evaluations and policy formation and has the right to be present at meetings of the Management Committee should the need arise.

The Governance Committee consists of 3 members, is chaired by the Chairman of the Board and meets quarterly unless additional meetings are required.



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Members of the Management Committee are precluded from serving on the Governance Committee. Appointed by the partners by simple majority, the elected term lasts for 5 years. No partner can serve in the Governance Committee for more than two terms unless the partners decide otherwise by increased majority.

During the Transparency Reporting period, the Committee (and its former Oversight Board) met 6 times.

Partner Evaluation and Nomination Committee

The role of this Committee is to evaluate the performance of the partners on an annual basis in a fair, equitable and transparent manner.

Further, the Committee is responsible to identify and put forward to the Board suitable candidates for admission, appointment or election to various key leadership positions within the Firm up to and including the CEO.

The Firm’s RRL acts as a consultant to the Committee with regards to partners’ performance on risk and quality issues.

The Partner Evaluation and Nominations Committee consists of 4 members who are appointed by the Board by simple majority for a two-year term. No partner can serve in the Evaluation Committee for more than two terms unless the partners decide otherwise by increased majority. When the members of the committee are evaluated, a further 3 partners have been elected to perform this specific task.

Audit & Assurance Quality Committee (AQC)

During 2016, the Audit Quality Committee was established to extend and broaden audit quality governance. Consisting of six highly respected, senior and technical partners whose role it is to jointly support the National Professional Practice Director (NPPD), the Audit & Assurance Business Leader (ABL) and the Audit & Assurance Risk Leader (ARL) in taking key decisions that will push the audit quality agenda forward, and, at the same time, serving as a consultation panel for larger and more complex issues. It holds meetings on a quarterly basis but may be more frequently if the need arises and has met approximately six times from its establishment to 31 May 2017.


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Audit & Assurance (A&A) Quality & Risk and Accounting Technical functions

The A&A Quality & Risk and Accounting Technical functions are led by Alexis Agathocleous and Maria Paschalis as the ARL and the NPPD respectively. As the Audit & Assurance Risk Leader, Alexis has the operational responsibility for overseeing the risk management program. As NPPD, Maria has the operational responsibility for the System of Quality Control and is responsible for all decisions relating to the interpretation of accounting and auditing matters. Together they are responsible for implementing the quality agenda, establishing function- specific policies and procedures, audit technical training, monitoring and risk mitigation, and supporting engagement teams on a day-to-day basis on audit technical and risk matters. Moreover, in terms of quality and risk they reinforce key messages, raise awareness of quality and risk matters and help the business to be more agile in responding to new developments.

Both are members of the Audit & Assurance Quality Committee.

Global and external contribution

Deloitte Touche Tohmatsu Limited (DTTL) is an English private company (limited by guarantee) that all Deloitte member firms are members of. Panos Kakoullis, the Managing Director Global Audit Business Leader, and Cal Buss, the Managing Director Global Audit Quality, actively set the tone and drive audit quality through all member firms.

We are proud that our Firm is actively involved in shaping the future of accounting and auditing through our involvement in the Deloitte Network. Our teams benefit from the access we have to such global expertise and being at the forefront of professional developments.

External audit

Moore Stephens, Stylianou & Co were reappointed as auditors for the 17 month financial period to 31 May 2017. As in previous years, the Management Committee, and as it was formerly known – the Executive - undertook a review of the 2015 audit, during which no matters arose, and it concluded that it was satisfied with the performance of Moore Stephens Stylianou & Co and proposed to the Board that they be reappointed. The review of the financial period to 31 May 2017 audit is expected to take place before the end of the calendar year.



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Deloitte's focus



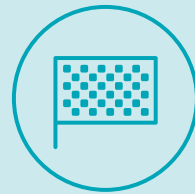
Recruit and retain the best

We seek to attract the best talent in the market with the right skills and experience so we can serve our clients well and deliver high-quality solutions and output



Empower and trust

We empower our people to take personal responsibility for delivering high-quality work to clients



Play to win – think globally

We encourage our people to approach every client engagement with the right team drawn from the capabilities of the whole firm, and where needed the DTTL Network, to ensure the highest quality output



Talk straight

Through a culture of talking openly and honestly, our people are encouraged to voice their ideas and challenge each other. Constructive, two-way communication is viewed as a way to achieve the right quality outcome for our teams and clients



Aim to be famous

We encourage a proportion of our people to become market leaders by developing specialist skills, gaining recognition and building networks they can draw on to enhance quality and insight in their work



Continuously grow and improve

Through an ongoing commitment to learning and development, we ensure our people have the necessary skills to deliver high-quality outcomes on a consistent basis



Have fun and celebrate

We believe that when our people enjoy what they do and are recognised for their accomplishments, they are inspired to deliver to the highest standards



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Ethics, independence and compliance matter at Deloitte

Acting with integrity in all we do underpins all aspects of work at Deloitte



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Ethics

Trust and honesty are deeply rooted in Deloitte's culture and essential to our continuing success. Our ability to rely on the professional judgements, skills and integrity of one another is crucial to fulfilling our professional obligations to the public, our clients and each other.

Ethics, independence and compliance matter at Deloitte. Our professionals are expected to act with integrity in accordance with high ethical standards. We are confident that this is demonstrated through the tone set by the leaders of our practice and the behaviour and actions of our more than 620 people in Cyprus and 244,400 around the world.

Nevertheless, Deloitte ethics teams and the Ethics Officers around the globe, and in Cyprus, continue to proactively build and promote an ethical culture, stressing quality and consistency across the network and have clearly articulated the standards to which we must hold ourselves, wherever in the world we live and work.

Principles of Business Conduct

Launched at the end of June 2016 across the entire Deloitte Network, our refreshed set of expectations of partners and staff are documented in our ["Global Principles of Business Conduct"](#) (Global Code), capturing how our vision, values and conduct work together. At the same time, we revamped our local ethics and aligned them to our Purpose in our ["Principles of Business Conduct - Cyprus"](#) (Local Code).

This Code is hard to miss around all office locations as the motto – "it all starts with integrity" has been concentrated in a poster which hangs in all open plan working spaces, partners' offices, common areas and in all meeting and training facilities.

The re-energisation of our Local Code has the Global Code at its core and the remainder

is framed around its meaning, together with guidance on the elements of our local ethics program including how to report a concern and how it will be handled. It reminds us that each of us is personally responsible for our actions and decisions. Defining the expectations that our stakeholders can have of all people across the Deloitte Network is a key purpose of the Global Code and this is why we have made it accessible to everyone; not just within our organisation:

Our commitments

- We commit to serving clients with distinction.
- We commit to inspiring our talented professionals to deliver outstanding value.
- We commit to contributing to society as a role model for positive change.



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Ethics program in Cyprus

The Deloitte Ethics team and ethics officer work closely with senior Deloitte leaders to reinforce the Firm's commitment to ethics and integrity and to make sure the topic is always at the front, and in the centre, of our people's minds as they interact with clients, each other and the community at large, through the organisation's ethics program.

The central elements of our program are:

- The Global Principles of Business Conduct and its local adoption.
- An ethics policy that sets out the requirements for our ethics program.
- An anti-corruption policy that addresses matters such as bribery, facilitation payments, political and charitable contributions, and gifts and entertainment.
- Ethics training programmes, including online courses, classroom programmes, and facilitator-led interactive case discussions (ethics training is required for all new hires upon joining Deloitte and for all Deloitte professionals every two years).
- Milestone training as newly promoted managers take up their positions.



The foundation of our culture, shaping who we are, what we believe and how we behave.

Our Code contains the standards for our business practices applicable to all employees, irrespective of geography, no matter their level, expertise, specialism, service line, function and for every single role that exists within Deloitte – in summary it captures absolutely everyone!

- Channels for whistle-blowing, reporting and discussing ethical issues and concerns – internally and externally - that emphasise confidentiality and non-retaliation policies.
- Support activities, including communications, and workshops to facilitate leading practices among our people.
- The requirement that all partners, professional staff, and support staff confirm annually that they have read and understood the Global and Local Codes, are in compliance with them and understand their responsibility to report actions that are not in compliance with it.
- Provision of an employee survey, undertaking a critical self-assessment, and other tools (such as focus groups) to measure our program's effectiveness; and
- A practice review program to measure compliance with global ethics policies and encourage collaborative discussions and continuous improvement in ethics programmes over time.



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Ethical leadership

The Firm has formally appointed an Ethics Officer who is an experienced partner with direct access to the CEO and the Firm's governing body.

The Ethics Officer participates in the Firm's Ethics Steering Committee comprised of three members as follows:

Eleftherios N. Philippou, Ethics Officer and Risk & Reputation Leader

George Pantelides, Talent Partner

Panos Papadopoulos, Director of Independence

Building "ethical muscle"

At Deloitte, we work hard to build ethical muscle in our people in discerning the most fitting action to take; that is the ability to recognise ethical issues when they arise, handle difficult situations with sensitivity and judgement, and raise our voices when things just don't feel right. We ensure that over the whole of our business lines and, in particular, our audit practice, this ethical prowess is clear for all to see.



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The foundation for Deloitte culture

Our Global Principles of Business Conduct
(‘Global Code’) and Shared Values



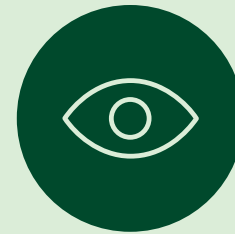
Integrity



Quality



**Professional
behavior**



Objectivity



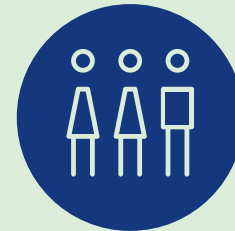
Competence



**Fair business
practices**



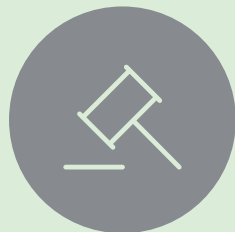
**Confidentiality,
privacy and
data protection**



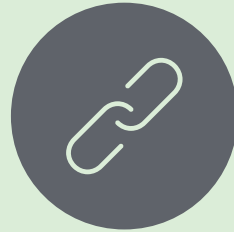
**Respect,
diversity and
fair treatment**



**Professional
development
and support**



**Anti –
corruption**



**Responsible
supply chain**



**Social
responsibility**

Shared Values

- Integrity
- Outstanding value to markets and client
- Commitment to each other
- Strength from cultural diversity



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Learning

Upon joining our Firm, all new hires experience intensive ethics learning which is revisited on a regular basis. This new hire training earned Deloitte worldwide best practice recognition. Deloitte has a policy that all its people undergo formal ethics training at least every two years and that newly promoted managers take a bespoke milestone training. In this way, together with its ethics awareness schemes and programmes, it ensures that the Firm benefits from the quality that a high set of ethical principles guarantees.

Our ethics, anti-money laundering, anti-bribery, information security and independence and ethics learning programmes are undertaken by everyone in the Firm, using examples to translate independence and ethical questions into practical actions. A more focused Personal Independence online programme is completed by all of our client-facing people of manager grade and above.

Anti-bribery and anti-corruption

Anti-corruption has been a priority for Deloitte over recent years and, indeed, an anti-corruption champion has been appointed to further promote the global and local priority. The mission of the anti-corruption champion is to build and sustain an effective anti-corruption program. Our firm has strict and clear policy guidelines which take a firm stance against bribery and corruption in all its forms. Our personnel are not permitted to accept, offer, induce or solicit such payments. Training to emphasise this is provided within the New Hire Ethical day for all new personnel and, subsequently, revisited on a regular basis.



Included in on-boarding training is a dedicated e-Learning on the topic that insists our people become aware of some of the pertinent facts and increases their abilities to identify practical issues and respond.

During the Transparency period, all our people undertook an engaging anti-corruption learning program. This theme will continue to feature in our training programmes as we, as a Firm, have clearly understood the importance of our strong stance against corruption and bribery in order to make the world a better place for us all to live.



Making an impact that matters – Planned renovations of the Reception Area at Paediatrics, Archbishop Makarios III Hospital – expected completion Autumn 2017



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“With our abundance of talent and resources, we have the opportunity to be the pioneers of social change and, ultimately, this may be one of our greatest contributions.”



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“Deloitte, both at home and abroad, has a long history of contributing to and participating in charitable and fundraising events. In Cyprus, the Transparency period was a busy time for such events.”



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Independence

We assess our independence for each client and on each engagement. Our commitment to independence is demonstrated by the tone set by our leaders, and is reinforced by carefully and consistently implementing and monitoring comprehensive independence policies and procedures.

Panos Papadopoulos, partner and our Director of Independence, is supported by experienced and dedicated independence specialists locally and across the Deloitte Network. This team is responsible for communicating independence policies and procedures, providing consultation support, implementing and monitoring independence quality controls, designing and conducting independence training and monitoring compliance with independence requirements.

Independence policies

Our well-established policies and procedures help ensure our Firm acts in the interests of both the public and its clients, as well as protect Deloitte's brand and reputation. Our independence policies and procedures provide clear guidance and permit compliance with international and local independence

standards (the IESBA Code and its adoption in Cyprus), laws (the EU Audit Regulation effective in June 2016 and the Directive which has been transposed into Cyprus Law in June 2017) and regulations and achieve excellence in professional performance. That's why every Deloitte professional from the newest assistant to the most senior leader must comply. Regulators demand it. Clients need it. The public expects it. So, we deliver it.

Covering the Firm, and the Firm's partners, professional staff and support staff, and certain relatives thereof, where applicable, these policies and procedures are, in some instances, more restrictive than the independence standards in the IESBA Code and contain specific independence requirements that are applicable when the Firm is to maintain independence with respect to an audit client ("restricted entity") and its affiliates.



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Scope of services for audit clients

The policies include restrictions on the financial, employment or business relationships that can be entered into with audit clients, as well as guidance on the non-audit services and fee arrangements that, if provided to audit clients may impair independence. The complexities of these policies became significantly deeper with the onset of the Regulation emanating out of the EU and effective in June 2016.

Because of limitations on the permissible scope of services for attest clients and their affiliates, independence is considered as part of the engagement acceptance process. If independence from the client is required, then the engagement partner, principal, or director must verify, prior to beginning the engagement, that the services to be provided are permissible and have been preapproved by the lead client service partner and, where necessary, the audit committee or its equivalent – thus establishing that conflicts, if any, are managed or engagements rejected where they cannot be managed.

The policies require partners and staff to notify the Independence team promptly if they become aware of any independence breaches and those breaches will be reported to audit committees or to those charged with governance as appropriate.

Restricted entity list

The restricted entity list is accessed online and includes Deloitte Network audit clients that are listed companies, registered schemes or retail superannuation funds, and other organisations such as financial institutions that offer financial products to the general public. The database is undergoing significant enhancements during 2017 and will become a list that also includes private entity audit clients. The entity information in the restricted entity list (also known as DESC) is continuously updated to help ensure its accuracy and completeness, including periodic validation processes performed by engagement teams and/or the DTTL member firms.



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Monitoring of financial interests

Professionals are required to search the restricted entity list before acquiring a financial interest or other financial product. To support compliance with the financial and investment restrictions placed on our professionals, we use an automated, DTTL operated, independence monitoring system to track personal financial holdings (also known as GIMS). All Deloitte partners and management-level client service professionals are required to record and update their investments, loans, insurances and other financial products and those of their immediate family members in their individual accounts in the monitoring system.

To allow for timely resolution of any potential independence issues, the monitoring system is linked to the restricted entity list, so the system can automatically email users when a potential exception may need to be addressed due to a change in restriction. The Firm monitors and follows-up on such notices until the individual resolves them.

Business relationships and alliances

Business relationships and alliances with third parties can impair auditor independence. Therefore, all proposed marketplace business

relationships require evaluation and approval by the Independence team and are then maintained and monitored in a central database of approved relationships.

Deloitte has processes and procedures for engaging independent contractors, including the centralised management of Approved Suppliers. This allows for potential independence impairing issues to be identified and assessed before entering into arrangements.

Independence learning

All partners and professional employees are required to complete learning in relation to the Firm's independence policies when they join Deloitte. This includes both classroom and e-Learning. Ongoing learning incorporates updates to the independence policies and uses examples to translate independence questions into practical answers.

The Independence team and the DTTL Global Independence Group issue regular policy updates and independence alerts to promptly communicate changes in the global regulatory landscape and new policies or interpretations to all our people.

Confirmation of review of independence practices and monitoring

We confirm that an internal review of our independence practices has been properly conducted in the period as part of the 2016 practice review. Our internal practice review and other monitoring processes provide us with assurance that these policies are, in general, appropriately observed and where exceptions are noted, identify where further action is required. In addition, the practice review includes an assessment of compliance with Deloitte Global policies. The results of these internal reviews are reported to the Management Committee and the Board.



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During the Transparency Period, the Independence team has been raising awareness of the impact of the EU Audit Regulation and Directive and all the Firm's managers, directors and partners have undergone role specific mandatory training on the subject.

Consultations

The Firm communicates with its partners and employees regarding the consultation policies for independence matters and identifies the individuals to be consulted. It is using a technology enabled software to manage this process.

The Independence team can escalate consultations to the Global Independence team as required.

Independence confirmations and internal monitoring

All partners and employees are required to submit an annual electronic confirmation that they have read, understood and complied with Deloitte's independence policies. The Independence team carefully monitors the confirmation process, and any exceptions are evaluated and resolved.

In addition, all professionals who are assigned to provide services as part of a financial statement audit are required to confirm their independence of the audit client.

