

2018 Transparency Report

Deloitte Accountants B.V.

Aspire with assurance

Date published Sept 28, 2018

Audit & Assurance



Regulatory context

This Transparency Report has been prepared in accordance with Article 13 of the Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014 (The EU Audit Regulation). The EU Audit Regulation came into force on 17 June 2016 and requires publication of an annual Transparency Report by audit firms that perform statutory audits of public interest entities. It supersedes the provisions of the 'Wet toezicht accountantsorganisaties (Wta)'.

This Transparency Report relates to our principal activities in the Netherlands for the financial year ending May 31, 2018 unless otherwise stated.

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Leadership message – Report from the Executive Board of Deloitte Accountants B.V.

For Deloitte making an impact that matters means that we focus on delivering independent high quality audits and are dedicated to pursuing opportunities and addressing challenges to meet the expectations of the public interest. Our professionals strive to make an impact that matters on clients, communities, and society-at-large.

Across Deloitte Accountants B.V. there is a broad recognition of the important role that audits play in contributing to market confidence and integrity. In line with our aspiration to be the undisputed leader in professional services, our approach towards Audit & Assurance is structured around:

Quality – Continually anticipating and aligning with our stakeholders' evolving expectations by providing broader and deeper assurance in accordance with relevant standards and guidelines;

Talent – Being bold, team-spirited and pioneering in defining the audit of the future;

Growth – Driving the audit impact by continually expanding our range of skills, experiences, and insights;

Innovation – Driving positive, disruptive change to revolutionize what audit can achieve – and how.

Against the backdrop of our Purpose and Aspiration, and being committed to develop a high-quality audit practice, we have made clear choices on:

- *Our Culture*, with a culture programme in place that focuses on themes such as developing of leadership and cooperation between and within teams. We have also launched initiatives to further professionalize the way we work together and specifically focusing on behaviour;

- *Our Quality*, with significant investments in, for example, (i) further bolstering root cause analyses to properly understand and develop leading practices; (ii) the global Audit Quality Monitoring & Measurement programme which facilitates continual quality improvement; and (iii) a quality control approach that we have developed with a dynamic intermediate form of monitoring and support;
- *Our Talent*, investing in an enhanced talent model that includes a single global Audit Learning curriculum, while also setting up communities where people can work across service lines for a varied working experiences, and introducing a renewed performance management system and practices for granting rewards and recognition;
- *Our Clients*, looking closely at our existing client portfolio and new clients we accept. By making clear choices we believe we can better serve our clients and their stakeholders and offer more challenging work with optimal working hours for our people;
- *Our Service Delivery*, investing in our Quality and Audit Transformation agenda, through standardization (Deloitte Way Workflow), centralization (Regional Delivery) and Automation (Analytics, Robotics), thus improving audit quality, efficiency and value.

Thanks to the choices and investments we have made, our Audit & Assurance practice has shown steady progress in all strategic pillars and has improved both its quality and its financial results. As a result, we have been able to invest additional amounts in audit quality and innovation, including analytics and robotic process automation.

The 2017/2018 financial results were solid with total revenues of our Audit & Assurance business rising by 3.1% to € 230.9 million.



Innovation

We continue to monitor demands and the impact that market developments and regulatory requirements have on our Audit & Assurance business and its professionals. We have consequently chosen to pivot towards appropriately sized communities focused on developing talent for our people orientation, and on four distinct Service Lines for our market orientation.

The public trust that we instill is not a static quantity. We therefore must look ahead to see how conditions are emerging, while also continually innovating to shape the standards that will give trust and comfort to stakeholders in the future.

We make a concerted and continuous investment in developing breakthrough technologies, fresh approaches and new, disruptive perspectives to reshape our audit activities. Automation and robotics that speed up and improve routine tasks, analytics that yield deeper and more insightful views into data, and artificial intelligence that enhances human discovery and problem-solving.

These investments include:

Spotlight - a web-based data analysis application that reviews specific account balances based on data risks, such as homogenous revenue streams.

Icount - a web-based application that streamlines the inventory count process from start to finish, eliminating the need for pencil and paper.

The Audit Incubator Board challenges our professionals to spot opportunities to do things smarter, different, and better.

North West Europe (NWE)

We see different forms of cooperation between NWE geographies in the area of quality: (i) training; (ii) consultations (iii) exchange of professionals and; (iv) the monitoring of quality initiatives (AQMM). Being part of a strong firm like NWE unites our efforts within the global network.

Since June 1, 2017, the majority voting rights in Deloitte Accountants B.V. have been indirectly vested in Deloitte North West Europe LLP (Deloitte NWE) which is registered as an audit firm with the ICAEW, the UK audit regulator, in accordance with the relevant EU regulations. The CEO and the Audit Lead of Deloitte NWE, David Sproul and Stephen Griggs, have been identified as co-policy makers (*mede beleidsbepalers*) of Deloitte Accountants B.V.

within the meaning of the Dutch Act on the Supervision of Audit Firms.

Serving the public interest

The impact of our work extends beyond audit. Attesting that financial statements give a true and fair view in all material respects, and providing insight into the conduct, controls and tone at the top of an enterprise gives investors the confidence to make critical decisions. Society has vested this trust in Deloitte and we have the duty to live up to these expectations. Operating in the public interest means focusing on performing the statutory duty of auditing financial statements and issuing a statement on the reliability of financial and non-financial information. It also includes the duty to consider issues such as fraud, corruption and discontinuity. As leadership we are aware that recent incidents like Steinhoff can lead to a breach of this trust. We are consequently firmly committed to continuing to invest in and improve our Quality Control Framework

Regulatory environment and developments

Deloitte and its regulator - the Dutch authority for the Financial Markets (AFM) - share a consistent view on the need to ensure high quality audits serving the public interest. Furthermore, it is important to foster trust between the regulator and an audit firm, and this trust is built on mutual respect and transparency. We have therefore had frequent interaction with the Dutch authority for the Financial Markets, both formal and informal over the past year. The formal meetings include quarterly meetings with the Board of Deloitte Accountants B.V. and an annual meeting with the Supervisory Board and Management Board of Coöperatief Deloitte U.A. In addition, we have had two meetings with our regulator in different composition with professionals and board members of Deloitte Accountants B.V. as part of the intermediate stage, following the Dashboard 2016, on progress in our change process, about which our regulator concluded positively in 2017.