Inspection of Personal Independence

Deloitte has implemented an ongoing program to test the accuracy and completeness of the independence confirmations and the financial information in the automated independence monitoring system.

We have a comprehensive and multi-layered independence framework.

On an annual basis, the Firm inspects individuals for compliance with the Firm's independence policies and procedures. The objective of the inspection and testing program is to determine whether the representations and information submitted by partners and professional staff (directors and managers) relating to independence matters and the information contained in GIMS are accurate and complete.



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The review in the Transparency period concluded in December 2016 and once again the exceptions noted through conducting the process were not significant.

Of the partners as at the end of the Transparency period, 73% (2015: 35%) were inspected in 2016 which represents a significant increase in scope demonstrating the importance placed on independence by the Firm.

Audit partner rotation

Rotation of engagement partners and Engagement Quality Control Reviewers (EQCRs) helps to provide a fresh perspective and to reduce familiarity and self-interest threats to independence.

Our rotation policies require that the engagement partner and the EQCR for the audits of public interest entities are rotated after seven consecutive years of service. Following rotation, these audit partners are not permitted to be involved in the audit engagement for a period of two years or three years for EU PIEs.

Audit Firm rotation

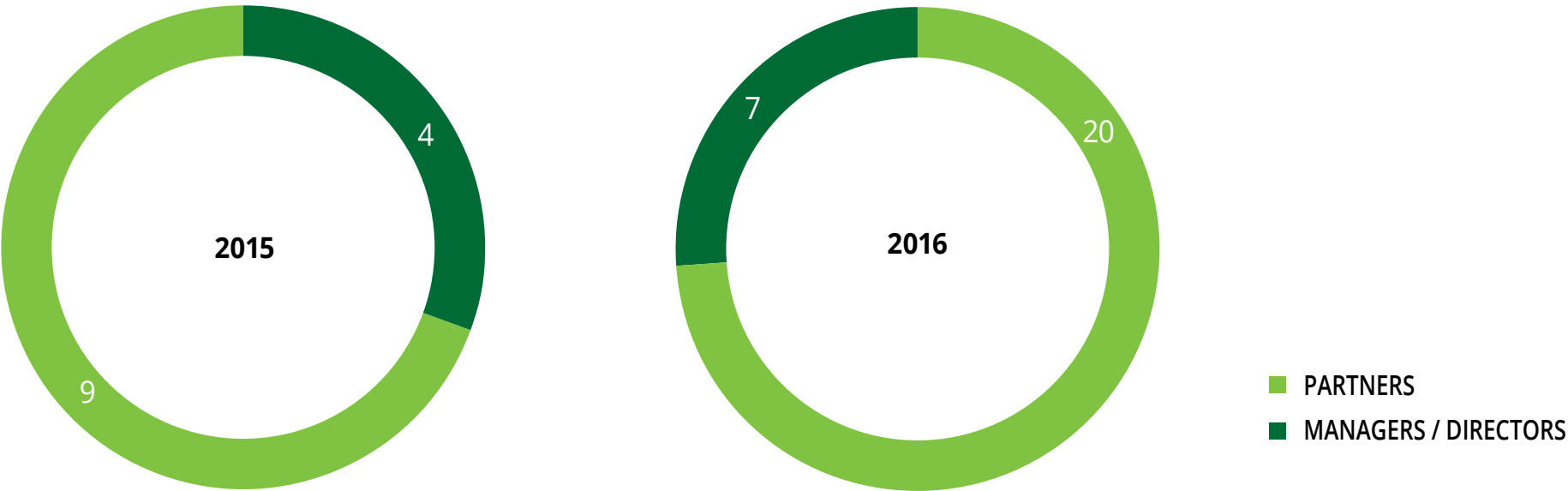
The effective date of the EU Audit Regulation has brought into operation new rules concerning the rotation of audit firms on audit engagements of EU PIEs. The aim of the Regulation is to enhance the objectivity of auditors and reduce the familiarity threat that may have impaired independence in formerly permitted long associations with audit clients.

The application of these complex rules is overseen by the Independence team.

Disciplinary process

Deloitte’s leaders take a zero-tolerance approach to non-compliance with the Firm’s independence policies. Our partners and employees are subject to disciplinary action if they violate these guidelines. Depending on the severity of the violation, sanctions may include written warnings, financial penalties and, potentially, termination of employment or removal from the partnership.

Independence Testing



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Our commitment to audit quality

Quality is at the heart of everything we do. From the mindset of the auditor to the specific capabilities, tools, methods and standards we apply in conducting audits and managing our Audit & Assurance practice – our commitment to audit quality is paramount.



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Our approach to quality is holistic and multifaceted

We are aware of our obligation to deliver audits in compliance with professional and regulatory standards. We are committed to doing more than simply meeting these requirements. This is core. And continuous.

How we see quality

Quality means a total commitment to making sound judgments. It means ensuring that all the right steps are taken consistently in the course of an Audit. It means providing a bedrock of confidence in the results we verify. But, at Deloitte, quality means even more. It is a never-ending quest to do today's work better and to deliver more in every engagement. We see Audit as an opportunity to introduce more of the areas where assurance can be given, to create ever firmer foundations on which decisions can be based and future actions taken.

How we do quality

We seek to continually raise the standards of quality - from numbers that add up to how we add deeper and more genuine value for stakeholders. Our desire is to be seen as the standard of excellence for the profession, as articulated in our global audit aspiration "to be the world's most trusted audit provider". Our audit aspiration is underpinned by an Audit Quality Framework with clear strategic objectives as depicted in [Figure 1](#).

How we stay focused

To keep us focused and continually moving forward we have an Audit Quality Plan, which includes specific measurable actions. The Audit Quality Plan is updated regularly to remain current and responsive, and we are accountable to DTTL to deliver on the planned actions.

You will understand, as you are reading this Transparency Report that we are fully aware of the impact of the quality of our work on sustaining confidence in financial reporting and supporting the wider public interest.

Advancing the audit profession by raising the bar on audit quality.



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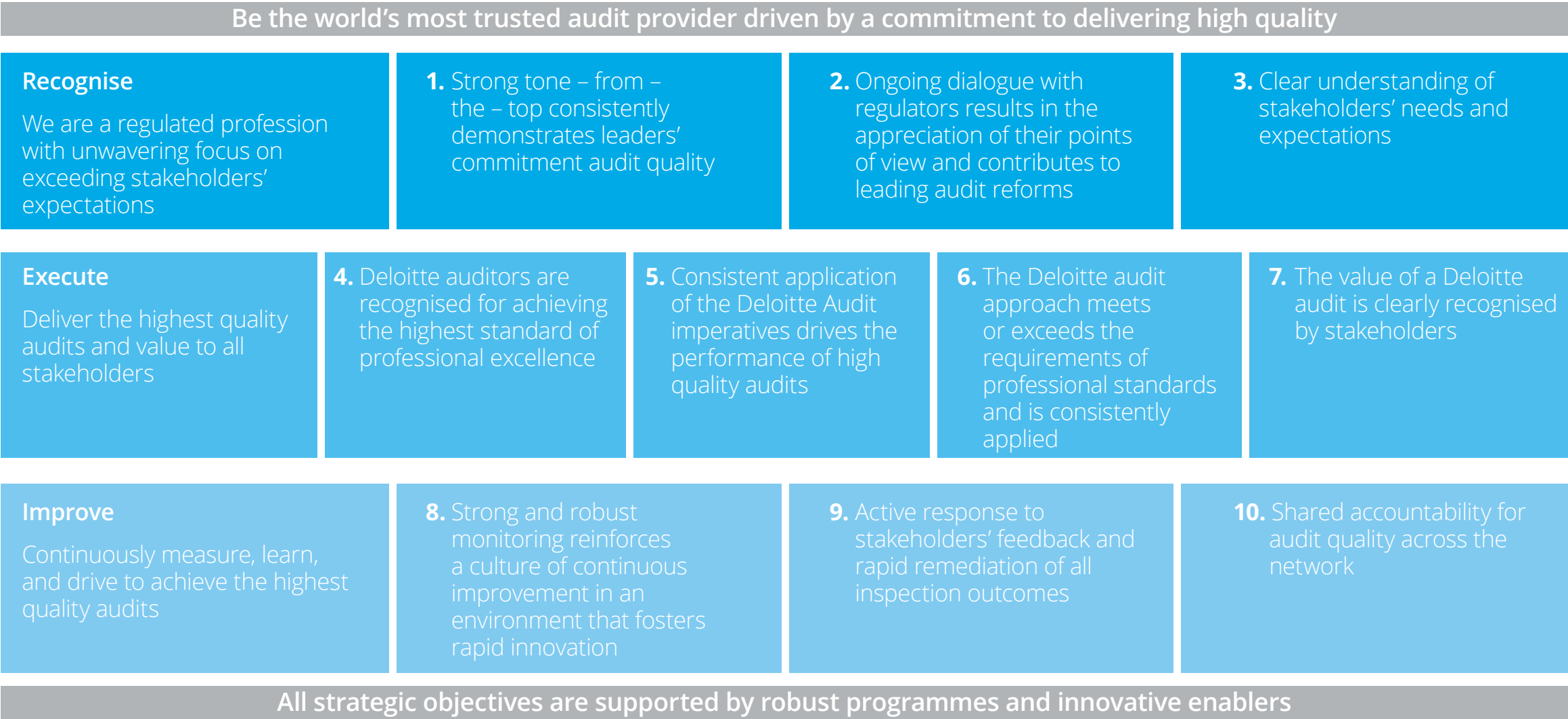
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Figure 1: Audit Quality Framework

Strategic objectives



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Figure 2: Audit Quality Framework

Strategic implementation activities

Recognise We are a regulated profession with unwavering focus on exceeding stakeholders' expectations	Audit Quality Plan		Deloitte position on emerging issues	
	Leadership tone		Regulator engagement	
Execute Deliver the highest quality audits and value to all stakeholders	Audit imperatives	Deloitte Audit	2016 Methodology enhancements	Audit project management
	Expenditure auditor reporting	Analytics	Internal Controls Program	Design
Improve Continuously measure, learn, and drive to achieve the highest quality audits	Practice Review and External Inspection Monitoring		Audit Quality Indicators	Causal Factor Analysis
	Deloitte Audit In – flight Diagnostics		Mandatory learning	



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Leadership responsibility for the system of quality control

Quality means a total commitment to making sound judgements. It means ensuring that all the right steps are taken consistently in the course of an audit. Quality is built into the Firm's business strategy.

In our Audit & Assurance business

We seek to continually raise the standards of quality.

Giving leadership the responsibility for the system of quality control in audit is one of the fundamental ways to ensure that consistency



which is required to bring our aspiration to life. This actual responsibility, aligned with the requirements in ISQC1 together with effective delivery of tone-from-the-top and, in tandem, a keen understanding of the mood-in-the-middle, is a valuable strategic enabler.

All our quality processes, allow us to deliver technical excellence, underpinned by objectivity and integrity, at all stages of the client engagement.



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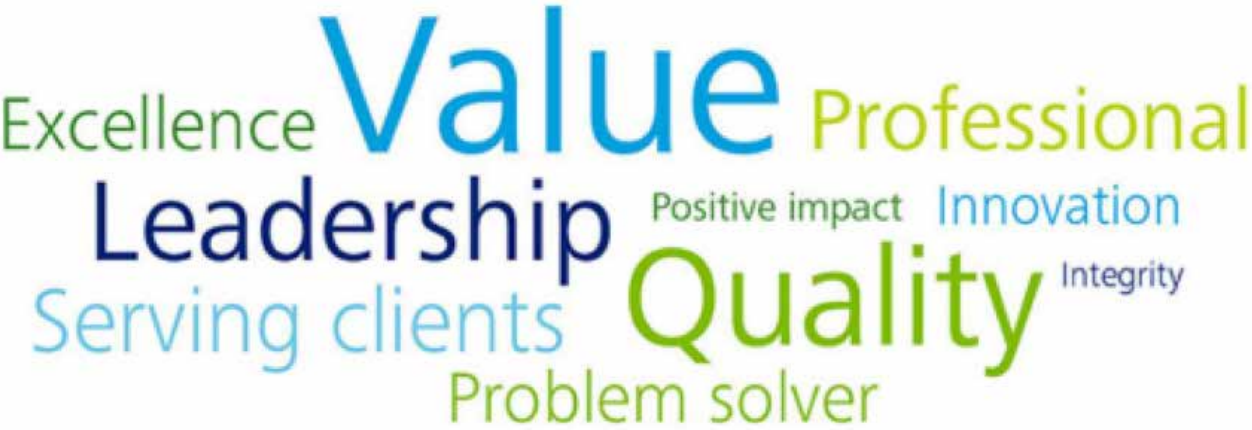
Across our businesses

Our quality and risk management (QRM) framework is embedded in all parts of our business. The framework brings a rigorous approach across all of our service offerings in areas such as client and engagement acceptance, partner portfolios, engagement risk, and assessment of existing and new service offerings. Its primary purpose is to underpin our commitment to quality, integrity and ethical behaviour throughout our business, whilst establishing that the responsibility for quality sits with those who deliver service to our clients, individually and collectively.

The Firm’s quality processes are designed to meet client expectations, our internal standards and external regulatory requirements. The Firm has implemented internal quality control processes which go beyond what is required by regulation and auditing standards. Quality control is a pillar of our practice.

Client satisfaction

The analysis of the 2016 client survey results reveals that Deloitte’s services, including audit, satisfy clients in all categories. Those categories are; Understanding, People, Service quality, Deliverables, Communications, Value and Meeting expectations. The highest scoring categories across the audit business were Service quality, People and Communications. None of the respondents noted a decline in quality of service and, in fact, most respondents identified that service quality across the breadth of the Firm has either improved or significantly improved.



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Client acceptance and continuance

From the very start, we incorporate quality across all of our client engagements. It is all about accepting the right clients, understanding their risks and formulating an appropriate audit response to address them.

We have rigorous policies, procedures and approval processes in place for accepting prospective clients and engagements, and assessing engagement risk. This includes a documented evaluation of the client’s risk profile and information regarding the client and its management. The client and engagement risk is classified as normal, greater than normal, or much greater than normal. The decision to accept appointment is approved by the Firm’s Risk Leaders if engagement risk is assessed as greater than normal or much greater than normal risk.

In this process, we focus on confirming that we have the capacity and capability to act, that we can comply with relevant ethical and independence requirements, and that we have considered the integrity of the client (See Table 1).

These comprehensive policies and processes comply with Anti-Money Laundering Laws and the Directive of ICPAC together with the Deloitte Audit Approach, International Standards on Auditing and the IFAC Code of Ethics for Professional Accountants as issued by IESBA.

Our Firm’s engagement risk assessment procedures provide a basis for tailoring the audit approach to address engagement-specific risks. For higher-risk engagements, additional risk management safeguards are applied, such as assigning a more experienced partner as the Engagement Quality Control Reviewer (EQCR), assigning a Special Review Partner in addition to the EQCR to much greater than normal engagements, involving experts or requiring a review by the Audit & Assurance Quality Committee.

Our engagement risk assessment begins at the client acceptance process. We perform an annual continuance assessment to determine if the Firm should continue providing services. In addition, any time an entity changes significantly (for example, a change in ownership), the Firm considers whether to continue the relationship.



Table 1: Client and engagement acceptance and continuance considerations

Risk	Consideration
Client risk	<ul style="list-style-type: none"> • Management characteristics and integrity • Organisational and management structure • Nature of the business • Business environment • Financial results • Business relationships and related parties • Prior knowledge and experience of client
Service risk	<ul style="list-style-type: none"> • Nature of the engagement • Team competence to handle the technical aspects of the specific engagement • Availability of competent team
Engagement risk	<ul style="list-style-type: none"> • Specific engagement risk
Independence	<ul style="list-style-type: none"> • Financial and other relationships • Non-audit services • Other threats: self-interest, self-review, advocacy, familiarity or intimidation



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Engagement team selection and expertise

The selection of the engagement team is key to developing and executing a high-quality audit. Every audit engagement is led by a partner, and our engagement partners are fully responsible for the services they provide. The engagement partner is responsible for ensuring that the professionals assigned to each engagement have the required competencies.



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Partner-led approach

A partner-led approach is one of the primary elements of the Deloitte Audit Approach. Their involvement is required from the very outset of any client relationship and engagement, with partner-led planning at the foundations. All partners who act as engagement partners for statutory audits are registered statutory auditors in accordance with the Law and local Institute requirements.

Bringing the breadth and depth of Deloitte knowledge to industry

Our Firm benefits from industry specialists and groups, which are led by partners with deep industry knowledge and expertise. These groups share their understanding of markets and industry sector developments and they bring this knowledge to bear on audit engagements. This is particularly important at times of significant uncertainty or change.

The right engagement team is key to audit quality.

Use of Experts

While the audit engagement partner retains responsibility for all aspects of the engagement, there are instances when the engagement team utilises an expert – and this person is not considered part of the audit team. In such instances, the engagement team evaluates whether the expert has the necessary competence, capabilities, and objectivity.

In evaluating whether or not the expert's work contributes to the sufficiency and appropriateness of the audit evidence in support of the financial information, the engagement team considers:

- The source data used,
- The assumptions and methods used and, if appropriate, their consistency with those used in the prior period, and
- The results of the expert's work in light of the engagement team's overall knowledge of the business and of the results of its audit procedures.

Considerations for engagement team selection, among others:

- Size and complexity of the entity's business
- The applicable financial reporting framework used in preparing the financial statements
- Applicable independence considerations
- Any possible conflicts of interest
- The qualifications and experience of professional staff, including industry credentials
- The availability of staff to commit time to the engagement
- The portfolio and other responsibilities of professional staff



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Executing with the right behaviours and a focus on professional scepticism

We believe that creating the right culture, and focusing on the right mindset and practices, is key to achieving high-quality audits. We continue to reinforce the importance of demonstrating the right behaviours through our Audit Quality Imperatives, which we believe are vital to a quality audit and for us to deliver on external stakeholder expectations. The Audit Quality Imperatives are a list of core actions requiring audit team focus.

We continually emphasise the importance of our role as evaluators. This is reflected in many aspects of our methodology, procedures and training. We also create audit working environments that take a “design” approach to issue identification and problem solving. In our audit documentation and when reporting to those charged with governance, we include discussions on areas of significant professional judgement to make it clear how we have exercised scepticism and the challenges we have made in reaching our conclusions.

Given the increasingly complex nature of our clients’ businesses, engagement teams often also involve specialists from across the Firm, and sometimes from the Network, with expertise in areas such as economics, valuations, tax, actuarial services, analytics and information technology. This informs how we exercise our judgement and brings the best of Deloitte to the audit.

Deloitte Audit Quality Imperatives

Deloitte audit teams are mindful of the global Audit Quality Imperatives. Deloitte is committed to driving professional excellence through our Audit Quality Imperatives, the relevant ones are evidenced whenever an audit is performed.

These imperatives reflect the priorities in the Global Audit business’ quality agenda and assist us locally to achieve and raise our standards when it comes to audit quality.



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"Today's increasingly complex business environment requires that the audit be more dynamic and insightful. Deloitte is committed to doing that for clients and for society as a whole while continuing to deliver the quality audits of financial statements investors require."

Alexis Agathocleous
FSI leader

Audit Quality Imperatives FY17

1. Act as an independent evaluator with a professional auditor mindset.
2. Focus on the importance of auditing internal control.
3. Optimise audit execution.
4. Use specialists' expertise effectively.
5. Drive continuous improvement.
6. Pursue continuous professional development.
7. Tailor risk assessments and audit responses.
8. Demonstrate professional excellence.



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Core principles



Act with integrity, ethics and professionalism



Recognise the important role of auditors



Always learn



Continually improve



Live audit quality

FY18 priorities



Internal control



Risk assessment



Accounting estimates



Consultations



Transformation of audit delivery



New accounting standards



Optimisation of audit execution



Supervision



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Audit methodology and tools

Our audit methodology requires us to develop an understanding of the client's business and risks, and apply this to the design and execution of our audits.

Our new audit technology platform "Engagement Monitoring System (EMS)" enables comprehensive planning, performance, documentation and review of our work in accordance with the International Standards on Auditing issued by the International Auditing and Assurance Standards Board of IFAC together with applicable network, professional, regulatory, and legal obligations. It enhances the consistent implementation of the Deloitte Audit Approach, which is accessible from within it, and acts as a further gateway to guides, practice aids and thought leadership developed globally and locally to enhance quality and consistency across all audits.

2017 saw the implementation of the EMS platform go fully live - following extensive technology and people based investment and in-depth trialling during 2015 and 2016.

Prior to this platform, AuditSystem/2 (AS2) was the technology tool employed for this purpose.

On top of the enabling platform, engagement teams are further supported by a wealth of other resources delivered via the global and local intranet to assist teams in delivering professional excellence. This includes our policies, industry information, templates, tools, practice aids and answers to frequently asked questions.

The NPPD and the team issue regular communications to maintain focus on audit quality and inform or remind partners and staff about matters in accounting and auditing, including clarifications on aspects of the Deloitte Audit Approach Manual, new policies, developments in financial reporting, or to convey findings from monitoring processes.

Our practitioners have access to a wealth of information to support quality.



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Innovation and analytics

Driving positive, disruptive change to revolutionise what Audit can do – and how.



We have been using analytics in our audits for some years, and continue to evolve and improve our tools to support auditors and enhance their effectiveness.

Our continued investment in market-leading data analytics will allow us to apply more sophisticated and comprehensive audit techniques on selected audit engagements to dive deeper into risk assessment and audit testing.

Beginning our journey with Excel Analytics, brand new, in Cyprus, is the Illumia tool which is currently being mobilised with preparatory work underway.

We have made analytics accessible to all by introducing Excel Analytics and monitoring its application on selected audits through our Methodology Enhancements.



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Supervision and review

Our audit approach requires that audit engagements are adequately planned, supervised and managed so that the work performed provides reasonable assurance that it complies with our policies and professional standards. The overall supervision of each audit is the responsibility of the engagement partner.

Engagement team supervision

The overall supervision of each audit is the responsibility of the engagement partner. Each Deloitte audit receives the appropriate level of supervision that results in the issued report being appropriate in the circumstances.

Engagement team reviews

Review procedures are a key to our risk mitigation strategies. Therefore, there are several built into our processes (See Table 2).

Review of working papers

A review of the audit documentation is required to be performed by a member of the engagement team who has more experience than the preparer. Elements of audit documentation may be reviewed by several team members in reaching the audit conclusion.



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Strategically focussed Engagement Quality Control Reviews

An Engagement Quality Control Review (EQCR) is performed for all audit services, with limited exceptions. The review is performed by a partner or a member of the management team who is not directly involved in the engagement and who has the appropriate experience and knowledge about applicable accounting and auditing standards and regulations.

The Engagement Quality Control Reviewer is not part of the engagement team and is not portrayed in fact or appearance as a member of the engagement team. Appropriate experience and knowledge includes experience and knowledge of the entity’s industry, economic environment, and accounting principles. For all public interest entities and all high risk engagements, the review is performed by a partner with sufficient and appropriate experience and professional qualifications to act as an engagement partner on these types of audits.

The reviewer is appropriately briefed by the engagement team and conducts the review in such a manner that sufficient knowledge and understanding is obtained in order to reach conclusions. The reviewer’s responsibility is

to perform an objective review of significant auditing, accounting, and financial reporting matters, to document the procedures the reviewer performed, and to conclude, based on all the relevant facts and circumstances of which the reviewer has knowledge, that no matters that have come to his or her attention would cause the reviewer to believe that the significant judgements made and the conclusions reached were not appropriate in the circumstances.

Going forward, our EQCR processes will place even more focus on those engagements with the most to benefit.

Special Reviews

For engagements that have been identified as having Much Greater Than Normal risk or those engagements the Firm decides to place in its risk management program, a Special Review Partner (SRP) is assigned to provide an additional level of competence and objectivity in planning and performing the engagement. The Special Review Partner is independent of the engagement. Normally this partner possesses specialised industry and technical skills applicable to the engagement and, in certain situations, can provide specialised resources.

Engagement Supervision involves, amongst others:

- Tracking the progress of the Engagement to ensure that it will complete on time.
- Considering the competence and capabilities of individual members of the Engagement team, whether they have sufficient time to carry out their work, whether they understand their instructions and whether the work is being carried out in accordance with the planned approach to the Engagement .
- Addressing significant matters arising during the Engagement, considering their significance and modifying the planned approach appropriately.
- Identifying matters for consultation or consideration by more experienced Engagement team members during the Engagement.



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Table 2: Deloitte's review policies and procedures for audit engagements

Type of review	Required on	Performed by	Review objective
Working papers review			
Detailed review	All engagements	A more experienced member of the engagement team	To consider whether: <ul style="list-style-type: none">• The work has been completed appropriately• Any significant matters have been raised for further consideration• Appropriate consultations have taken place and the resulting conclusions documented• There is a need to revise the nature, timing and extent of planned audit procedures• The evidence is sufficient to support our report• The objectives of the engagement procedures have been met
Primary review	All engagements	Manager, Director or Partner	
Overriding review	All engagements	Partner	
Engagement Quality Control Reviews			
Engagement Quality Control Reviews	Listed and high risk other entities	Partner	To consider whether: <ul style="list-style-type: none">• The conclusions reached on significant judgements made by the engagement team are appropriate• The audit documentation selected for review in relation to the significant judgements supports the conclusions reached• Appropriate consultations have taken place and the resulting conclusions documented• The engagement team has made an appropriate evaluation of independence• The report is appropriate after reviewing the financial statements• Appropriate matters have been considered for reporting to those charged with governance
Engagement Quality Control Reviews	Other entities	Manager, Director or Partner	
Specialist reviews			
Professional Standards Review	Selection of engagements	Manager or Director	<ul style="list-style-type: none">• To confirm that all required quality control procedures have been completed• To challenge the key elements of the engagement and monitor performance in accordance with the Firm's policy• To consider the appropriateness of the type of the audit opinion to be issued and the wording of any modification or emphasis of matter
Special review	Much greater than normal risk entities	Partner	



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Consultation

While each partner is empowered to make appropriate decisions for their engagements, we urge our engagement teams to consult whenever they need additional information, perspectives or specialised knowledge on accounting, auditing, legal, regulatory, ethical or other issues.

A consultative culture is integral to a quality audit and is embedded firmly at Deloitte wherein our partners are encouraged to consult frequently and early with peers, subject matter experts and technical specialists from across the Firm and internationally within the Deloitte Network.

Bringing the best of Deloitte to engagements

This approach enhances our capacity to answer complex questions.

Our consultation policy is designed to provide reasonable assurance that agreement is reached between the partner and team seeking consultation and the consulted, and that conclusions of the consultation are documented, understood and implemented.



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Audit partners and staff are supported by the National Professional Practice Director (NPPD), by the Risk and Reputation Leader (RRL) and by the Audit Risk Leader (ARL) and their teams. Their approach is responsive and consultative.

To facilitate the technical consultation process, the Firm has an International Financial Reporting Standards and Auditing consultation structure. For particularly complex issues or those that may have global impact or wider reach, consultations will be escalated to Global Centres of Excellence including the Centre for Audit Quality. Records of consultations undertaken are retained and technology is assisting with this process.

Technical expertise - accounting

The IFRS Technical Team is a dedicated group of accounting specialists who provide support

to engagement teams on financial reporting matters, under a formal and documented consultation process. The team has access to global expertise within Deloitte’s IFRS Centres of Excellence.

Technical expertise - auditing

The audit quality and risk resources and auditing experts focus on audit quality and risk management, including providing first-line support and consultations to our engagement partners and teams. Throughout their engagement with practitioners and regular communications, the team champions the importance of audit quality.

They may escalate the consultation to the Audit Quality Committee and from there, to the Global Centre of Excellence for Audit Quality if appropriate.

Differences of opinion

An audit requires professionals to exercise judgement, which can result in differences of opinion. When these arise, either among members of the engagement team or between members of the engagement team and consultants, we use resolution policies and procedures. These include escalation processes to resolve differences and requirements for documenting outcomes.

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Engagement documentation and security

Maintaining client confidentiality is of the utmost importance to Deloitte. So much so that during this reporting period, we have invested significant resources to achieve the ISO27001 International Standard for information security management.

Confidentiality, Privacy and IT security

The importance of maintaining confidentiality both physically and through IT systems around client and other relevant information, particularly private information, is continually emphasised to our people and our approach to encryption, ethical walls, clear desk policy, data leakage prevention and all aspects of security underpins this commitment.

Our policies require all confidential information held on the Firm’s laptops to be encrypted, and our professionals are educated to take the utmost care with such information, whether verbally, in hard copy or in electronic form. Reducing the volume of data which resides on the laptops of our professionals continues to be a key area of focus.

In order to gauge the effectiveness of what we do locally, we undertake penetration testing of our IT systems together with the internal management review procedures undertaken as part of our ISO27001 continued compliance.

To further emphasise the significance of these policies to the Firm and network, our people are asked to make an electronic declaration annually of their understanding and compliance. Further, the Deloitte network undertakes annual Confidentiality and IT security compliance visits to determine our compliance levels with the policies of the Firm benchmarked against global standards.



Confidential Information (CI) Program

In early 2016, we introduced our CI Program on select engagements to protect even further the confidential, and/or private nature of, information to be handled in its execution.

Incident response

We have established processes and a pool of experts, who are sitting ready to lend their expertise and be members of a customised Incident Response Team to ensure that, in the unfortunate event of a possible unauthorised leak of CI howsoever caused or placed at risk, our Firm will be able to respond with top-class promptness to mitigate any consequences to all concerned and meet regulatory requirements.

Engagement documentation

Firm policy requires audit files to be archived in accordance with relevant requirements, which more often than not, for the Firm’s engagements, means within maximum of 60 days of the audit report date, and archiving is monitored closely. Non-compliance with the archiving policy affects partner performance and our Practice Office Review Program rating.

The Firm’s policies and procedures address the retention of documents (in paper and electronic form) including addressing the confidentiality, safe custody, integrity, accessibility, and retrievability of archived documentation.

The Firm has taken significant strides during the Transparency period towards achieving paperless audit documentation.



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Monitoring of quality control policies and procedures

Our monitoring initiatives complement our policies, procedures and tools we have in place to drive audit quality, enabling us to continually improve.

Completed engagements

Our annual Practice Review Program is a key component of the Firm's overall system of quality control. This inspection and monitoring mechanism provides evidence of compliance with, and consistency in the application of, Deloitte Network policies and methodologies.

The Practice Review Program assures that our system of quality control complies with ISQC1 and is operating effectively.

The findings and recommendations are presented to the Board as the basis for future improvement initiatives.

In-flight engagements

Health-checks

Our Health Check Program, commenced in 2017 for selected engagements, is focused on specific topics and is designed to improve our responsiveness to Practice Review and inspection findings, as well as to assess the effectiveness of actions we have previously put in place. These audit health checks are conducted throughout the year and are intended to be short, deep-dives on a topic. They are performed on "live" engagements and themes are communicated back to the practice when applicable.

Recent inspection findings and our responses to them reinforce our continuous improvement efforts.



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Engagement Quality Control Reviews

Targeted emphasis is being placed on these reviews as being of paramount importance on higher risk or higher profile engagements due to the position that an EQCR is in to identify quality issues ahead of an audit report being issued.

Audit Quality Milestones and DA Diagnostics

These new initiatives will be applicable for 2017.

Portfolio risk review

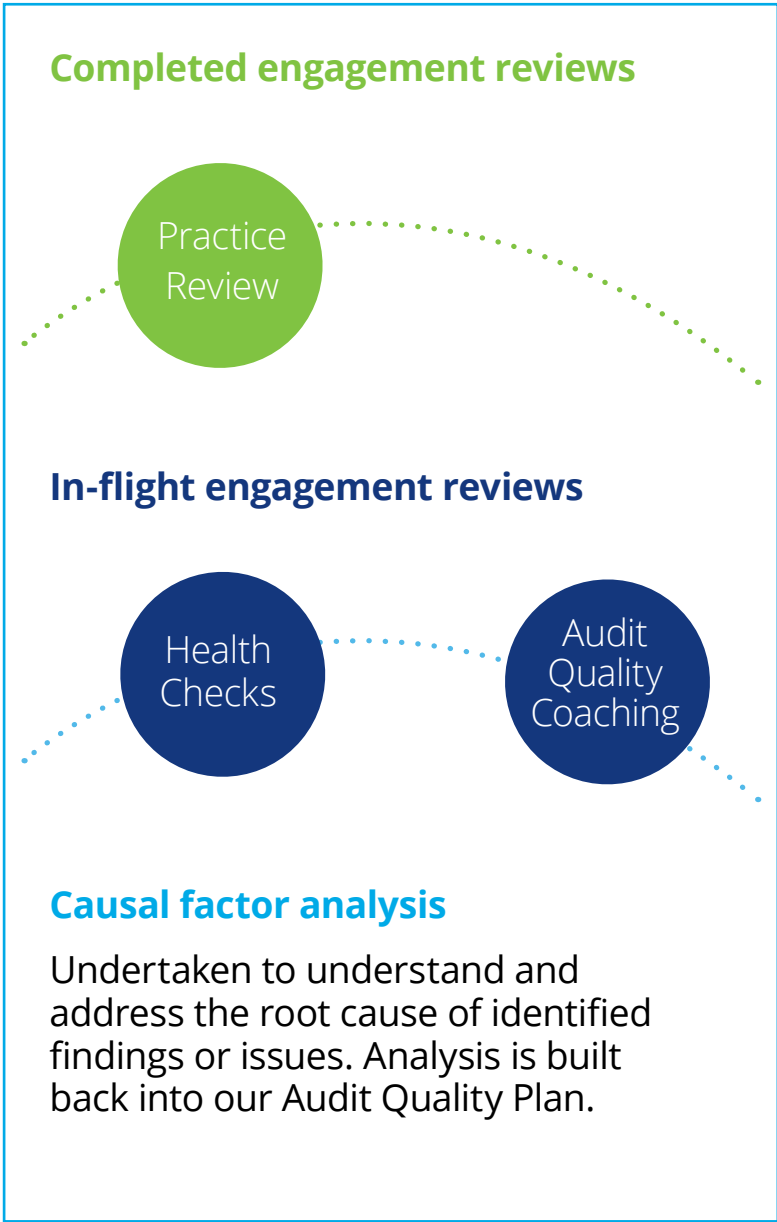
The RRL and the ARL annually conduct a full review of all the partners’ audit portfolios in relation to risk, independence and availability of resources to fulfill the engagement at levels of high quality.