During the year we also participated in a thematic review by the Dutch authority for the Financial Markets, focusing on audit quality, of the audit partner's role in our culture. Deloitte is also participating, together with other firms, in the Stuurgroep Publiek Belang (NBA) that is designed to restore society's trust in the profession. The NBA's most recently published reports were on (i) Root Cause Analysis; (ii) Audit Firm Governance, Ownership and Structures; (iii) Quality; (iv) Continuity, and (v) Fraud.



Relevant regulatory developments over the past year include:

- The fit-for-purpose test on current and newly to be appointed executive and non-executive directors of PIE (Public Interest Entity) audit firms operating in the Netherlands as at January 1, 2018.
- Measures taken by the sector to monitor risks facing PIE audit firms and the accounting profession in general as a result of financial pressure at the equity audit partner level. This measure was already in place at Deloitte.

A critical mirror

The Accountancy Monitoring Committee ('MCA') holds up a critical mirror to the sector. This is something we embrace as our goal is to be the undisputed leader. We have recorded strong results along the road to achieving this undisputed leadership in terms of quality, the upward trend in each market segment and in our innovation agenda. The MCA report is a clear call to action: by literally saying 'Get on with it!', the report presents us and the sector with concrete issues to act upon.

These include:

Reinforcing the links between causes, measures and consequences – this directly highlights the importance of the Plan-Do-Check-Act Cycle we have in place, where we use impact analyses to see the effect that measures have and where we are required to continually seek to improve.

Workload, time pressure and tight budgets – a sector-wide issue. We have implemented an integrated program to reduce the workload. The effects are visible, and we will continue with this program in the next year.

Taking on the sector dilemmas – Beyond sector initiatives, we as Deloitte have a clear perspective on the current environment and trends facing the audit. An ongoing dialog is required, both within our firm and the sector.

Fraud as a top priority – Society clearly has high expectations of auditors, particularly when it comes to fraud and business continuity. Focusing on fraud and corruption risks is one of the critical pillars of our business operations and our interpretation of the quality control system. Audit teams have a clearly upped their attention for fraud risk analysis, please refer to Table X on page 30 of this report.

Showing more ambition – We have set out to 'Aspire with assurance' and have the ambition to be the profession's undisputed leader.

Please contact nlaudit@deloitte.nl to share any feedback.

Rotterdam, September 28, 2018
Executive Board of Deloitte Accountants B.V.
Peter Bommel, Chair
Bert Albers
Engelhardt Robbe
Mario van Vliet



Leadership message – Report from the Supervisory Board

Introduction

For Deloitte the reporting year has been very successful, and the Supervisory Board is grateful to all Deloitte's who have made this possible. This success was not only defined in monetary terms; our market position has also improved and Deloitte Netherlands has merged into Deloitte North West Europe despite the manageable disruptions to our businesses. Most importantly, Deloitte's ongoing relationships with clients have been satisfactory.

The period has also been marked by a notable shift in the internal organisation of Deloitte in terms of the attention to so-called 'soft themes' such as company Culture and behaviour. Company Culture in a broad sense has been an important (agenda) item, not only for the Quality, Integrity and Risk Committee of the Supervisory Board, but also for the Supervisory Board as a whole. Company Culture is also part of the Audit Quality Plan, that is frequently discussed during the meetings with Audit Leadership. As a result, we have developed a far deeper understanding of these important areas and are now better able to manage these. We have continued to stress Quality in all that we do, not only in Audit, albeit that this will remain the spearhead of our attention. A good example of the shift to 'soft themes' at Supervisory Board level are the inclusion of Ethics and Integrity in the Quality, Integrity and Risk Committee. We have encouraged and supported, and will continue to encourage and support, the Executive Board in their decisions to create a Culture that truly nurtures Quality, even when this led or will lead to the departure of some long serving practitioners. Overall, we believe that such an orientation will benefit the Quality of Deloitte's services to clients.

The year saw the merger into Deloitte North West Europe (NWE). The drive for fewer Deloitte Member Firms is partly driven by the needs of our clients, who are less and less restricted by national borders. It is partly driven by Deloitte's need for greater uniformity, both in terms of client delivery and in terms of Quality, while also driven by the opportunity to reduce costs. We have made good progress on the first two, and the reduction of national costs will remain at the forefront of our attention.

Our Audit Practice has consistently and frequently interacted with the Supervisory Board. As it is the only practice under strict Regulatory oversight (of both the Royal Netherlands Institute of Chartered Accountants (NBA) and Dutch authority for the Financial Markets this is key priority. The Supervisory Board has met once formally, in full, with the Dutch authority for the Financial Markets and some of its members informally several times. As of July 1, 2018, the new legislation 'Additional Measures for Audit Firms' and the amended 'Besluit Toezicht Accountantsorganisatie' are effective. The Supervisory Board shall incorporate the new tasks and responsibilities in its regulations where necessary and will continue to spend as much attention as necessary and required on matters broadly indicated as 'Quality Items'. Our strict adherence to Quality standards and the dialogue with the Dutch authority for the Financial Markets will continue to be focus areas for the Board.

Deloitte has further emphasised Member Firm Standards. These are instrumental to gauging our relative, qualitative position within the Deloitte network, and have therefore been an additional, useful monitoring tool for the Supervisory Board. It will remain an objective for Deloitte Netherlands to achieve the highest possible score on all Member Firm Standards.

The Supervisory Board has been actively engaged by the Executive Board in determining and monitoring execution of the firm's Strategy 2020. During a full day meeting of both Boards, the Executive Board has reported on execution progress and sought the Supervisory Board's consent for a number of focused strategy 'sprints' for fiscal 2018/2019. Individual pillars of Deloitte's Strategy 2020, such as Ensure Quality, Become Premier Career Destination and Innovation, have been discussed in regular Board meetings and in meetings of its subcommittees, as well.



Cooperation within the Supervisory Board and with the Executive Board has been good and with ongoing interaction that is highly constructive. This has been the first full year in which the so-called 'internal members of the Supervisory Board' have been replaced by observers from the Partnership Council. The transition has been smooth, and we will continue to avail ourselves of the knowledge of the members of the Partnership Council. On invitation of the Chairman, (certain members of) the Partnership Council have joined and will join (parts) of the Supervisory Board and Committee meetings.