This significant exercise is very comprehensive and results in individual partner action plans that ensure quality and risk minimisation and is very much valued by the Firm as a risk management tool.

Development of Audit Quality Indicators

Enhancing our own understanding of what audit quality means to companies and the investment community helps us better focus on ways to further improve audit quality. Determining measures of audit quality has been a challenge that the profession, regulators, academics, and others have been attempting to address. Following the global firm’s comprehensive effort to identify metrics, we undertook to implement a set of quality performance indicators (AQIs) — that we also believe are correlated to high audit quality and thus can further drive forward our quality goals.

While no one metric alone can determine quality, in aggregate, we believe the use of AQIs will further reinforce behaviours that support high audit quality. 2016 was the second year of adoption of the full set of AQIs upon which we reported to our Network. Our measurement and benchmarking process with these AQIs provides the leaders of our practice and globally with data that enhances our ability to monitor our practice, and all member firms, and make appropriate adjustments on a real-time basis.



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Practice Review Program: key features¹

The program is led by the Firm's Practice Review Director.

The Practice Review plan, process and results are reviewed and concurred on by a partner from another DTTL Network firm and, new in 2017, his deputy. The 2017 review will culminate in September 2017.

The Practice Review Program consists of two distinct components: a review of engagements (engagement review) and a review of the member firm's system of quality control (SQC review).

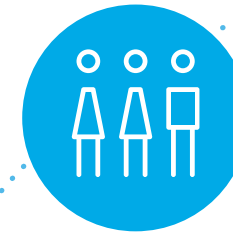
For the SQC review, the pillars of ISQC1 are reviewed in depth in periods not exceeding three years with the exception of independence, archiving and EQCR processes which are deep-dived annually.

In the 2016 process, the scope of the engagement reviews included a completed

engagement per audit partner at least once every three years. This has been further targeted by focussing in 2017 on those partners auditing public interest entities or transnational entities whilst other partners' reviews may be extended to 5 years. In addition, partner candidates are in scope in their candidacy year or within the first year following admission.

Engagement selections for review are risk-based with a bias towards public interest entities. All major industries served by the Firm are considered.

The engagement reviewers are mostly from other member firms, assisted by a smaller team of local experienced reviewers. Reviewers are assigned to engagements based on skill level, industry knowledge and experience.



2016
37,5% (6)
of all audit
partners
reviewed



2017
36,8% (7)
of all audit
partners
reviewed

¹ For the 2017 audit practice review, there were significant changes implemented to the process in a continued effort to increase its robustness.



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The Firm communicates any deficiencies that are noted and recommendations for remedial action to the relevant partner and team management.

Partners receiving ratings below a certain level have additional engagements selected for review and are automatically reviewed the following year. No partners from the Cyprus Firm have received such ratings.

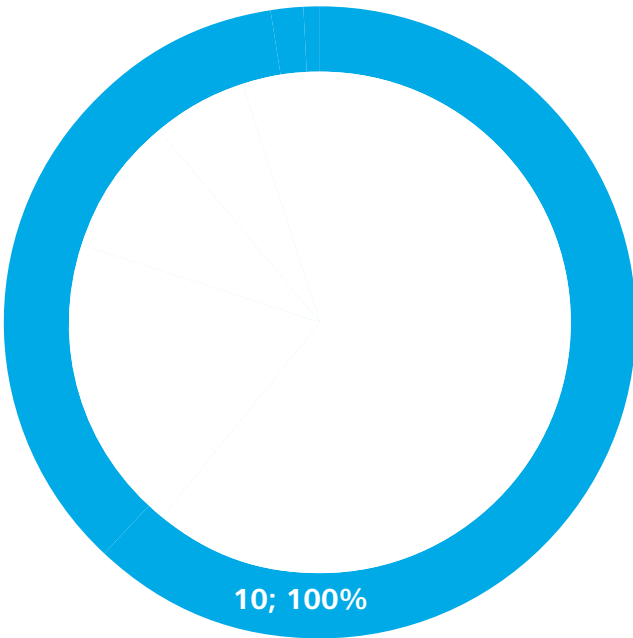
Findings are incorporated into partner performance assessments and poor performing partners may be sanctioned depending on the severity of the findings.

A causal factor analysis is performed to identify the root cause of the Practice Review findings and these insights help shape responses included in our Audit Quality Plan.

Each year, the Firm also communicates the results of the Practice Review Program², and ongoing consideration and evaluation of its system of quality control, to its partners and other appropriate individuals within the Firm.

We take all observations very seriously; no matter how small they may seem. We respond vigorously to opportunities to enhance the quality of our audits.

Rating for partners for 2016



- Compliant rated engagements
- Improvement required rated engagements
- Non-compliant rates engagements

Source:
Audit Practice Review Dashboard

Results for the 2017 practice review will be concluded at the end of September 2017.

² Results of the Practice Review Program are available by the end of September each year.

External monitoring

We recognise the important role of regulators. We share a common goal of achieving high-quality financial reporting.

Given the important role of auditors in the financial markets, our profession and Deloitte are subject to external oversight by regulators. Deloitte recognises the important role of the Cyprus Public Audit Oversight Board (CyPAOB).

Deloitte Cyprus is a registered firm with the local Institute of Certified Public Accountants of Cyprus (ICPAC) licensed to undertake statutory audit work. Deloitte was inspected towards the end of 2015 by ICPAC, in its supervisory role, and the review was successfully concluded with minimal deficiencies noted. The next review is expected to be undertaken by ICPAC in 2021 due to the onset of Cyprus Public Audit Oversight Board regulatory visits to those audit firms who are auditors of public interest entities (PIEs) as defined in the Law.

2016 saw Deloitte's first such visit with the purpose of monitoring the Firm's compliance with ISQC1 and International Standards on Auditing in the conduct of audit work in relation to our PIE clients. This external monitoring will take place annually.

Findings and comments are currently communicated in a private report to each individual firm. We have taken any comments we have received in the spirit intended and worked responsively to address them aligning ourselves with Deloitte's "agree and accept" approach.

Alongside 2015's audit monitoring visit by ICPAC, was also our Firm's first regulatory inspection in terms of compliance with Anti-Money Laundering laws and regulations. The results of this inspection were also concluded as satisfactory.



These results bear testimony to our unwavering commitment to quality in excess of the regulatory requirements. We welcome this opportunity to once again publicly reaffirm our commitment to quality.



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Client complaints

Providing our clients with feedback mechanisms is part of our commitment to professional excellence.

Deloitte is committed to providing excellent client service. An essential part of delivering, sustaining and improving our service is obtaining regular and structured feedback from our clients.

Client satisfaction survey

The CEO conducts an annual client satisfaction survey from which any complaints or feedback are thoroughly investigated and action plans developed as appropriate. To date, these surveys have produced valuable positive insights into how a Deloitte Audit is experienced and have not identified key client dissatisfaction.

Complaints policy

To allow the Firm to retain its strong reputation, we have a Complaints Policy and it is supported by a procedure to help staff resolve complaints in an effective, efficient and professional manner.

The Firm's policies and procedures are designed to provide it with reasonable assurance that it deals appropriately with complaints and allegations of work performed by the Firm failing to comply with professional standards, and regulatory and legal requirements, and of allegations of noncompliance with the Firm's system of quality control. Under this policy, clients are encouraged to report any such instances. Furthermore, any partner or member of staff who observes non-compliance has a duty to report it under a "no retaliation" promise.

Complaints are analysed to determine if any action, including changes to the system of quality control, should be taken to address specific problems.



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Talent and Learning

As a professional services leader, we understand that our success depends on developing talented and motivated practitioners who can deliver world-class audit services.

Our comprehensive talent programs start at the time of recruitment and continue throughout each career experience with Deloitte.



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Talent

Our people and our culture are what makes Deloitte unique. There is a strong spirit of collaboration that defines who we are and that is underpinned by our values and behaviours. We hire exceptional talent, hand picking the right people with the right cultural fit, that will make an impact that matters to our clients, our colleagues and society.

Global Talent Standards

One of our firm-wide priorities is to deliver a globally uniform level of quality in each of our core services, including Audit & Assurance, so that our clients experience a consistent, exceptional Deloitte. To achieve this, we measure up to Global Talent Standards, which clearly articulate essential practitioner capabilities at a given level for each of our Global Businesses, Core Services and Service Lines. They define the most critical capabilities that practitioners across all Member Firms need to demonstrate on a globally consistent basis.

The Global Talent Standards serve as one of the foundations for recruiting, managing, developing and acknowledging our professionals.

Talent acquisition

We strive to be an organisation where our people can thrive. With a focus on development, flexibility, and well-being, we recruit from the best and brightest in the business. Our culture is centred around inclusion, collaboration, high performance, integrity and opportunity. We are proud to be recognised as a celebrated place to work.

Our talent attraction and advancement practices are designed so that we have sufficient, high-calibre resources essential to live up to our commitment to service quality and professional leadership and meet our aspiration.

Our recruits are highly talented, well-rounded graduates and experienced hires, with strong

technical capabilities and who demonstrate competencies in line with our Global Talent Standards.

We adopt a blended approach to talent attraction, including:

- Developing relationships with student bodies of overseas universities by hosting various events within our facilities.
- Delivering “in the field” presentations to local Universities.
- Visiting targeted universities both in the UK, during the “milk round”, and at home to deliver presentations and meet prospective candidates.
- Participating in careers fairs at colleges and high schools around the island.



- Recruiting and seconding, both within our global mobility program and externally, top performers who have a command of Russian or other languages central to serving certain sectors of our client base.
- Recognising the reach of social media.
- Hosting a distinctive Summer Internship Program.

Measuring and rewarding performance

Performance Management

Performance Management (PMA) is a key tool that permits the Firm to maximise its human resource potential through motivational techniques and identification of developmental needs on a timely basis. Our approach allows us to develop our people not only through structured learning but also by appropriate mentoring, on-the-job training, developmental meetings and other support activities.

Developmental approach

Targeted developmental conversations are held to assess the performance and

contribution of our professional and support talent within Audit and in every service line, and hierarchical level against the respective Competency Framework and Global Talent Standards.

Competencies refer to the set of skills, knowledge and behaviours that our professionals need to demonstrate.

During this process, feedback is provided on specific engagements from fellow team members and from partners, to portray a rounded view of individuals' performance and developmental needs. The evaluation of professionals for promotion involves a detailed scrutiny of personal performance, with quality at its core and linked to Global Talent Standards.

Adding value for our people

The added-value given by the Performance Management processes consists of:

- Consistency in quality of feedback between all staff,
- Focused quality performance conversations,

- Timeliness of the feedback given to our people,
- Improving our ability to retain top talent, and,
- The early identification of development needs which can be readily translated into a Learning Plan.

Rewards

Our PMA process feeds into our remuneration model whereby the contribution of an individual is the key factor. This contribution is measured through competencies which consider quality in work execution as fundamental.

We also operate annual bonus scheme, participated in by manager level employees and above, to recognise, inter alia, the demonstration of individuals to exceptional audit quality. The partners have a separate bonus scheme as detailed in the Appendix.

180° feedback

Our increasing use of web-enabled technology to capture 180° feedback



from team members allows us to obtain a rounded view of Managers’ performance and development needs and for those individuals to benchmark themselves against their colleagues. The purpose of the scheme is to provide information to managers and partners relating to their effectiveness in leading and managing their teams to enable them to:

- Understand and appreciate their strengths and acknowledge developmental areas, and,
- Further enhance their leadership and management skills and develop self awareness.

We are confident that these actions, led by our partners, create an environment where achieving high quality is valued, invested in and rewarded.

Career and personal development

Policies and procedures for personal development and advancement have been established to provide reasonable assurance that professional staff selected have the required knowledge, qualifications, competencies and skills, necessary to fulfil the responsibilities that they will be called on to assume.

Key policies and procedures are determined below:

- Predetermined competencies required to perform effectively at each level have been established (Global Talent Standards).
- Advancement policies and procedures that identify the experience and performance qualifications for advancement to each level have been clearly defined and communicated to the Firm’s professional staff.

- Procedures for regular performance evaluation have been implemented.
- A counselling program to assist professional staff in identifying a transparent, and at the same time, realistic career path and a targeted development plan to help them realise professional goal.

We are aware of the talent environment that we operate in. The Millennial generation (gen Y) are highly educated, tech savvy and are looking for high-paced employers that provide challenge and opportunities. We think our actions and procedures address these needs.

KEY TALENT METRICS & ACCOLADES

Making an impact that matters: a closer look at our key talent metrics and accolades.



Investors in People

Deloitte was the first organisation in Cyprus to achieve Gold recognition and International Champion status with the Investors in People (IIP) - and in 2014 became the first organisation to reconfirm it. This achievement confirms the leading position of Deloitte in its sector and confirms the effectiveness of its HR management and development practices.

Investors in People has gained wide acknowledgement and acceptance internationally as the only comprehensive standard in the area of Human Resource Management and Development, boasting international implementations in excess of 37,000 organisations. It has gained visibility in Cyprus over the last 10 years, when Deloitte pioneered the field and we are currently observing a sharp increase in client requests for Investors in People implementations.

Testimony to our continued excellent work in the realm of Human Resources, our Human Resources partner was appointed as an executive member of the Global Human Capital Extended Leadership Team of the Deloitte global firm in 2015.



Equality Employer

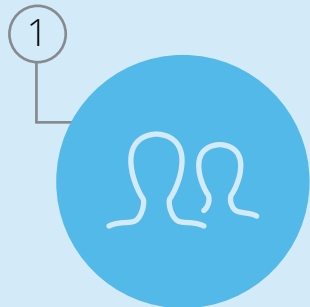


We were one of the first organisations in Cyprus to be recognised as an Equal Opportunities Employer, by the Ministry of Labour, Welfare and Social Insurance, under the framework of the Program “Actions for reducing the compensation gap between male and female employees”.

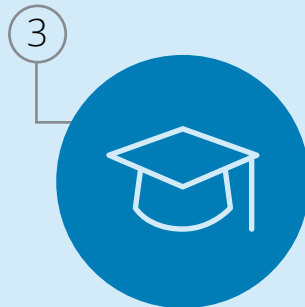
The award reflects the Firm’s commitment in providing equal opportunities to all members of staff, a work environment which is free from discrimination, fear and harassment of any kind as well as recognition of each person’s contribution to the Firm. At our Firm, providing equal opportunities goes beyond ensuring equality in the pay levels amongst genders and encompasses equality amongst all members of staff in relation to growth & development opportunities, in offering objective performance evaluation and fair career advancement opportunities, based on merit.

10 Cyprus Facts

As at or for the 17-month period ending 31 May 2017



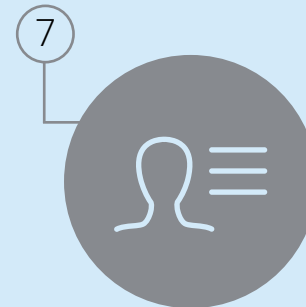
Headcount
627



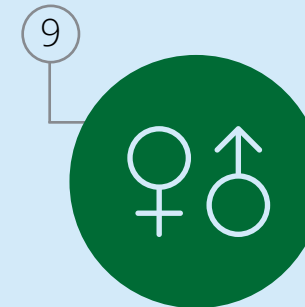
University graduates
512



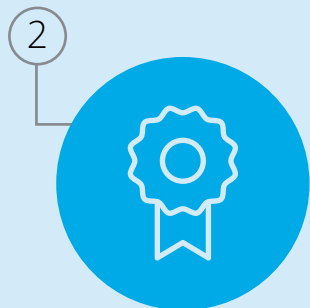
Students who became qualified accountants
47



Languages
21



Gender
F: 370
M: 256



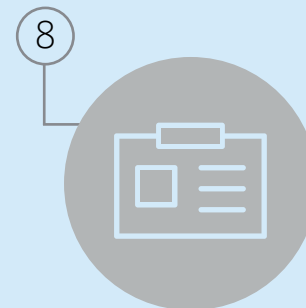
Qualified accountants
262



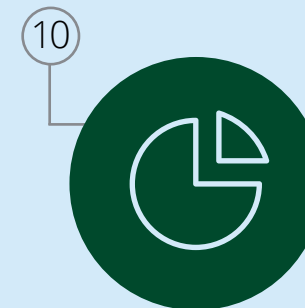
Recruits
171



Worldwide prizes
1



Nationalities
14



Percentage increase in headcount over the last approximate 3 1/2 years
21%



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Learning

As today’s auditors operate in an environment of rapid change and uncertainty, we are making significant investments in transforming how we perform our audits. With that comes a refreshed approach to learning. Our curriculum is designed to help our people grow professionally and personally while enhancing our ability to consistently deliver high audit quality through the use of innovative audit tools and methodology.

We’re investing in learning and development opportunities for our people and making sure we provide various paths for them to succeed. No two people learn in exactly the same way. We’ve invested a great deal to create a rich environment in which our professionals can grow. So at Deloitte, we provide a range of resources including live classrooms, e-Learning, digital learning, on-the-job learning, exposure to leaders, coaches, and challenging assignments to help our people reach their potentials. Additionally, our people attend courses at Deloitte University (DU) EMEA, Deloitte’s learning centre in Europe, and which represents a tangible symbol of our commitment to our people’s learning.

Professional development

Our continuing professional development programmes focus on targeted professional development in both technical and non-technical topics.

The learning approach is designed to:

- Provide the right skills, at the right time, enabling quality outcomes for clients and rewarding career experiences for our people,
- Keep partners and staff at the forefront of new developments in the accounting, auditing and regulatory environment, and,
- Embed the Firm’s quality and risk imperative in the Deloitte community.