This year, the Supervisory Board has again made an internal evaluation of its functioning, and the functioning of its members and subcommittees, assisted by the HR Consultancy Group of Deloitte. Recommendations from the evaluation have been translated in a concrete action plan, and its execution-progress has been discussed in a Board meeting. Evaluations are carried out every year and the resulting recommendations assist in improving the functioning of the Board.

During the year, the Supervisory Board had nine regular meetings, one Strategy Day with the Executive Board, two days at Singularity University focused on innovation, and one Education Day, focused on the basics of the Audit of Financial Statements, oversight of the Dutch authority for the Financial Markets, innovation and diversity. All meetings are prepared by the Secretariat to the Board together with the Chairman and CEO. Attendance has been very good¹.

A total of 18 Committee Meetings were held. Apart from the regular meetings, the members had frequent contact with the Executive Board, with the ExCo, with individual partners and employees of Deloitte, with the Employee Council and with the members of the Partnership Council. Informal consultation between the members of the Supervisory Board took place on regular basis. The Chairman and CEO also meet frequently face-to-face, preferably twice a month. Two General Meetings have been chaired. All voting proposals were met with approval by the partners during these General Meetings.

We would like to express our gratitude to all who have contributed to the success of Deloitte in the past year.

Members and Committees

The Supervisory Board has assigned, under its responsibility, a number of its specific tasks to five subcommittees (Committees):

- Audit & Finance Committee
- Quality, Integrity & Risk Committee
- Partner Matters Committee
- Remuneration Committee
- Selection & Nomination Committee

Members of the Supervisory Board

In 2017/2018 the Supervisory Board comprised five members:

Name	End of term	Current term
Floris G.H. Deckers (Chairman)	July 2020	Second term
Frans E. Eelkman Rooda (Vice-Chairman)	September 2019	Second term *
Jacqueline P. Rijsdijk	September 2019	Second term *
Vincent G. Moolenaar	November 2020	First term
Nienke Meijer	July 2021	First term **

* Based on good governance principles and best practices, the Supervisory Board should draw up a retirement schedule. The Supervisory Board may resolve to nominate Jacqueline Rijsdijk and Frans Eelkman Rooda for a further re-appointment for two years in September 2019.

** At the beginning of the financial year 2017/2018, Nienke Meijer was appointed as the fifth Supervisory Board member for four years as of June 30, 2017. During Fiscal Year 2018, she followed a comprehensive Supervisory Board Introduction Programme.

¹ Floris Deckers, Vincent Moolenaar and Nienke Meijer attended all regular Supervisory Board meetings. Frans Eelkman Rooda and Jacqueline Rijsdijk attended 8 (out of 9) of the regular Supervisory Board meetings. Attendance of the Supervisory Board members w.r.t. Committee meetings: Floris Deckers 11 (out of 14), Frans Eelkman Rooda 12 (out of 13), Jacqueline Rijsdijk 11 (out of 12), Vincent Moolenaar 14 (out of 14) and Nienke Meijer 9 (out of 9).

Composition of the Supervisory Board Committees

All members of the Supervisory Board are independent within the meaning of paragraph 2.1.8 of the Corporate Governance Code, and in the opinion of the Supervisory Board, all independence requirements of paragraphs 2.1.8 till 2.1.10 of the Code have been met during FY18. After the appointment of Nienke Meijer as fifth member of the Supervisory Board, it was decided to change the composition of the several Committees as of January 1, 2018, so that each member of the Supervisory Board should be the Chair of a Committee and member of two Committees.

Audit & Finance Committee *

- Frans E. Eelkman Rooda, Chair
- Vincent G. Moolenaar
- Jacqueline P. Rijdsdijk

* In 2017/2018, it was decided to change the name of the Audit Committee into the Audit & Finance Committee to reflect the scope of the tasks and responsibilities of this Committee and achieve uniformity with the working methods of the Board Committees at NWE level.

Quality, Integrity & Risk Committee *

- Vincent G. Moolenaar, Chair
- Floris G.H. Deckers
- Nienke Meijer

* In 2017/2018, DTTL requested to have a Board Committee that takes responsibility for ethics and integrity. The Committee has followed up on and complies with this principle, by including integrity in the regulations of the Supervisory Board and the Committee, which now cover the oversight of integrity and ethics initiatives and activities of the Executive Board. The Committee name has been changed from Quality & Risk Committee into Quality, Integrity & Risk Committee.

Partner Matters Committee

- Floris G.H. Deckers, Chair
- Jacqueline P. Rijdsdijk
- Frans E. Eelkman Rooda

Remuneration Committee

- Nienke Meijer, Chair
- Floris G.H. Deckers
- Frans E. Eelkman Rooda

Selection and Nomination Committee

- Jacqueline P. Rijdsdijk, Chair
- Vincent G. Moolenaar
- Nienke Meijer

The Supervisory Board members (or a representation thereof) also participate in partner discussion events and other activities, for example, as facilitators for the Woman on Boards Executive programme. In addition, the Supervisory Board has met with the Works Council and a selected group of young professionals, on several occasions; for example, to talk about diversity, motivations of Deloitte employees and their career choices, and the initiatives and observations of the Young Professional Audit Quality Board.

Highlights of the work of the Audit & Finance Committee during 2017/2018

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

The A&FC held five regular meetings during the financial year 2017/2018. The findings and comments were reported to the Supervisory Board during the regular meetings of the Board. The Chief Operations Officer, a delegate of the Partnership Council, the finance lead, the risk and reputation lead, the controller and the Chief Audit Executive as well as the external auditor, attended the A&FC meetings.

The work of the A&FC during 2017/2018 focused on:

- Structure of the control framework of the group, especially with regards to the 'work in progress' balances and IT controls, as well as the redefinition of key controls;
- The annual internal audit plan and reorientation of the internal audit function towards operational audit;
- The work and activities of the external auditor;
- Internal and external audit findings, including follow-up on previous recommendations made by the internal and external auditors;
- Planning and preparation of integrated reporting, including conversion to IFRS;
- Financing structure of the group including oversight on the partial redemption of debt;
- Forecasts and financial plans;
- Financial performance of the firm, both at an aggregate level and for the different Functions of Deloitte;



Highlights of the work of the Quality, Integrity & Risk Committee during 2017/2018

The Quality Integrity & Risk Committee (QIRC) assists the Board in fulfilling its oversight responsibilities regarding Quality, integrity and risk management of the Executive Board. Within this scope the QIRC discusses the principal strategic, operational, financial and compliance risks that the company expects to be exposed to and the steps taken by management to mitigate those risks.

During Fiscal Year 2018, the QIRC had five regular meetings. Key highlights included:

- Audit Quality has and will be a recurring topic at QIRC meetings. The Committee has thoroughly and repeatedly discussed, among others, Culture and behaviour, the Audit Quality plan, reports from the Dutch authority for the Financial Markets and the impact of its conclusions on the aforementioned plan, continuous improvements of PCAOB Audits and the process and outcome of internal practice reviews;
- Beside Audit, each Function line has provided an in-depth Quality update, in order for the Committee to fulfill its oversight responsibilities regarding Quality of all Functions of Deloitte NL effectively;
- The Committee has thoroughly discussed material litigation and risk management cases, based on the contentious matters overview;
- The QIRC monitors the Enterprise Risk Framework of the organisation and focuses on two (high) risk priorities per meeting. For example, the defined risks Security & Confidentiality, Talent & Leadership Development, Client Portfolio management/Commercial Orientation, and Independence were discussed in the presence of their respective risk owners;
- The Member Firm Standards, related to Quality and risk, have been used as an instrument of the QIRC to monitor the performance of the Executive Board and the Netherlands Firm. Member Firm Standards were discussed for Quality, Technology, Risk and all functions;
- The outcome of the independence inspection and testing, and new EU Public Interest Entities legislation;
- Updates and reports of the Risk and Reputation Lead (for example independence, internal and external complaints and reputational risks), the Compliance Officer and General Counsel of Deloitte Netherlands;

- Integrity and ethics have been and are important topics of the QIRC. The QIRC monitors the implementation of Deloitte's integrity imperative in the Dutch firm.

Highlights of the work of the Partners Matters Committee (PMC) during 2017/2018

The Partner Matters Committee (PMC) supports the Supervisory Board in oversight matters with regards to the partner remuneration system. The PMC reviewed the classification of the entire group of partners in the 2017/2018 partner remuneration system. Furthermore, the PMC has prepared the ratification process of the Supervisory Board regarding the Executive Board's appointment of Audit partners. In that context, the PMC and the Supervisory Board assess whether Quality (i) is sufficiently embedded in the nomination procedure and (ii) has been reasonably taken into consideration in the appointment decision by the Executive Board. During Fiscal Year 2018, the PMC had two meetings.

The PMC is also the forum for individual complaints and appeals by partners against decisions by the Executive Board regarding their individual classification. No formal complaints were filed in 2017/2018.

Highlights of the work of the Remuneration Committee during 2017/2018

The Remuneration Committee (RC) supports the Supervisory Board on decisions regarding the remuneration of the members of the Executive Board, including an assessment of their individual performance. The RC met twice during the financial year 2017/2018 and discussed the performance, short and long-term objectives (KPIs) with regards to the remuneration of the Executive Board. In addition to these two meetings, the RC held two meetings with individual members of the Executive Board, concerning their individual performance and assessment of their objectives.

After evaluation by the RC and the Supervisory Board, the Supervisory Board decided – and communicated to the General Meeting in September 2017 – to change the remuneration of the Executive Board members within the framework of the remuneration policy previously determined by the Supervisory Board and approved by the General Meeting.

The remuneration of the Supervisory Board has not been changed compared to financial year 2016/2017.



Highlights of the work of the Selection and Nomination Committee during 2017/2018

The Selection and Nomination Committee (SNC) is responsible for preparing the selection and nomination by the Supervisory Board of new members of the Executive Board and the Supervisory Board. The SNC also addressed succession planning of members of both Boards, and is closely involved in succession planning of members of the Executive Committee, particularly with regards to the Audit leadership.

The SNC had four meetings in the financial year, mainly to discuss the succession planning of the Executive Board and the future CEO profile. Other agenda items discussed included; succession management, leadership development and the first rotation of NWE elected Board members. Furthermore, the Supervisory Board nominated Frans Eelkman Rooda and Jacqueline Rijdsdijk for reappointment as members of the Supervisory Board.

Priorities

The Supervisory Board has selected the following priorities for its supervision of the management and affairs of Deloitte Netherlands:

- Executive Board and Supervisory Board Succession
- Executing the Quality Agenda – specific focus: Audit Quality
- Enhancing the Enterprise Risk Framework

Rotterdam, September 28, 2018

On behalf of the Supervisory Board,
F.G.H. Deckers, Chairman





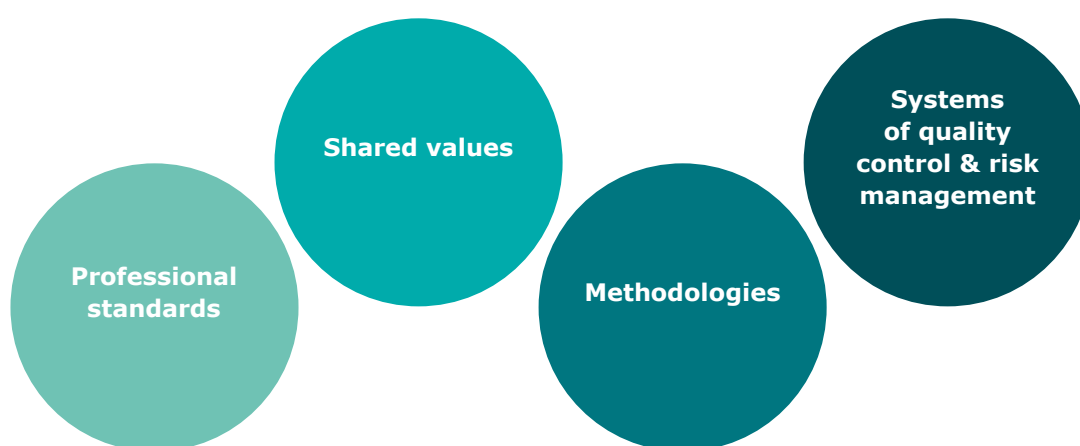
Deloitte network

Deloitte Accountants B.V. is connected to the Deloitte network through Deloitte NWE LLP, a member firm of Deloitte Touche Tohmatsu Limited. Deloitte NWE LLP holds practice rights to provide professional services using the “Deloitte” name

which it extends to Deloitte entities within its territory, including Deloitte Accountants B.V. Deloitte Accountants B.V. is authorized to serve as an auditor for entities in the Netherlands.