The Firm has established policies and procedures designed to provide reasonable assurance that it has sufficient partners and professional staff with the competencies, capabilities, and commitment to ethical principles necessary to:

- Perform engagements in accordance with professional standards and applicable legal and regulatory requirements.
- Enable the Firm to issue reports that are appropriate in the circumstances.

All audit professionals of Deloitte, whether qualified accountants or not, are required to complete at least 20 hours of Continuing Professional Education (CPE) each year and at least 120 hours every three years.



One Audit curriculum - globally

From the summer of 2016, we have adopted the new mandatory global audit learning curriculum for all levels and refreshed our policy on mandatory learning, to promote consistency with other Deloitte member firms.

All Audit & Assurance partners are required to complete ongoing compulsory learning modules to maintain their Deloitte accreditation to sign audit opinions.

Our extensive curriculum covers technical matters, regulatory, professional ethics, and independence matters together with soft skills programmes relevant to each role. There are courses and programmes for topics at the foundation, advanced, and mastery levels to keep our people at the forefront of new developments and regulations.

Our curriculum also incorporates localised inputs and lessons learned from both internal and external inspections. Every year, our partners, principals, directors, senior managers, and managers attend level-specific and business-specific intensive programmes focused on technical issues, specialised

industry or sector matters, and a variety of leadership and professional topics, such as professional scepticism, service quality and professional judgement. Professional practice members and subject matter resources also participate in the development, delivery, facilitation and review of learning programmes. These leaders gather their acumen via attending Network conferences and via a strong collaboration of global teams amongst other things.

Deloitte University EMEA

Deloitte University (DU) EMEA was launched in 2013, with the aim of developing Deloitte professionals - and ultimately clients - in navigating market changes and staying on the leading edge of learning and innovation. DU EMEA's curriculum is tailored to the region's needs to deliver cutting-edge learning that will develop the next generation of international business leaders and advisers.

Through a core curriculum on both soft skills and technical skills, DU EMEA is focused on building leadership skills at every level of the organisation. Deloitte Cyprus has fully committed to DU EMEA since its inception, with more than 40 of our professionals



Deloitte University

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attending relevant line or specialised industry courses in the year and in every year. Each newly promoted Manager, Senior Manager, Director and Partner attend the respective leadership courses at DU EMEA, as well as industry or topic specific learning programs.

Professional Certifications

Responding to market trends and continuously evolving service offerings, Deloitte supports its professionals in obtaining recognised professional qualifications relevant to their role, enriching their expertise.



Trainees recruited into Audit & Assurance undertake to become members of the ICAEW or ACCA professional qualifications; Deloitte is committed to offering its support to our trainees through study leave, practical experience, ethics learning, financial and mentoring support.

As a result of our excellent schemes and the high calibre people we recruit, our ACA/ACCA trainees' professional examination results were once again outstanding in this Transparency period, with pass rates well in excess of the worldwide averages, achieving 92% first-time passes over a 5-year period.

Furthermore, we are very proud of our prize winners under both schemes in recent years; in 2016 one of our trainees achieved first place in Cyprus and 18th place worldwide in the Governance, Risk & Ethics paper of the Professional level in the June 2016 ACCA sitting. This result adds to the significant number of local and international achievements of our trainees over recent years.

Additional professional qualifications available as part of the professional development programmes throughout the Firm include:

- **'Chartered Financial Analyst'** certification (CFA), a globally recognised credential offered by the CFA Institute and which provides a strong foundation of advanced

investment analysis and real world portfolio management skills

- **'Certified Internal Auditor'(CIA)**, which sets the global standard in Internal Auditing and is the only globally accepted designation for internal auditors.

- **'Certified Information Systems Auditor'** (CISA), which is the foremost qualification for IT governance professionals working in technology assurance and IT audit

- **'Fellow of Institute of Actuaries'(FIA)**, the highest level of qualification attainable with the Institute and Faculty of Actuaries (IFoA) and members who achieve Fellowship are highly sought after as experts in their chosen field.

- **'Advanced Diploma in International Taxation'** (ADIT), an advanced level designation in international cross-border tax.

- **'Certified Cyber Forensics Professional'** (CCFP) certification, awarded from the recognised professional body, International Information Systems Security Certification Consortium.



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Learning Methods

Formal learning programs include live instructor-led, virtual instructor-led, self-study, and e-learning courses that have been developed with instructional designers. Our innovative programs for our professionals offered 32,000 learning hours in the Transparency period, including interactive simulation-based programs, case studies, and immersion courses.

Access to the latest information is critical to the effectiveness of our professionals. Using a variety of communication channels, we issue publications on the latest developments that may affect service quality and performance. Policy changes are also covered in professional development courses, in management team meetings and in conference calls or meetings between the NPPD, risk leaders, service leaders, and other relevant groups.

We enhance our culture by promoting coaching and development ideologies within our engagement teams providing learning materials specifically created for this purpose. Our management team is encouraged to be very hands-on when it comes to the coaching and development of others. Our professionals are developed by appropriate mentoring, on-the-job training, feedback and other supportive activities, supervised by partners and other senior team members.



31 partners



More than 32.000 hours invested in learning

58%



42%



Managements Team

On average, each member received

55

hours of learning in the transparency period



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Quality is core. And continuous.



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Your views are important to us. If you have comments about any aspect of this Report, please send them to cymarketing@deloitte.com.

Deloitte embraces its role in providing an independent, objective, and trusted voice to the investing public with audits they can trust. Our relentless commitment to keep quality at our core and continuous is helping us shape the audit of the future.

As we aspire to the highest standards of audit quality, we will continue to be dedicated to ongoing collaboration with regulators, elected officials, and other stakeholders to elevate the quality of financial reporting in Cyprus.

We provide the assurance to the many entities we audit that their future visions are built on strong foundations. In all we do, we illuminate the what, how and why of change so our clients are ready to act ahead and take decisions.

For a detailed description of the Deloitte Network and its member firms, please see www.deloitte.com/about. To access the Deloitte Limited, Cyprus 2017 Transparency Report online, visit www.deloitte.com/cy.



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Appendix

A1 Deloitte Network and legal structure

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Deloitte Network and legal structure

Deloitte Limited is the Cyprus member firm of the Deloitte Network. The Deloitte Network is comprised of firms that are members of Deloitte Touche Tohmatsu Limited, an English company limited by guarantee (DTTL).

DTTL does not provide professional services to clients, or direct, manage, control or own any interest in any member firm or any member firm's affiliated entities. Member firms in the Deloitte Network provide services to clients, either directly or through their affiliates (member firms and their affiliates are collectively referred to herein as Member Firms).

Member Firms operate under the Deloitte brand and related names, including Deloitte, Deloitte & Touche, Deloitte Touche Tohmatsu, and Tohmatsu.

Member Firms provide professional services in particular geographic areas and are subject to the laws, regulations and professional requirements of the jurisdictions in which

they operate. Each Member Firm is structured differently in accordance with, among others, national laws, regulations and customary practices.

Member Firms are not subsidiaries or branch offices of DTTL and do not act as agents for DTTL or other member firms. Rather, they are locally-formed entities with their own ownership structure independent of DTTL that have voluntarily become members of the Deloitte Network with a primary purpose to coordinate their approach to client service, professional standards, shared values, methodologies, and systems of quality control and risk management. For more information on how the local firm is structured, refer to [Section 07](#) of this report.

Deloitte provides Audit & Assurance, Tax & Legal, Risk Advisory, Financial Advisory and Consulting to public and private clients spanning multiple industries. With a globally connected network of member firms in more



More than
150 countries
and territories;
244,400
professionals
and \$36.8 billion
in total revenue



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than 150 countries, Deloitte has in the region of 244,400 professionals, all committed to becoming the undisputed leader in the services they provide. Aggregate revenue of DTTL member firms for the financial year to 31 May 2016 was US\$36.8 billion compared with US\$35.2 billion for the financial year to 31 May 2015.

DTTL has adopted certain policies and protocols in each of these areas in an effort to establish a consistently high level of quality, professional conduct and service in all member firms. This structure confers significant strengths, combining high quality standards and methodologies with a deep understanding of local markets and a sense of responsibility and initiative among professionals who have a direct stake in the integrity and growth of their respective practices.

Deloitte Limited

Deloitte Limited in Cyprus operates from three locations in the towns of Nicosia, Limassol and Larnaca. Deloitte Cyprus has 31 partners within its 627 professional staff

members as at 31 May 2017. Nicosia has 353 staff members, Limassol 252 and Larnaca 22.

Deloitte Legal

Since September 2016, Hadjianastassiou, Ioannides LLC, a Cypriot limited liability lawyers’ company regulated by the Cyprus Bar Association and the Cyprus Legal Council has become an affiliate of Deloitte Limited and is licensed to use the Deloitte Legal sub-brand to provide legal services in Cyprus.

DTTL governance and management

There are governance and management structures at both the DTTL and Member firm levels. At the DTTL level, the DTTL Board of Directors (DTTL Board) has adopted certain resolutions, policies and protocols regarding the governance of DTTL, professional standards and methodologies and systems for quality control and risk management in an effort to establish a consistently high level of quality, professional conduct and service in all Member Firms.

Member Firms provide services to clients and are responsible for applying these policies

as well as for setting their own policies and exercising professional judgement to ensure compliance with applicable professional standards and local laws and regulations.

The DTTL Board is the highest governing body of DTTL. DTTL’s highest management body is the DTTL Executive, which is led by the DTTL CEO.

The DTTL Executive

DTTL’s CEO approved by the DTTL Board subject to ratification by a two-thirds majority of Member Firm partners, serves a term of four years and may be approved and ratified for one additional four year-term. The DTTL Executive consists of 32 members at the end of FY16 and includes senior leaders from DTTL and certain member firms across the global network. It is responsible for, among other things, embedding Deloitte’s Purpose and achieving its aspirations and strategic priorities. The Executive sets policies and champions initiatives that help the network make an impact that matters for member firm clients, Deloitte talent, communities and other stakeholders.



Financial information

Deloitte provides audit, tax & legal, financial advisory, risk advisory and consulting services to public and private clients in many industries.

The extended reporting period that is 1 January 2016 to 31 May 2017³ demonstrates, with clarity, the drive and commitment of our professionals to our Firm. Once more, we are reporting strong headline results that reflect resilience and adaptability. Unarguably, as we conduct our business, we witness more and more geopolitical and economic uncertainty and instability in regions near and far; some with impacts that can be understood and are relatively simple to manage and others causing surprises on differing scales. Continuing to steer through a landscape as regulatorily complex as it has ever been, amongst challenges as unpredicted as Brexit and some recent US actions and their successor hurdles, will be the critical success factors of the future.

Establishing priorities and executing strategic choices, have been paramount in the Firm's revenue (and other) achievements in the reporting period.

The Firm achieved revenues of €49.1 million for the 17-month period ended 31 May 2017 with the annualised, calculated average revenue for the 12 months reaching €34.7 million, representing 6% growth compared to €32.8 million for the 12 month period ended 31 December 2015.

In a similar comparison, the Firm's Risk Advisory, Tax & Legal and Consulting businesses recorded a double-digit growth of 90%, 17% and 13% respectively, that together with the 3% increase in Audit business, made this another commendable year of growth.

In Cyprus, Deloitte recorded revenue of €49,1m for the period from 1 January 2016 to 31 May 2017 (€32,8m in the year to 31 December 2015). Deloitte employs over 620 people across 3 towns.

³ In 2016, the Firm's Board of Directors approved the change of the financial year end from 31 December to 31 May, in order to align with the year end of Deloitte globally. As a result of this change, the financial statements of the Firm cover a period of 17 months, from 1 January 2016 to 31 May 2017. In line with this change, the financial information presented in the Transparency Report reflects the 17-month period, while the comparative figures relate to the 12 month period that ended on 31 December 2015.



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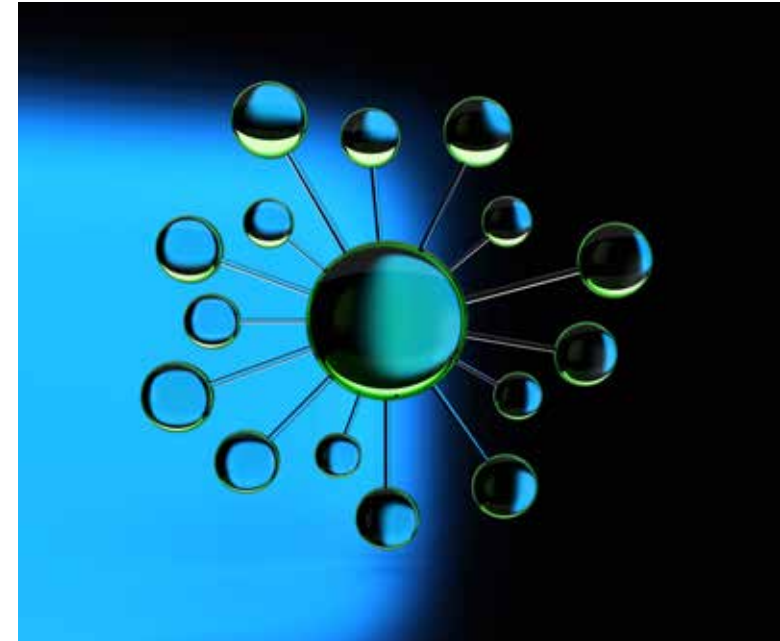
At the heart of this growth has been the Firm's development of its financial services advisory team, its cyber risk team and the successful beginnings of collaboration with Hadjianastasiou & Ioannides LLC as Deloitte Legal. Delivering new and enhanced services that innovatively respond to the challenges faced by our clients is a true reflection of our multidisciplinary model serving out of our five core services. The Firm has been able to win significant new projects in risk advisory by building eminence amongst its teams.

We do not conform to uncertainty, but we embrace it. We foster counter-intuitive ideas, force improbable insights and strive to find the right solutions for our clients' challenging needs. More specifically, the Firm accomplished major achievements, most notably:

- Achieved 6% annualised average revenue growth in spite of the landscape of uncertainty and instability across the globe and, indeed, locally.
- Invested in areas that strengthen our ability to deliver core services to clients.
- Adapted the governance structures of the

Firm to safeguard continuity of our growth by being fit-for-purpose not just for today but for the world of tomorrow.

- Built upon the "connected know-how" by fully utilising the capabilities and expertise of the Deloitte Global Network.
- Optimised the full capabilities and further strengthened our multidisciplinary model, delivering innovative solutions from strategy to implementation and by introducing new services - Legal, Strategy Consulting and Funds Advisory- into our core service lines.
- Invested significantly in the areas of ethics, anti-corruption, information security and, more broadly, confidentiality – "it starts with integrity".
- Welcomed a new brand positioning that is directly aligned with our aspiration to become the Undisputed Leader in professional services and restructured our operational model to capitalise on client centricity.



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Local outlook

Highly persuasive evidence that Cyprus is entering a period of long term growth and the days of 2013 are now safely in history, is the continuing economic recovery. 2016 and early 2017 have seen an ongoing strengthening with a broad-based economic growth reaching a robust 2.8 percent in 2016, compared to 1.7 percent growth in 2015. The baseline forecast for the period 2017-21 is an expansion of the real GDP at 2.6 percent per year on average (Source: Economist).

Going forward, the current positive stimuli to corporate confidence in Cyprus of investment in tourism and schemes to attract high wealth individuals, finds of gas reserves in Cypriot waters and the Eastern Mediterranean, reduced local lending rates and a good fiscal performance, have to compete with an array of local and geopolitical risks.

Although there is a definite positive side to the current position, those in custodial positions should not be resting as there remain significant troubles ahead. The high

levels of non-performing loans which could impede the gradual recovery of the banking sector over the longer term, the possible backslide of structural reforms or scheduled privatisations owing to their unpopulistic nature within sight of an electoral vote and the recent well-publicised impasse in the efforts for the re-unification of our island comprise some of the most pressing local risks. On the global sphere, there are some clouds to navigate too; namely the potential for EU fragility resulting out of Brexit and the financial difficulties of Greece, the unpredictability of US actions on the world stage and the continued tensions in the Middle East and the CIS region.

The year ahead will be another demanding time charged with uncertainty and unexpected events - as is, seemingly across the world, the new normal. Looking ahead, with the current measures to reform public spending, the accelerated initiatives to boost investment and develop the investment fund sector, the ongoing process of privatisations and a push forward with natural gas

exploitation, Cyprus is fast returning to the prosperity of the past. Undeniably, the current economic environment creates uncertainty, challenge and, yet, opportunity. Nevertheless we have entered into FY18 with well-founded optimism. Guided by strategic choices, Deloitte will thrive in the midst of economic uncertainty and dramatic market and technology changes. Accelerating our journey to becoming the undisputed leader in professional services as a Network and making an impact that matters will continue to be central to our business in Cyprus as we live our Purpose.