The Deloitte network

The Deloitte network is a globally connected network of member firms and their affiliates operating in more than 150 countries and territories across the world. These separate and independent member firms operate under a common brand.



Deloitte Touche Tohmatsu Limited

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

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



Coöperatief Deloitte U.A.– leadership in action

General Meeting

The General Meeting brings together the entire partner community. It helps to maintain Deloitte's governance 'checks and balances'. The company's annual results and long-term policy, as well as certain other matters referred to in the Articles of Association, require the approval of the General Meeting.

Composition of the Supervisory Board

The Supervisory Board is responsible for ensuring that it performs its duties as effectively and efficiently as possible. It has therefore drawn up guidelines for its size and composition, taking into account the nature of the company and the expertise and experience required of Supervisory Board members. During the 2017/2018 financial year, the Supervisory Board consisted of two women and three men, all independent external members. Members are appointed for a period of no more than four years and may serve no more than three four-year terms. The maximum term of Supervisory Board members will be amended in response to new legislation that was recently introduced.

Tasks and responsibilities

The Supervisory Board oversees and advises the Executive Board and supervises all general developments at Deloitte. The Supervisory Board is collectively responsible for executing its tasks and reports to the General Meeting. In fulfilling its duties, the Supervisory Board always acts in the company's best interests, taking account of the relevant interests of all stakeholders. The Supervisory Board is entrusted with the supervision of the policies and activities of the Executive Board, *inter alia* in relation to the following: (i) Achieving the company's objectives; (ii) The strategies pursued by the company and the risks involved; (iii) The design and implementation of internal risk management, and quality control systems; (iv) Quality, independence, ethics and other public interest matters; (v) The company's financial reporting process; (vi) The company's compliance with legislation and regulations.

Supervisory Board Committees

The Supervisory Board has formed five committees. For an overview of these committees, please refer to the Report from the Supervisory Board.

Executive Board

The Executive Board is currently composed of three men: Peter Bommel (Chief Executive Officer and Chair), Mario van Vliet (Chief Operations Officer) and Engelhardt Robbe (Chief Quality Officer).

The members of the Executive Board are appointed for a period of no more than four years but may be reappointed. The Supervisory Board will continue to look for diversity in the event of future re-appointments.

Tasks and responsibilities

Deloitte is managed by an Executive Board that is responsible for such tasks as creating a strategic and policy framework and objectives, monitoring the implementation of policies and maintaining cohesion between the company's various functions and service lines. The Executive Board reports to the Supervisory Board and to the General Meeting. The members of the Executive Board are collectively responsible for leading and managing the company.

The Executive Board acts in the company's best interest at all times when fulfilling its duties, considering the relevant interests of all stakeholders. It is responsible for observing relevant legislation and regulations, managing the risks involved in the company's activities and overseeing its financial affairs. The Executive Board reports on these matters to the Supervisory Board.

Structure of the Audit & Assurance Function

Bert Albers, Audit & Assurance Managing Partner, is appointed by the CEO of Deloitte Netherlands (Coöperatief Deloitte U.A.). Bert Albers and the senior management of Audit develop and implement the strategy for the Audit & Assurance practice, including related policies and procedures. In all activities, senior Deloitte Netherlands leaders are responsible for the overarching objective of audit quality, including compliance with applicable professional standards and regulatory requirements. Deloitte Netherlands strategy is aligned with the overall strategic direction established for the Deloitte network.



The Core Management Team of Audit & Assurance during the reporting year was comprised of:

- Bert Albers, Managing partner
- Rik Roos, National Professional Practice Director & Risk
- Albert-Jan Heitink, Growth
- Theo Jongeneel, Talent & Transformation

The extended Management Team of Audit & Assurance was comprised as followed:

- Remy Maarschalk, Service Line Leader - FSI/International
- Bas Savert, Service Line Leader - PCAOB/Listed
- Rob Bergmans, Service Line Leader - Private
- Vincent van Stijn, Service Line Leader - Public

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

Compliance Officer

Our Compliance Officer (Johan Hopmans until January 3, 2018 and Wiel Moonen from January 3, 2018) supervises compliance with, for example, the *Wta* regulations and informs both the Executive Board and the Supervisory Board on compliance (both on request and at the Officer's own initiative). The Compliance Officer initiates meetings for that purpose and provides advice on the design and reinforcement of and compliance with the quality assurance system, the independence policy and the integrity policy. The Compliance Officer is also part of the Audit Quality & Risk Meeting. The deputy Compliance Officer is Wiel Moonen (until January 3, 2018) and Liesbeth Mol (from January 3, 2018).

Professional Practice Department

The importance that Deloitte attaches to its quality of service is shown by the organization of the Professional Practice Department (PPD). Rik Roos, the National Professional Practice Director (NPPD) and Audit Risk Leader (ARL), supports the Business Leader of Audit & Assurance in the field of quality and manages the Professional Practice Department. The NPPD/ARL also acts as the first point of contact in the event of claims and disputes in the Audit & Assurance business, defines proposals for strengthening the quality of the assurance system and provides input for evaluating partners in the fields of quality and risk management.

In our Global network, our NPPD/ARL, Rik Roos, is a full member of the DTTL Global Audit Quality Board and a full member of the DTTL Global Steering Committee responsible for the Global Audit Quality Monitoring & Measurement programme.

The NPPD is supported by four partners ('service line PPDs') in a quality role designed to further strengthen leadership and agility in the quality agenda. Under the management of the NPPD, these partners have authority and responsibility for a wide range of themes in these service lines' quality agenda. These include setting targets and evaluating the performance of partners and directors, and motivating teams to implement our Global Audit Imperatives. The service line PPDs, as the deputies of the Audit Risk Leader, are also the primary point of contact for decision-making relating to the acceptance of entities and other engagements with a high-risk profile. In 2017/2018, the four service line PPDs were:

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

The PPD also includes a Practice Review Director, Ronald Spijker, and a Director, Barry Beemer, who manages the EQCR (Engagement Quality Assessments) under the NPPD's supervision.

At the end of the 2017/2018 financial year, the PPD office and the Audit Risk department consisted of 38 FTEs (2016: 31 FTE), excluding the colleagues in the senior manager curriculum, Serviceline PPDs and other staff supporting the quality agenda.