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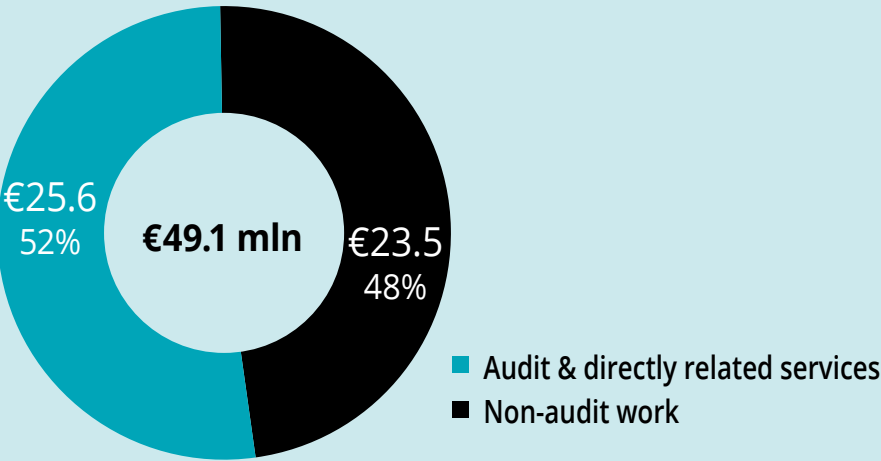
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17 month period ended 31 May 2017

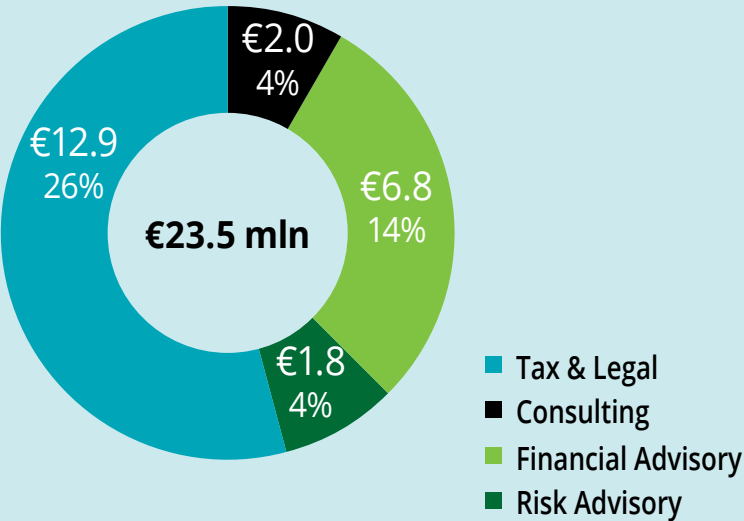
Deloitte Cyprus - revenue ¹	Fees €m	Percentage %
Audit and directly related services	25.6	52
Non-audit	23.5	48
Total	49.1	100

Analysis of non-audit fees ²	Fees €m	Percentage %
Tax & Legal	12.9	26
Financial Advisory	6.8	14
Consulting	2.0	4
Risk Advisory ³	1.8	4
Total	23.5	48

Audit v Non-audit fees



Non-audit fees



¹ Sourced from financial information extracted from Deloitte's unaudited financial records showing the relative importance of Audit and the levels of non-audit services
² Sourced from financial information extracted from Deloitte's unaudited financial records showing the levels of non-audit fees by Business
³ Risk Advisory has been presented as a separate service line to reflect the 5 core service lines of Deloitte Network. Comparatives have been amended in respect of this change in presentation.



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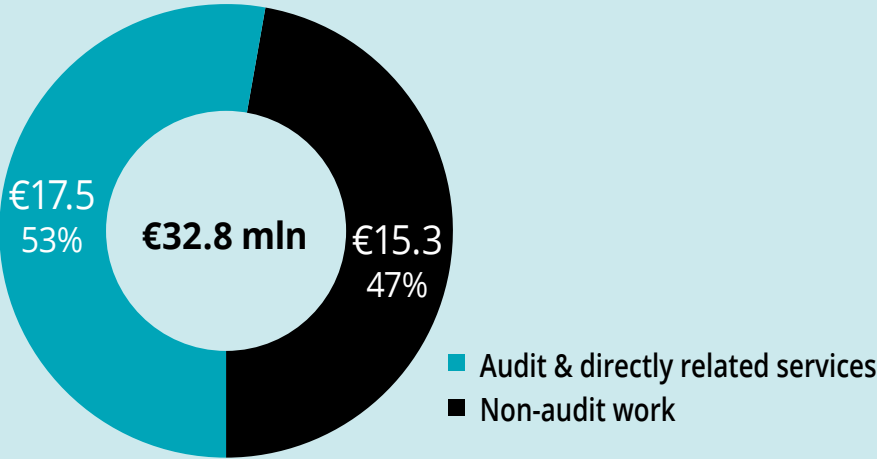
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12 month period ended 31 December 2015

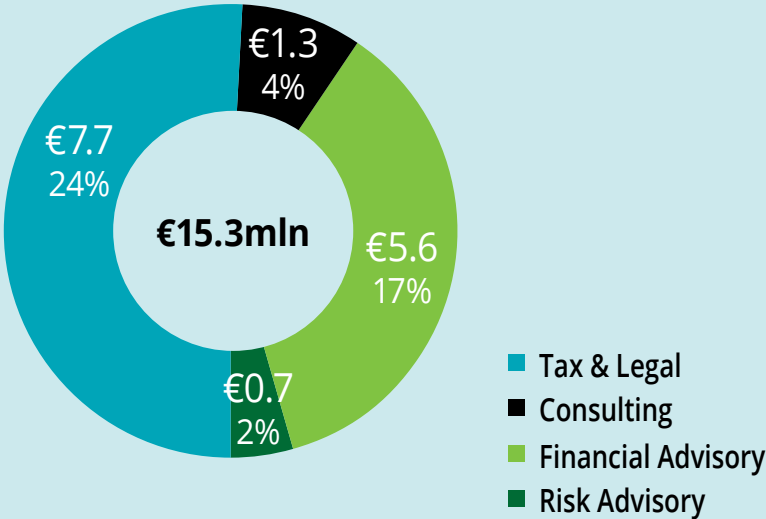
Deloitte Cyprus - revenue ¹	Fees €m	Percentage %
Audit and directly related services	17.5	53
Non-audit	15.3	47
Total	32.8	100

Analysis of non-audit fees ²	Fees €m	Percentage %
Tax & Legal	7.7	24
Financial Advisory	5.6	17
Consulting	1.3	4
Risk Advisory ³	0.7	2
Total	15.3	47

Audit v Non-audit fees



Non-audit fees



¹ Sourced from financial information extracted from Deloitte's financial records showing the relative importance of Audit and the levels of non-audit services
² Sourced from financial information extracted from Deloitte's financial records showing the levels of non-audit fees by Business
³ Risk Advisory has been presented as a separate service line to reflect the 5 core service lines of Deloitte Network. Comparatives have been amended in respect of this change in presentation.

The global picture

Deloitte member firms reported aggregate network revenue of US\$36.8 billion for the fiscal year ended 31 May 2016 (FY2016), representing 9.5 percent growth in local currency terms.

Focus on clients results in growth across all core businesses and geographies

Deloitte's ability to deliver value for clients across all geographies and service areas led to growth in each of its five core businesses—Audit, Consulting, Financial Advisory, Risk Advisory and Tax & Legal. All advisory businesses posted double-digit growth globally. Highlights include:

- Risk Advisory grew the most at 22.5 percent, driven by high demand for cyber and regulatory services.
- Consulting grew at 10.8 percent, fuelled by increasing demand for integrated services supporting large-scale digital transformation, systems implementation, human resources and strategy projects.

- Deloitte Tax & Legal grew at 10.0 percent in FY2016, the highest growth since FY2008. Growth was boosted in part by the sixth consecutive year of double-digit growth in Deloitte Legal.

Investments in technologies designed to meet clients' needs

Businesses are seeking expertise to help them manage and benefit from technology-driven change and disruption. To meet this need, Deloitte is continuing to make strategic investments across its five businesses to enhance its industry-leading capabilities in areas such as cyber, M&A, analytics, crowdsourcing, artificial intelligence, cloud computing, digital, and Internet of Things (IoT).

Creating jobs and developing leaders

In FY2016, Deloitte increased its global workforce in all geographic regions and businesses. Headcount grew by 8.5 percent, the highest increase of the last three years. Deloitte hired nearly 72,000 new professionals during the last fiscal year and has a total global workforce of 244,400.

“Globally growth last year is a reflection of the tangible value and high-quality professional services we provide to our clients. We take pride in helping clients succeed in a global business environment marked by volatility and digital disruption and in our role as stewards helping ensure the proper functioning of global financial markets.”

Punit Renjen
Deloitte Global CEO



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“Whether it is solving client challenges or larger societal ones, we ask our professionals to think big about the impact they can make though their work at Deloitte. We believe this sense of purpose, coupled with our culture of lifelong learning, is key to attracting talent and developing strong leaders,” said Renjen.

Driving societal impact

Deloitte’s commitment to making positive change in the world is reflected not only in its client work, but also in local projects that work towards solving challenging societal and community issues. For example, in FY2016, Deloitte practitioners spent more than 1.3 million hours engaged in pro bono projects and volunteerism. The Deloitte network further contributed more than US\$75M in financial contributions to not-for-profit organisations. In all, these contributions are estimated to exceed more than US\$225M.



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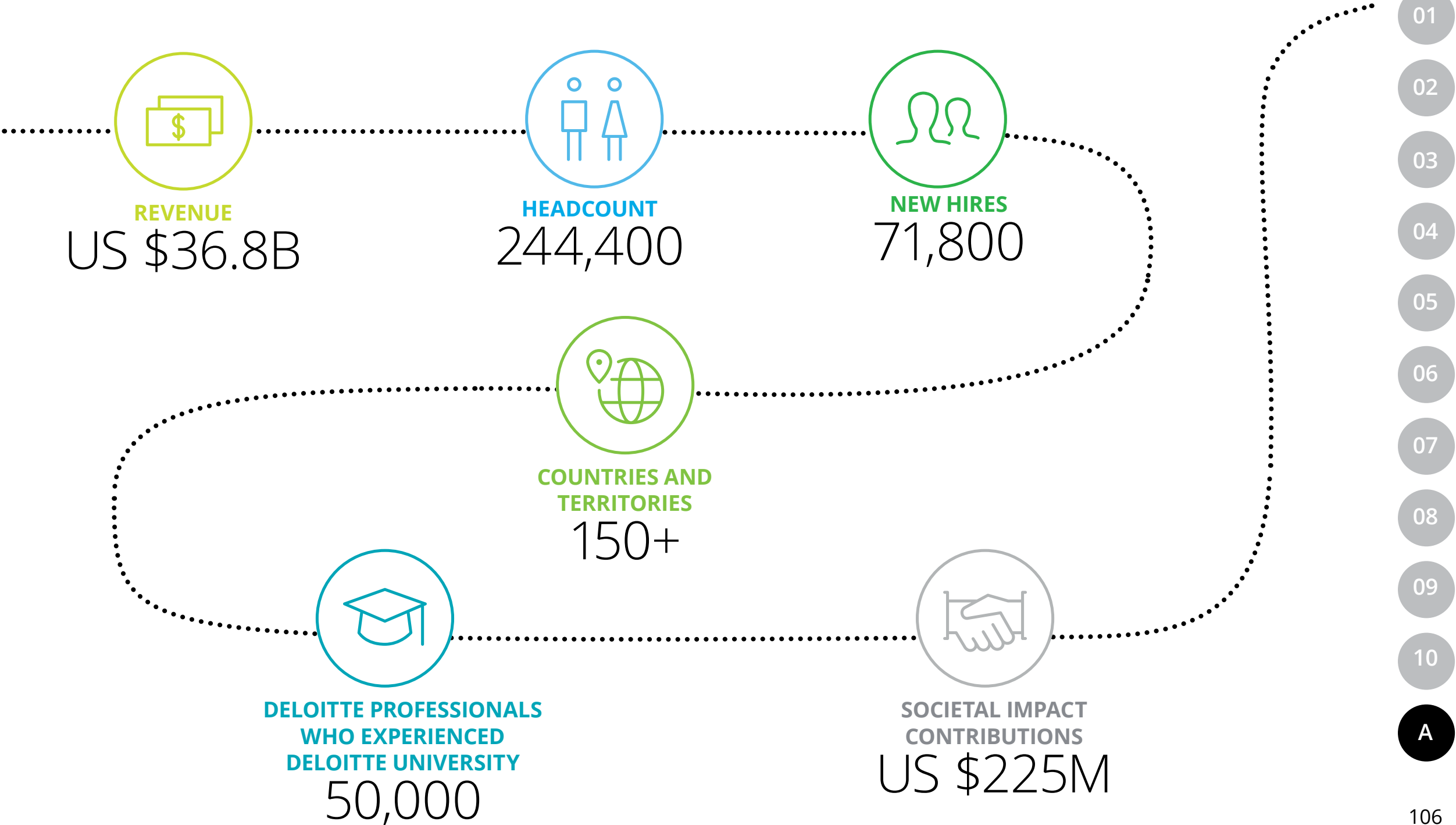
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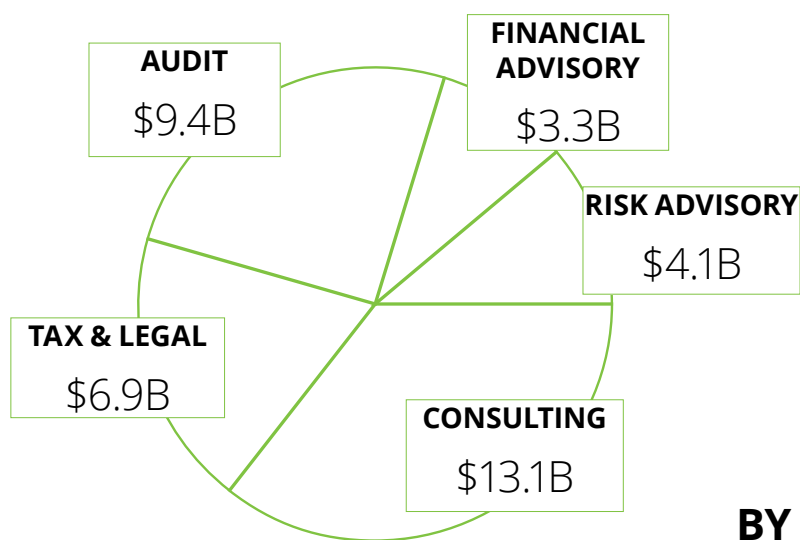
Deloitte globally FY2016



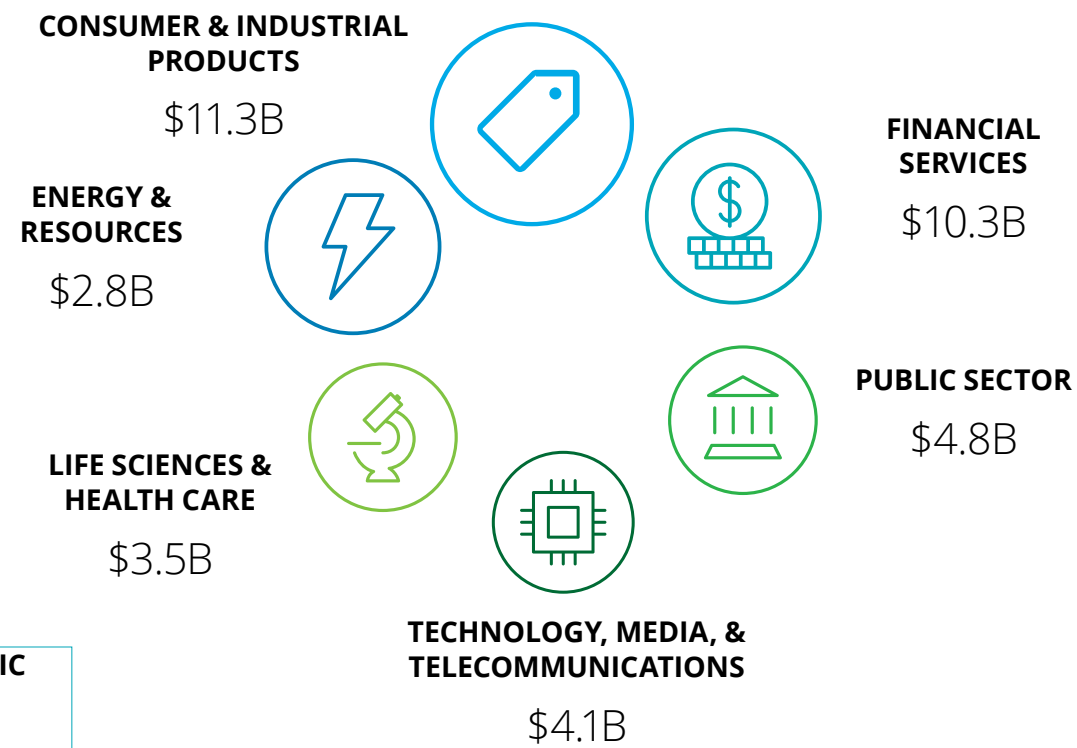
FY2016 Revenue

FY 2016	FY 2015	FY2014
\$36.8B (+9.5%)	\$35.2B (+8%)	\$34.2B (+7%)

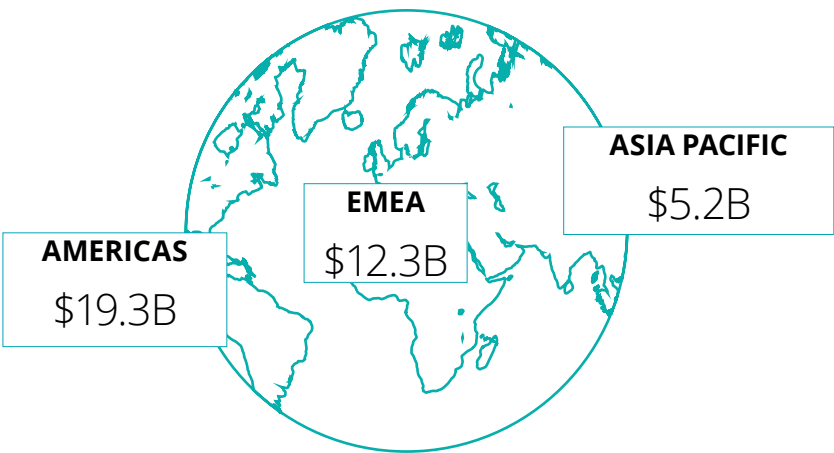
BY BUSINESS



BY INDUSTRY



BY REGION



Note: Revenue figures are in US\$ billion. Global figures are aggregated across the Deloitte network. Because of rounding numbers may not tally with the total.

Public interest entities

Deloitte Limited completed¹ statutory audits of the following public interest entities and issued at least one audit report in the Transparency Period of 1 January 2016 to 31 May 2017.

Actibond Growth Fund Public Company Limited	Grawe Reinsurance Limited
Altius Insurance Limited	HMS Hydraulic Machines & Systems Group Plc
American Life Insurance Co Limited	Jordan Ahil Bank- Cyprus
Ancoria Insurance Public Limited	Jordan Kuwait Bank Plc (Cyprus Branch)
Ancoria Bank Public Limited	KEO Plc
Bank of Beirut SAL (Cyprus Branch)	Lordos Hotels (Holdings) Public Limited
Bank Med SAL (Cyprus Branch)	Medlife Insurance Limited
Banque Bemo SAL (Cyprus Branch)	National Bank of Greece (Cyprus) Limited
Banque SBA (Cyprus Branch)	National Bank of Greece SA (Cyprus Branch)
Central Cooperative Bank PLC (Cyprus Branch of Bulgarian Bank)	Rolandos Enterprises Public Limited
C.C.C. Tourist Enterprises Public Company limited	Top Kinisis Travel Public Limited
Demetra investment Public Limited	USB Bank Plc
Ethniki General Insurance (Cyprus) Limited	Sun Interbrew Plc
Ethniki Insurance (Cyprus) Limited	Progressive Insurance Company Limited
IBL Bank SAL (Cyprus Branch)	

¹ Public Interest Entities for which Deloitte Ltd has performed statutory audit work but did not issue an audit report in the period 1 January 2016 to 31 May 2017 are not presented.



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Under the provisions of the EU, a “public interest entity” means:

- an entity governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 18 of Article 4(1) of Directive 2004/39/EC,
- credit institutions as defined in point 1 of Article 1 of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions and
- insurance undertakings within the meaning of Article 2(1) of Directive 91/674/EEC.

Member States may also designate other entities as public interest entities, for instance entities that are of significant public relevance because of the nature of their business, their size or the number of their employees.



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Partner biographies and committee memberships

Management Committee, Governance Committee,
Members of the Board et al. as at 31 May 2017

Management Committee (formerly Executive Committee) ¹

Christis M. Christoforou
Chief Executive Officer
Member of the Partner Evaluation and Nomination Committee

Christis Christoforou is the Managing Partner and Chief Executive Officer of Deloitte Cyprus.

Outside the firm, Christis is a Vice President of the Nicosia Chamber of Commerce & Industry and a member of the Board of the Cyprus wing of Transparency International and a former director of the Cyprus Investment Promotion Agency (CIPA). He is also an ex-President of the Institute of the Certified Public Accountants of Cyprus and a current member of its council. Christis is the Honorary Council of the Republic of Lithuania. He is now serving his 3rd term as CEO and due to a grandfathering arrangement will be eligible for another term when his current one comes to an end.

Nicos S. Kyriakides,
Partner in Charge in Limassol, Audit & Assurance Partner and Financial Advisory Leader
Member of the Partner Evaluation and Nomination Committee

Nicos Kyriakides is the Partner in Charge of the Limassol office in Deloitte Cyprus, since 2002. Except from being an Audit & Assurance Partner, he acts as the Partner in Charge of the Financial Advisory service line of Deloitte Cyprus, having vast experience in corporate finance, business consulting and international tax planning.

Nicos acts as the Audit Engagement Partner for a large number of audit clients across the breadth of the Firm's portfolio. He has led a large number of consultancy and business advisory projects relating to public sector projects, mergers and acquisitions, reorganisations of groups of companies, business plans and Feasibility studies for new projects, and public offerings and flotations.

¹ All the members of the Management Committee and the Governance Committee are members of the Board of Directors/Partners



Nicos D. Papakyriacou
Partner in Charge in Nicosia, Audit & Assurance Partner and Oil & Gas Industry Leader
Member of the Partner Evaluation and Nomination Committee

Nicos Papakyriacou is the Partner in Charge of the Nicosia office of Deloitte Cyprus, since 2002. He is also a partner in the Audit & Assurance and Risk Advisory department serving a wide range of clients both in Cyprus and abroad (including public and multinational companies) and has lead various consultancy and business advisory projects relating to financial reorganisations, mergers and acquisitions, financial feasibility studies, financial due-diligences and business valuations.

Costas Georghadjis
Audit & Assurance Partner, Audit Business Leader and Shipping Industry Specialist
Member of the Audit Quality Committee

Costas Georghadjis is the Audit Business leader and is an active member of the Audit Quality Committee. He is the Industry Leader on Shipping serving a number of clients in the ship management and ship owning industry as well as a wide spectrum of other local and international clients in various other industries.

Based in Limassol, he leads international multi location engagements for audits under International Standards of Auditing, advises clients on the application of International Financial Reporting Standards and has lead a number of financial due diligences for acquisition purposes as well as for special investigations.

Pieris Markou
Tax & Legal Partner and Business Leader

Pieris Markou is the Tax & Legal practice leader of Deloitte Cyprus. He is specialising in local and international taxation. His experience includes many tax planning projects for major multinationals operating through Cyprus and is one of Deloitte Cyprus’ major negotiators on corporate and personal tax for resolution of client’s tax matters with the tax authorities.

Pieris served as the Chairman of the Tax and VAT Committees of ICPAC participating in a number of meetings with the Minister of Finance, the House of Representatives and the Tax and VAT Commissioners for the formulation of the Government’s policies on taxation. Pieris also serves as a member of an advisory committee to the Government on treaty negotiations and is a member of the ICPAC Council since July 2014.

Nicos Charalambous
Audit & Assurance Partner and FSI and Shipping Specialist

Nicos Charalambous is an Audit & Assurance partner at Deloitte and is based in the Limassol office. Nicos has over 15 years’ experience in serving the firm’s clients predominantly in the Banking and Shipping sectors, both locally and abroad.

Nicos has extensive experience with a number of the firm’s largest clients, a number of consultancy projects and has led a number of financial due diligences for acquisition purposes for local and international clients.



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Eleftherios (Lefteris) N. Philippou
Reputation & Risk Leader and Insolvency Partner, Ethics, Anti-Corruption and AML Compliance Officer
Member of the Risk Committee

Lefteris Philippou is an Insolvency services partner within Financial Advisory whose commanding of respect from others and a drive to develop our business has led to several large successful appointments as receiver and as liquidator. In the past, Lefteris was an Audit partner serving a diversified portfolio of clients includes local, overseas and multi-national entities, operating in Cyprus and abroad. He spent a considerable time in the Arabian Gulf serving multinational companies operating mainly in the construction and electromechanical industry. He leads the Insolvency Services of the firm.

A partner with Deloitte since 1987, he is the firm’s Reputations and Risk Leader (RRL) as well as the Ethics, Anti-Corruption and Anti Money Laundering Compliance Officer. He takes his seat at the table of the Management Committee to guide the Firm in its day to day activities in a risk conscious manner that keeps the Firm and its people safe.

In June 2016, Lefteris was reappointed to serve in the Management Committee and retired from his position in the Governance Committee.

Andreas Andreou
Audit& Assurance Partner and IFRS Technical Expert and Insurance Industry Specialist Member of the Audit Quality Committee

Andreas is an Audit & Assurance Partner based in the Nicosia office.

Andreas is in charge of large public and private companies in various areas of operation with specialisation in the insurance and financial services industry. He participated also in various consulting projects relating to financial due diligence work. Andreas is an IFRS Specialist of Deloitte Cyprus and very often, provides technical support and consultations on the application of the International Financial Reporting Standards. He also facilitates various technical seminars, both internally and externally and is currently serving on the Audit Quality Committee.

Andreas is a member of the ICPAC council since July 2015, having served for five years as the Vice-Chairman and member of the Accounting Standards Committee of ICPAC.

George Pantelides
Human Capital Services Partner and Consulting Business Leader, Human Resources and Learning Leader

George Pantelides is a partner in the Consulting business line with Firm wide responsibilities for Human Capital Services. He is also the Head of human resources. George possesses extensive experience in a number of HR related areas and amongst his portfolio of clients are the most prestigious, well recognised local and international organisations. He is a coacher of a number of CEOs and Executives.

George is highly acknowledged for being a pioneer in developing and promoting HR best practices. He was the first in Cyprus to be accredited as an IIP advisor and has supported a number of organisations in achieving the Investors in People Standard.



Governance Committee (formerly Oversight Board) ²

Athos Chrysanthou
Audit& Assurance Partner & Chief Confidentiality Officer

Athos Chrysanthou is a partner in the Audit & Assurance department in the Nicosia office. He has a variety of clients; public and private; including both local and international companies spread over a number of industries such as construction, manufacturing, distribution, retailing, travel and tourism. Athos is involved in a number of audits of non-profit organisations in Cyprus.

Athos has performed a number of special projects in areas such as profit improvement, financial due-diligence investigations and financial feasibility studies. He is responsible for the training of the trainee Chartered Certified Accountants of Deloitte Cyprus.

Maria Paschalis
Audit & Assurance Partner, Audit Partner, National Professional Practice Director (NPPD) & Audit Learning Leader

Maria Paschalis is a partner in Audit & Assurance based in the Nicosia office, serving a wide range of listed and private clients both in Cyprus and abroad. Since 2010 she is also the National Professional Practice Director (NPPD) and the learning leader for Deloitte Cyprus, responsible both for technical and shared-competency learning in the audit practice.

As NPPD, Maria is a founding member of the Audit Quality Committee.

Antonis Taliotis
Tax & Legal Partner, Risk Leader and Chairman - Member of the Risk Committee
Member of the Partner Evaluation and Nomination Committee

Antonis Taliotis is a Tax & Legal partner based in the Limassol office with extensive experience in local and international taxation.

Before joining Deloitte as a tax partner he worked for the Cyprus Inland Revenue as a Principal Assessor. Antonis is the author of various articles on national and international taxation and regular speaker in conferences and seminars. He was actively assisting the University of Vienna team which advised the Cyprus government on the major reform which harmonised the Cyprus tax system to the EU Law and the OECD requirements. He is an IFA member, correspondent to the IBDF for Cyprus and tax consultant to the Cyprus Shipping Council and the Cyprus International Business Association.


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² All the members of the Management Committee and the Governance Committee are members of the Board of Directors

Members of the Board, including Deloitte Legal

Agis Agathocleous
Tax & Legal Partner

Agis is a fellow member of the Association of Chartered Certified Accountants, and holds a BA degree from Essex University in Accounting, Finance and Economics. He is also a member of the Institute of Certified Public Accountants of Cyprus since 2000 and an active member of the Tax Committee of the Institute.

He started his career with Deloitte in 2004 and was invited to join the partnership as a tax partner in May 2014. Agis specialises in advising companies on Cyprus tax compliance issues as well as international taxation and planning and he is in charge of various consulting projects that include advising international business companies on structuring their tax affairs in a tax efficient manner.

He also participated in a number of taxation due diligence projects both involving Cyprus tax resident companies as well as international groups based abroad.

Alexis Agathocleous
Audit & Assurance Partner & Audit Risk Leader and FSI Specialist - Member of the Risk and Audit Quality Committees

Alexis Agathocleous is a partner in Audit & Assurance in the Limassol office. Having started his professional career with Deloitte in London in 1994, he transferred to Deloitte in Athens in 1998 where he became a partner in 2001. He joined Deloitte Cyprus in July 2007.

Alexis specialises in the audit of financial institutions and has been involved in several international offerings including listings on the New York Stock Exchange. He also has extensive experience is securitisations.

Serving on the Audit Quality Committee, he is also the Audit Risk Leader and the Financial Services Industry Leader.

Alkis Christodoulides
Audit & Assurance and Insolvency Partner

Alkis Christodoulides is an Audit & Assurance partner serving a wide range of businesses both local and international and of various types including construction, manufacturing, retailing, media, entertainment and travel and tourism. He has also been involved in various corporate finance projects such as business valuations and due diligence assignments, theft investigations, liquidations and receiverships.

Andreas Georgiou
Audit Partner and IFRS Technical Expert

Andreas Georgiou is an Audit & Assurance partner based in the Limassol office.

His audit clients include large International and local groups of public and private companies operating in Cyprus and abroad, in various industries, including private equity funds and security markets, retailing and steel trading. He has also lead a number of financial due diligence projects for prospective acquisitions and very often advises clients on the application of International Financial Reporting Standards.



Gaston Hadjianastassiou
Deloitte Legal Partner / Hadjianastassiou, Ioannides LLC

Gaston is a founding partner and member of the Board of Directors of Hadjianastassiou, Ioannides LLC. Hadjianastassiou, Ioannides LLC joined the Deloitte Legal network and became an affiliate of Deloitte Limited in 2016. He graduated from Kings College London with an LL.B. (Hons) degree and having attended the Bar Vocational Course at the Inns of Court School of Law he was called to the Bar by the Middle Temple.

His areas of practice include commercial law, banking law, real estate law, immovable property law and employment law. Gaston is a member of the Cyprus Sport Supreme Judicial Committee.

Kypros Ioannides
Deloitte Legal Partner / Hadjianastassiou, Ioannides LLC

Kypros is a founding partner and member of the Board of Directors of Hadjianastassiou, Ioannides LLC. Hadjianastassiou, Ioannides LLC the DeloitteLegal network and became an affiliate of Deloitte Limited in 2016. Kypros holds an MA degree in law from Cambridge University and was called to the Bar by the Honourable Society of the Middle Temple.

Kypros is the lecturer and examiner of Company law of the Cyprus Legal Council, the body responsible for admission to the advocates’ profession in Cyprus and is also a member of the Companies and Tax Planning Committee of the Cyprus Bar Association. He is an appointed expert in the Company Law Steering Committee of the Ministry of Commerce, Industry and Tourism and represents the Republic of Cyprus in company law matters in the European Union. He has chaired the Company Law Working Group of the European Union Council during the Cypriot Presidency in the second half of 2012. He has served as a member of the board of the Cyprus Securities and Exchange Commission.

His areas of practice include corporate law, corporate financing, mergers and acquisitions, betting and gaming. He has substantial litigation experience in civil matters and commonly handles interlocutory injunctions in corporate and commercial disputes. He is a Recommended Lawyer of the Legal 500, EMEA.

Christakis Ioannou
Audit & Assurance Partner

Christakis Ioannou is an Audit & Assurance partner serving a wide range of businesses both local and international and of various types including construction, manufacturing, retailing and travel and tourism. He has also specialised in indirect taxation and has been involved in various corporate finance projects such as business valuations and due diligence assignments.

George Martides
Financial Advisory Partner and Risk Leader
Member of the Risk Committee

George Martides is a partner in Financial Advisory (FA) of Deloitte in Cyprus. George has vast experience in Corporate Finance, Transaction Services, Valuations and other Financial Advisory services.

George has led a large number of projects, including Mergers and Acquisitions, Public Offerings and Flotations to Stock Exchanges in Cyprus and abroad, Financial Due Diligence Reviews, Capital Structuring and Debt Advisory, Fair Value estimates (valuations), Fairness Opinion reports, Business plans, Forensic and Dispute work, Group Restructuring and Reorganisation, Design and Implementation of Costing Systems, etc.



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Christos Neocleous
Business Process Solutions Partner and Audit & Assurance

Christos Neocleous is a partner in delivering Business Process Solutions from within our Tax & Legal business with over 22 years of professional experience. He now leads delivery in Limassol as a result of his extensive knowledge of International Financial Reporting Standards, taxation policies, Companies Law and day to day administration processes providing a broad range of professional services to clients who elect to outsource specific accounting, payroll, financial reporting and corporate administration processes.

Christos is skilled in numerous other areas including audit.

Panos Papadopoulos
Audit & Assurance Partner, Business Process Solutions Partner and Director of Independence

Panos Papadopoulos is an Audit & Assurance partner serving mainly international clients operating in a variety of industries. Since 2010 he serves as the Independence Director of the Cyprus Firm. Panos has also been charged with developing the Firm's Business Process Solutions proposition that operates from within our Tax & Legal business.

Outside the firm, Panos is a long-serving member of the International Business, Shipping and Foreign Investment Committee and previously was a long serving member of the Auditing Standards Committee of the Institute of Certified Public Accountants of Cyprus where he has served both as chairman and vice chairman.

Alecos Papalexandrou
Tax & Legal Partner

Alecos Papalexandrou is a Tax partner based in the Limassol office. Alecos has 20 years of experience in the fields of national and international tax planning and tax compliance issues and 2 years of experience in the field of Corporate Finance. He has been with Deloitte since 2003.