The technical professionals in the Professional Practice Department and the Audit Risk and Reputation & Risk Leadership Office (RRL) account for approximately 5% of the total professional staff of the Audit function. In addition, colleagues in the audit practice actively contribute to the quality agenda through, for example, the curriculum implemented for senior managers. This curriculum provides an ambitious group of senior managers with the opportunity to expand their horizons and invest in the future through a challenging quality role that is contributing to the quality agenda and helping to shape Deloitte's future.



Reputation & Risk Leadership Office

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

Liesbeth Mol, the Reputation & Risk Leader (RRL), is in charge of the Reputation & Risk Leadership Office. At the end of the 2017/2018 reporting year, the Reputation & Risk Leadership Office had a total of 37.4 FTE (2016: 33.4 FTE).

Table I contains a list of departments and staff reporting to the Reputation & Risk Leadership Office. They also works closely with Legal Affairs in the fields of risk management, claims, complaints and disciplinary law.

Table I: Staffing of PPD and RRL		2017/2018	2016/2017
	FTEs	FTEs	
PPD			
Accounting	5,0	4,1	
Audit Risk	12,3	9,3	
Technology	11,6	9,7	
Quality (incl. Practice Review)	4,6	3,7	
Public Sector	1,0	0,9	
Training Placement Bureau	3,7	3,7	
Senior Manager Curriculum	2,0	--	
Total	40,2	31,4	
Reputation & Risk Leadership Office			
Reputation & Risk	3,6	2,4	
Independence Centre	16,6	15,3	
Acceptance Centre	12,2	10,7	
Confidentiality, Privacy and Security	4,0	4,0	
Ethics	1,0	1,0	
Total	37,4	33,4	

Criteria: total number of FTE on May 31 of the financial year in the departments responsible for supporting compliance, independence and auditing.



Shaping the future of the audit profession

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





Developing leadership – Talent

Being the undisputed leader for our talent is crucial. Our ability to attract, develop and retain the right people is therefore a key success factor for our business. Within Audit the focus is to keep the work diverse and attractive while reducing the workload.

New Performance Experience

We recognize that a career model should reflect the needs of a new generation. This means introducing reward systems that are more flexible, and putting people leadership at the core of our development efforts.

In the 2018 financial year we launched our new performance experience. This is designed to deliver our talent experience to employees by focusing on timely feedback and career coaching conversations.

Our performance experience is no longer centred around formal assessments, but instead on continual dialogue with employees about their development and on direct feedback from team leaders on employees' day-to-day performance in their jobs. In other words, it is about conversations, not paperwork. This links with our culture program and one of our initiatives: providing honest feedback.

Diversity and inclusion

Strength from diversity is one of the core values of Deloitte. This value is rooted in our belief that diversity drives quality and innovation and, in that way, the overall performance of the Audit function. Diverse teams have better listening abilities, and these abilities lead, in turn, to better solutions.

We started seeking to strengthen diversity by examining the psychological motivation for leadership through Business Chemistry profiling. The Business Chemistry framework provides a simple yet powerful way to identify meaningful differences between people's working styles. Who looks for opportunities, and who looks for stability? Who values challenges, and who values connections? And how can these differences within our teams best be used?

We also have a KPI for gender diversity in our workforce: 60% men and 40% women by 2020, compared to the present composition of 67% men and 33% women. In order to meet this KPI we will be seeking to recruit and retain more women.

As retaining and developing female talent is a key priority, we have started a mentoring programme to encourage more women to apply for and take on senior positions. This programme is available for female directors and senior and other managers.

Retention of talent

We aim to provide a truly distinctive experience by offering career-enhancing assignments and broad-ranging development.

- Deloitte talents are given the opportunity to work on assignments with different entities so that they can discover for themselves which types of clients suit them best: public sector clients (such as universities or municipalities), private sector clients (such as family businesses) or listed entities (such as large multinationals).
- In the 2018 financial year, Audit introduced a trainee programme for employees in their first or second year at Deloitte and involving two-year program with two one-year assignments to Risk Services and Audit.
- More senior auditors were also given the opportunity to join Financial Advisory for several months.
- Since further developing IT audit and advisory skills is also a focus area, Audit is seeking to encourage personal development and enhance the diversity of work in this respect.

The key enablers for this include the extended delivery model, where several basic activities are carried out in India, and the use of enhanced technological solutions. The Talent Surveys show that 'development' has been on an upward trend since the base-line measurement in 2014 (Fig. 1).



Fig 1 – 'development' since 2014

**Table II: Employee turnover by job level**

	2017/2018	2016/2017
Partners	5	3
Directors	7	4
Senior Managers	16	16
Managers	20	33
(Senior) Staff	133	125
Support	3	4
Total turnover	184	185
Apprentices / trainees	116	196

Criteria: FTE turnover over the previous 12 months as at May 31, 2018 within Deloitte Accountants B.V. This excludes turnover of employees in our Non Assurance practice.

Work-life balance

Workload, time pressure and tight budgets are a sector-wide issue. Although the total number of direct hours recorded is decreasing, the workload is still perceived as being high. The latest Talent Surveys show a low score on work-life balance for Audit, also compared with Deloitte colleagues in other service lines.

We have therefore integrated and implemented a set of measures to reduce the workload – outsourcing work to India, use of new technology, and reducing the number of clients – while maintaining the same numbers of people in our workforce. We have also actively discussed this issue with our talent in the culture programme.

To cope with the high pressure of work we have sought to focus on enhancing the vitality of our people. We have therefore put policies and tooling in place to support a healthy lifestyle alongside a challenging job. As well as encouraging people to improve their physical fitness and participate in sport, we are increasingly aware of the need to keep an eye on people's mental health. We have therefore introduced various vitality programmes, as well as a health awareness game designed to identify early signals of stress and provide mindfulness programmes. On top of that, we are promoting flexible working hours as a way of facilitating a healthier work-life balance.

Nevertheless, the workload still is high and so this will be a focus area for leadership in the coming years.



Fig 2 – work-life balance

Culture: from good to great

During the 2017/2018 financial year, Deloitte launched a highly ambitious programme to transform its audit culture from 'Good' to 'Great'. The goal of this initiative is to establish a quality-driven culture that fits the changing landscape of the audit profession and offers our employees a great place to work.

To achieve this goal, the culture team is focusing on:

- Increasing awareness of cultural challenges and supporting change where needed;
- Addressing cultural challenges in our practices and daily behaviours;
- Finding ways to create an infrastructure that supports our desired culture and behaviour;
- Challenging leadership on our culture and ways of working;
- Enhancing how we monitor culture and our ways of working.



In sessions with partners, directors, senior managers and other staff, Deloitte participants have reflected on our ways of working and concluded that audit has seven cultural challenges to overcome. In the 2017/2018 financial year, our initiative focused on three high-priority challenges:

- Sharing and learning from mistakes;
- Providing honest feedback;
- Setting examples in behaviour and 'walking the talk'.

The interventions taken as part of our culture initiative were aligned with these challenges. The activities undertaken in the 2017/2018 financial year included:

- Setting up a culture champions network across all audit regions and service lines;
- Dialogue leadership sessions with partners and directors on their behaviour as role models and on their concrete contributions to the cultural challenges;
- Multiple dialogue sessions on sharing and learning from mistakes within audit and audit engagement teams;
- Optimising our Working Paper Review Process, based on the three cultural challenges;
- Launching an Intervention library comprising activities and interventions for teams and individuals and designed to help develop soft skills and strengthen our focus on cultural challenges;
- Embedding debriefing meetings in the Audit Quality Milestones, with attention being paid to honest feedback, and sharing and learning from mistakes;
- Designing and developing a 'Serious Game' (i.e. a process simulation focusing on desired key behaviours that create a quality-driven culture);
- Conducting regular culture surveys that measure perceptions of our cultural challenges.

We are now seeing the initial signs of greater cultural awareness, with local initiatives being organized to help close the gap between engagement teams and offices. Partners and directors are acutely aware of the need for cultural change and have shown their willingness to take the lead. We have also seen new tools being created at all levels to encourage employees to 'speak up and share'. In addition, various new initiatives and collaborations have been launched to promote cultural change and help us instill our desired culture in day to day practice.

24-hour partner sessions

In August 2017, we introduced 24-hour partner sessions in which we engaged with our partners on desired behaviour and collaboration. The first wave of partners invited to this session included the members of the Executive Committee. Since then, we have conducted several of these sessions with partners across our businesses to participate. In addition to engaging with our employees, the members of the Executive Board and partners who participated in the 24-hour sessions, also participated in culture-centered roundtables in several of our offices in the Netherlands. We also started the preparations for the launch of the 'Living our Shared Values' campaign that will start in September 2018.

Learning and development initiatives

Central to the Audit & Assurance Transformation initiative are various enhancements to the Deloitte talent model:

- A single, global Audit Learning Curriculum for auditors (with supplemental learning based on local requirements, when required);
- Specific learning opportunities for traditional auditors (on big data, for example) and specialists (such as audit skills). A mix of these opportunities ensures engagement teams have complementary skillsets, while also meeting the need for different types of learning;
- Enhanced project management, which is viewed as a key capability for future auditors and is therefore being integrated into our talent strategies (in, for example, recruitment and learning).



The Deloitte Netherlands professional development programme aims to help partners and other professionals maintain and enhance their professional competences and ensure the consistency of our audit execution. To supplement on-the-job development, Deloitte Netherlands provides formal, ongoing professional development programmes in relevant areas, consistent with the Deloitte Global Audit Curriculum.

Our DTTL organisation launched the 2018 global Audit Learning Curriculum in December 2017. This plan includes a further reinforcement of Audit Learning and a significant expansion of the number of learning activities for our employees.

The mandatory global Audit Learning Curriculum consists of e-learning, webinars and classroom courses. The classroom courses are:

- Milestone Programmes (technical)
 - Go the Distance
 - Raise the Bar
 - Accelerate the Pace
 - Audit Excellence (for ISA/PCAOB accredited professionals)
- Internal Controls & Fraud
- Project Management
- Group Audits
- IFRS Learning
- Analytics skills

Audit Learning Experience 2018

The classroom courses in the global Audit Learning Curriculum are being rolled out in the Netherlands through the Audit Learning Experience. During the year we chose to host a major learning event at a single, central venue in the Netherlands – the NBC Congress Centre in Nieuwegein. We also released three newly converged milestone programmes (Go the Distance, Raise the Bar, and Accelerate the Pace) for our assistants and senior staff. These coach-led programmes are mandatory and are aimed at practitioners in ISA or PCAOB engagements.

The Audit Excellence programme has adopted a continuous approach to learning, including just-in-time flexible learning and in-depth application workshops, all with the overall aim of equipping participants to identify key issues and develop action plans to continue enhancing and driving audit quality.

This year we added five optional courses to the learning experience. These courses complement the global Audit Learning Curriculum and were selected in a gap analysis of the Global Talent Standards. Two of the courses also link to the performance experience launched in September 2017. The five courses are:

- Project Management
- Communication – Influencing
- Management Reporting
- Feedback Skills
- Coaching Skills

Attendance

Each financial year, client-facing Audit team members must attend all the mandatory training courses. Every member is given several opportunities during the two rounds to participate in the mandatory training. Attendance is closely monitored through an automated process.

Digital learning

Deloitte provides several learning resources to aid the development and growth of its partners and employees.

Our professionals now have access to the **Harvard Business Review Channel**, which offers over 400 short videos on a broad array of business topics and a portal containing over 40 e-learning courses and online resources.

GetAbstract is a book abstract and summary service that allows our professionals to read five-page summaries of leading business books in a magazine-style format. Deloitte professionals can also access Skillsoft, a global leader in corporate learning and that provides courses and books on a wide range of business topics, free of charge.

BizQuiz – COS knowledge test

Employees in the Audit & Assurance business in the Netherlands can also voluntarily take part in the BizQuiz, a weekly online COS knowledge test facilitated by the Professional Practice Department. BizQuiz 'specials' are also organized on specific subjects. Each week, an average of about 500 colleagues enthusiastically participate in these knowledge tests.



Learning hours

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



Table III: Learning hours

	2017/2018	2016/2017
Average hours	172	151

Criteria: The hours spent by Deloitte Accountants B.V. employees (partners and fee earners) on internal and external training courses (as recorded in the financial administration) and other courses during the reporting year. Because of a change in calculation, the figure for 2017/2018 is not fully comparable with the figure for 2016/2017.

Deloitte University

Our culture and the activities of our global professionals are supported by continuing investments in the Deloitte University (DU). The DU comprises state-of-the-art learning and development centres focused on the Deloitte culture and rooted in the principles of connectivity and leadership in a highly-inclusive learning environment.

At the DU, Audit professionals from manager-level up receive training from leading international instructors in professional and leadership skills and industry knowledge.