He has been involved in a number of international corporate restructuring projects and has extensive experience in tax due diligence and international tax planning projects. Alecos provides tax advice across a range of industries, including oilfield services, shipping, real estate, financial services and banking.

Christos Papamarkides
Tax & Legal Partner, Indirect Tax – VAT, Leader of Indirect Tax Service Line

Christos has a vast experience in local and international taxation and specializes in indirect taxation. His experience includes indirect tax planning, consulting and advising of clients, communication with the authorities. He is the major negotiator on indirect tax for resolutions of client's indirect tax matters with the VAT authorities in Cyprus.

Christos is an active member of the Institute of Certified Public Accountants in Cyprus (ICPAC) currently the Chairperson of the ICPAC VAT committee. He is participating in a number of meetings with the Minister of Finance, the House of Representatives and the Tax (VAT) Commissioner for the formulation of the Government's policies on VAT. Christos is a Member of the European Multi-Stakeholder Forum on e-Invoicing (EMSFEI) since September 2014, participating in meetings of the forum in Brussels, active member of the EMSFEI' activity group on the e-invoicing Regulation.



Panicos G. Papamichael
Risk Advisory Partner and Leader- Consultative Member of the Risk Committee

Panicos Papamichael joined Deloitte in 2002. Prior to that he was the partner in charge of Ernst & Young’s Management Consulting division whom he joined in 1981, first in London and subsequently in Cyprus. He specialises in Risk Advisory projects including Internal Audit and Cyber Risk. His competencies range from Risk Management, to Strategy & Operations, Enterprise Applications, Technology Integration and Financial Consulting.

He now leads the Risk Advisory team of the Firm and contributes to the development of the Firm’s offerings to clients in the public, as well as the private industry sectors.

Demetris Papapericleous
Audit & Assurance and Insolvency Partner
Member of the Audit Quality Committee

Demetris Papapericleous is an Audit & Assurance partner based in the Limassol office.

Demetris’ client portfolio includes a number of important clients of the firm operating in different industries with emphasis in the Hotel, Real estate and Travel and leisure sectors, comprising of local, public and private companies, as well as international clients. Demetris is also a qualified Insolvency Practitioner and in this capacity he deals with insolvency engagements such as accepting appointments as Receiver/Manager or advising clients and/or banking institutions on loan restructuring options.

Demetris is a serving member of the Audit Quality Committee.

Nicos Spanoudis
Partner in Charge in Larnaca, Audit & Assurance Partner

Nicos Spanoudis is an Audit & Assurance partner and partner in charge at the Larnaca office of Deloitte Cyprus. He has extensive experience in accounting and public audit and he was the driving force behind the Larnaca office’s expansion from where he serves a wide spectrum of local and international clients.

Nicos is well positioned in the local business community having excellent personal contacts with major banks, law offices and governmental and semi-governmental organisations

Panayiota Vayianou
Tax & Legal Partner

Panayiota Vayianou is a Tax partner based in the Larnaca office.

Panayiota has worked for more than 25 years in the Inland Revenue Department of the Ministry of Finance, where she gained considerable experience in various and diverse tax related issues.

She has progressed from a clerical staff at Capital Gains and Immovable Property Department to a Principal Assessor 1st Grade in the Capital Gains Tax, Capital Statement examinations and Accounts Department and then to a Functional Head within the Larnaca District Inland Revenue Office.


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Kerry Whyte
Audit & Assurance Partner heading the International Group - Member of the Audit Quality Committee

Kerry Whyte is an Audit & Assurance partner based in the Nicosia office. She is involved in the audits of international business companies serving many of the firm’s major international clients and regularly works with other Deloitte offices on multinational audit engagements. She is regularly involved in advising international clients on IFRS and company law compliance matters in connection with their activities through Cyprus and is a sought-after source of knowledge on the application of ISA’s offering support and consultations to engagement teams across the practice. She is also a key member of the Learning team leading and facilitating Audit Learning events..

Yiannis Sophianos
Audit & Assurance Partner
(admitted to partnership on 1 January 2017)

Yiannis is a Partner in the Audit & Assurance Department, based in Nicosia. During his seventeen year experience in the audit profession Yiannis has accumulated extensive experience in the audits of large local and international clients including public listed companies, group reporting structures and complex consolidation processes. His client portfolio includes clients in various industries such as professional services, manufacturing, distribution, retail, leisure, investment holding and construction and development. Recognised as a key member of the Firm’s facilitation team, he has been delivering Audit Learning for some years.

Yiannis is a fellow member of the Institute of Chartered Accountants in England and Wales and holds a BSc degree from the London School of Economics.

Kyriacos Vlachos
Audit & Assurance Partner
(admitted to partnership on 1 January 2017)

Kyriakos has extensive experience in the audits of large local and international groups including public listed entities. His clientele include companies from various sectors including shipping, retail, hospitality and trading. Kyriakos is member of our firm’s IFRS Consultation Team, and has been acting as a facilitator for various internal shipping and IFRS seminars. He is also a member of the Cyprus Investment Funds Association, the Cyprus Germany Business Association and the ICPAC Shipping Committee.

Kyriakos holds a BA (Econ) in Accounting and Finance from the University of Manchester and is a fellow of the Institute of Chartered Accountants in England and Wales.

Yiannis Leonidou
Audit & Assurance Partner
(admitted to partnership on 1 June 2017)

Yiannis joined Deloitte in 2007 and has over 20 years of experience in the audit profession. Yiannis has experience in the audit of listed companies on the Cyprus and other foreign stock exchanges as well as in the audit of private local and international companies in a number of industries including technology, financing, construction, hotels-leisure, software development, oil extraction, gaming, automotive, retailing, pension funds and agriculture. Yiannis travelled to many European, Middle East and Asian countries to lead audit assignments.

Yiannis is currently the Chairman of the IFRS committee of the ICPAC. He has also served as a member of various Committees of the ICPAC including Auditing Standards and Information Technology. He is also a member of our firm’s IFRS and Audit Consultation Teams.

Yiannis holds a BA in Economics and Law Sciences from Aristotle University of Thessaloniki and is a Fellow Member of the Institute of Chartered Certified Accountants.



Partner remuneration

The Partner Performance Management and Remuneration practices of Deloitte Ltd emphasise Shared Values and promote the attainment of our top priorities.

Partner evaluation

Partner remuneration is based upon a comprehensive evaluation of individual performance (both qualitative and quantitative) and contribution to the achievement of the Firm's strategic objectives. A dedicated Performance Evaluation Committee oversees the related process, so as to ensure consistent and equitable treatment.

The expectation set

In assessing the performance of partners, a strong contribution in the following areas is an absolute expectation from all partners, notwithstanding the level of their contribution in other areas:

- **Quality and Risk Management (QRM):**
Uncompromising quality in all professional

work and adherence to Risk management considerations; internal and external reviews outcomes.

- **Service Excellence:** Delivering excellence in the services provided, making an impact that matters.
- **Business Development:** Market related activity including stakeholder relations, thought leadership, innovation and brand protection roles.
- **People Development:** Contribution to mentoring, leading, recruitment, engagement, development and training of our people.
- **Leadership Effectiveness:** Being globally aware, innovative, experienced in the business, and ready to make decisions quickly and with rigor.

Our partner performance management and remuneration process creates a strong link between audit quality and partner remuneration.



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• **Fulfilling the role of leader:** Subject matter Leader (CCO, ethics, Independence, NPPD etc), risk leader, internal departmental leader, service line leader, member of a governance committee.

Additional criteria

In addition, the following criteria are also used for assessing the performance and contribution of each partner:

- **Clients:** Client portfolio managed and roles carried.
- **Brand and eminence:** Market related activity including stakeholder relations, thought leadership, innovation and brand protection roles.
- **Revenue generation, growth and business building:** Contribution to business development and relationship building.
- **Financial success:** Overall contribution to the financial success of Deloitte.

We are confident that this approach precludes financial considerations from driving actions and decisions having a negative effect on service quality.

Audit & Assurance partners are prohibited from earning or receiving compensation, bonuses and other direct financial incentives for selling products or services to their audit clients.

Remuneration

In the Partnership, there are Equity Partners and Associate Partners.

The Equity Partners share in the profits and subscribe the entire capital of Deloitte Ltd. Each partner’s capital subscription is linked to his or her share of profit and is repaid in full on ceasing to be a partner. The rate of capital subscription is determined from time to time depending on the financing requirements of the business.

Equity partners draw a proportion of their profit share in twelve monthly on-account instalments during the year in which the profit is made, with the balance of their profit, net of a tax deduction, paid in instalments in subsequent years. All payments are made subject to the cash requirements of the business. Tax retentions are paid to The Inland Revenue on behalf of partners with any excess being released to equity partners as appropriate.

Associate Partners have no units of interest, and considering the above, a fixed annual gross salary is being determined, plus a performance related bonus.

Partners (both Equity and Associate Partners), receive a bonus, the bonus pool being calculated based on the net profit of the Firm, while individual bonus allocation is based on the individual Performance Evaluation results.

Under the Firm’s Accountability Framework, the remuneration of Partners is also impacted by quality review outcomes.



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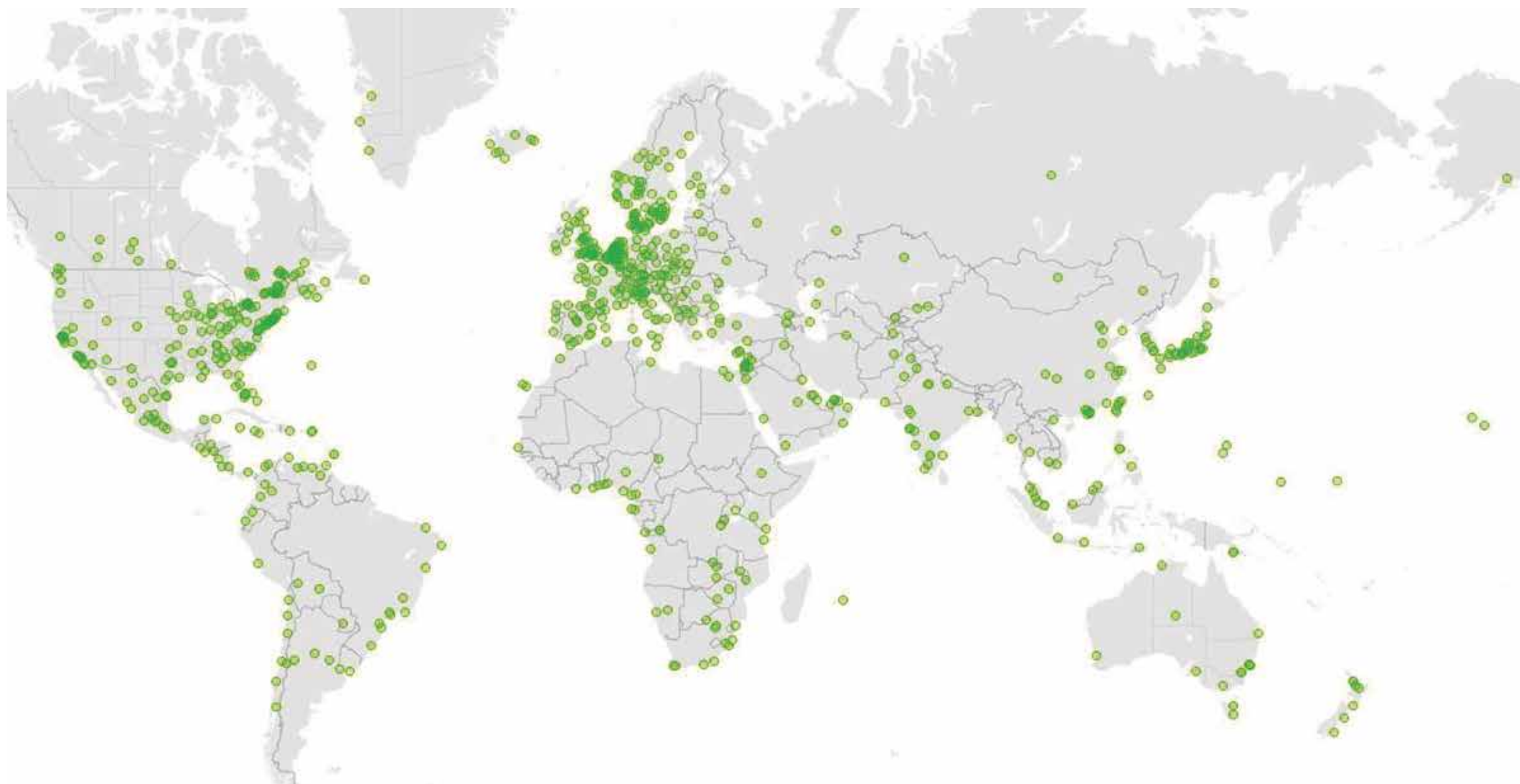
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Locations

Green markers on the map indicate office locations.

Please visit www.deloitte.com/GlobalOfficeDirectory for the most up-to-date information on specific office addresses or for service inquiries in locations not listed here.



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Albania	Islands	Czech Republic	Gibraltar	Latvia	Northern	Federation	Islands
Algeria	Brunei	Democratic	Greece	Lebanon	Mariana	Rwanda	Uganda
Andorra	Darussalam	Republic	Greenland	Libya	Islands	Saudi Arabia	Ukraine
Angola	Bulgaria	of Congo	Guam	Lithuania	Norway	Senegal	United Arab
Argentina	Burundi	Denmark	Guatemala	Luxembourg	Oman	Serbia	Emirates
Armenia	Cambodia	Dominican	Honduras	Macao	Pakistan	Singapore	United
Aruba	Cameroon	Republic	Hong Kong	Macedonia	Palau	Slovakia	Kingdom of
Australia	Canada	Ecuador	Hungary	Malawi	Panama	Slovenia	Great Britain
Austria	Cayman Islands	Egypt	Iceland	Malaysia	Papua New	South Africa	and
Azerbaijan	Chad	El Salvador	India	Malta	Guinea	Spain	Northern
Bahamas	Channel Islands	Equatorial	Indonesia	Marshall Islands	Paraguay	Sweden	Ireland
Bahrain	(Jersey	Guinea	Iraq	Mauritius	Peru	Switzerland	United Republic
Barbados	and Guernsey)	Estonia	Ireland	Mexico	Philippines	Taiwan	of Tanzania
Belarus	Chile	Ethiopia	Isle of Man	Mongolia	Poland	Tajikistan	United States
Belgium	China	Federated	Israel	Montenegro	Portugal	Thailand	Uruguay
Benin	Colombia	States	Italy	Morocco	Puerto Rico	Timor-Leste	Uzbekistan
Bermuda	Congo	of Micronesia	Japan	Mozambique	Qatar	Togo	Venezuela
Bolivia	(Brazzaville)	Finland	Jordan	Myanmar	Republic of	Trinidad and	Viet Nam
Bosnia-	Costa Rica	France	Kazakhstan	Namibia	Korea	Tobago	Yemen
Herzegovina	Côte d'Ivoire	Gabon	Kenya	Netherlands	Republic of	Tunisia	Zambia
Botswana	Croatia	Georgia	Kosovo	New Zealand	Moldova	Turkey	Zimbabwe
Brazil	Curaçao	Germany	Kuwait	Nicaragua	Romania	Turkmenistan	
British Virgin	Cyprus	Ghana	Kyrgyzstan	Nigeria	Russian	US Virgin	



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Glossary

Term	Description
A&A	Audit and Assurance
ISQC1	International Standard of Quality Control 1 - FOR FIRMS THAT PERFORM AUDITS AND REVIEWS OF FINANCIAL STATEMENTS, AND OTHER ASSURANCE AND RELATED SERVICES ENGAGEMENTS
Partners	Members of the Board of Deloitte Limited
Board of Directors / Partners	Consists of all in the Firm typically referred to as a partner
Firm	Deloitte Limited
Deloitte	The Cypriot entity, Deloitte Limited, owned by a Cypriot partnership and a member firm of DTTL
Deloitte Network	Individual member firms of the DTTL network of member firms
DTTL	Deloitte Touche Tohmatsu Limited, an English private company limited by guarantee
EQCR	Engagement Quality Control Review
ICPAC	Institute of Certified Public Accountants in Cyprus
CyPAOB	Cyprus Public Audit Oversight Board
Global Code	The Principles of Business Conduct
Local Code	The Principles of Business Conduct - Cyprus
Shared Values	Integrity, Strength from cultural diversity, Outstanding value to clients and markets, Commitment to each other
QRM	Quality Risk Management
EU Reform	EU Regulation coming into effect 17 June 2016 and the Directive which was transposed into Auditors Law in Cyprus in June 2017
IFAC	International Federation of Accountants
DESC	Deloitte Entity Search and Compliance



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Term	Description
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
DPM	Deloitte Policy Manuals
AAM	Audit Approach Manual
NPPD	National Professional Practice Director
RRL	Risk & Reputation Leader
ARL	Risk Leader - Audit & Assurance
ABL	Business Leader - Audit & Assurance
CEO	Chief Executive Officer
DOI	Director of Independence
DA	Deloitte Audit
EMS	Engagement Management System – the platform for documenting audit papers
AQI	Audit Quality Indicators
AQC	Audit & Assurance Quality Committee
SRP	Special Review Partner
IRT	Incident Response Team
IESBA	International Ethics Standards Board for Accountants
GIMS	Global Independence Monitoring System
Transparency Reporting Period	The period 1 January 2016 to 31 May 2017



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