Deloitte.
University



What Deloitte Audit & Assurance brings to capital markets

Audit & Assurance Transformation

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

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

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

Audit engagement acceptance and continuance

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

Deloitte Netherlands has detailed policies and procedures in place for accepting prospective entities and engagements and assessing engagement risk.

The whole process of client- and engagement acceptance contains of five steps and these steps are performed by practitioners, LCSPs, relationship manager (first two steps) and the RRL office (last three steps):

- Prospect creation
- Client risk assessment
- Client data added
- Background check
- Approval

These policies and procedures are designed so that Deloitte Netherlands only accepts engagements where it:

- Can perform the engagement and has the capabilities, including time and resources, to do so.
- Can comply with all relevant ethical requirements and professional standards, including independence and conflicts of interest assessments and considerations.
- Considered the integrity of the potential client's management team, including considerations regarding the law to prevent money laundering and the financing of terrorism (Wwft).


Audit innovation

Innovation is an expectation in today’s fast-changing business environment, and this expectation holds true for the audit profession as well. Today’s complex business environment requires that an audit is dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and entities expect audits to evolve as they innovate their businesses and processes. While traditional procedures still have a place in auditing, Deloitte Netherlands auditors are enhancing procedures by making more use of technology-based analytics, Artificial Intelligence (AI) and cognitive & cloud-based technologies, among other things. This leads to increased automation and effectiveness and enables Deloitte Netherlands to be at the forefront of the same technologies being used by the entities we audit. Innovation in audit is supported through our three leading platforms: Cognia, Illumia, and Magnia.


Investments in technology

Our investments in audit technologies and processes – whether independent or through our contribution to the development as part of the network - is exceeding several million euros. They range from large contributions, as has been the case with the development of our Engagement Management System, our new analytics tool, to our contribution to the Foundation for Auditing Research (FAR).






COGNIA **How we equip our people**
portal providing a full suite of tools



ILLUMIA **How we analyze data**
approach to audit analytics



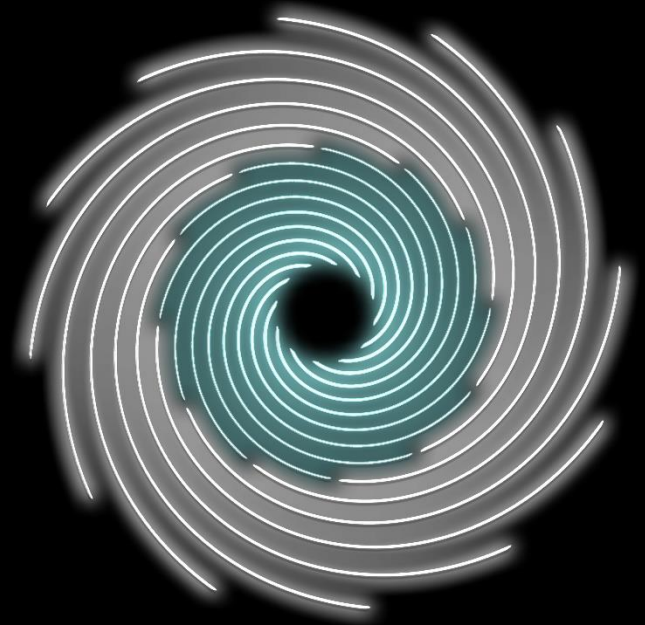
MAGNIA **How we deliver our audits**
approach to audit delivery



The high quality audits we deliver

Our high-quality audits provide audit committees, investors and other company stakeholders with:

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





External and internal audit quality monitoring

Deloitte Netherlands has embedded the responsibility for quality in its organization and governance structure. This is best expressed in the monthly Audit Quality & Risk Meetings that are dedicated to the quality agenda. Through these meetings, the Executive Board proactively initiates and monitors operations and the duty of care relating to the quality of our statutory and other audits. The Executive Board makes the necessary changes, based on detailed progress and exception reports and including the underlying root cause analyses. This ensures our Executive Board is in control. Our CQO chairs the monthly Audit Quality & Risk Meeting, as discussed in the Report from the Executive Board.

We recognize the importance of setting appropriate examples in creating a learning organization in which we explicitly recognize and reward high quality. In this respect, our Young Audit Board acts as a differentiator. The purpose of this Board, a group of five ambitious professionals, is to act as an intermediary between Deloitte's young professionals and those interested in quality, both within and outside Deloitte.

The Young Audit Board activities have included participating in the dialogue with outside stakeholders such as the Accountancy Monitoring Committee and the Dutch Authority for the Financial Markets, as well as with the Audit Leadership, including Executive and Supervisory Board members.

Young Audit Board in 2017/2018

The Young Audit Board (previously known as the Young Professional Audit Quality Board) has existed since 2013 and is intended to serve as a bridge for communications between the audit leadership and young professionals.





In the past year the Young Audit Board achieved the following:

- Improved audit quality through monthly webcasts, where we discussed several topics, such as applying data analytics in audits and the Deloitte strategy, with our CEO Peter Bommel as guest speaker;
- Our second Young Quality event, where we gave young professionals the opportunity to have discussions with our main stakeholders, including our regulator (AFM) and our professional body (NBA);
- Several dialogues with the management team on various topics, including our view on 'Deloitte as a learning organization' and our analysis of the NBA Young Profs' report on 'Young Professionals – *Opvattingen over het Accountantsberoep*' [Views on the Accountancy Profession];
- Periodic meetings with parties involved in improving quality, including the Supervisory Board, Management Team Audit and the Audit Quality & Risk Meeting;
- Being the main speaker at the NBA Young Profs event, where we gave a presentation on our experience and 'lessons learned' from setting up a Young Audit Board.

This year, the Young Audit Board will host an event in October 2018 with Roger Dassen (CFO ASML) as the main speaker, while we are also planning 'roadshows' at Deloitte offices to discuss various relevant topics with other young professionals.

Audit Quality Monitoring & Measurement

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

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

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

The AQMM program is focused on driving:

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

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

Multidisciplinary model

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

Among the benefits of the multidisciplinary model for audit:

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

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

**Table IV: Distribution of relative expenditure of time for partner/director hours****2017/2018****2016/2017**

The leverage on audit assignments by the number of partner/director hours to be expressed as a percentage of the total number of hours	7,2%	7,2%
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Criteria: The hours recorded in the financial administration for statutory audit engagements of Deloitte Accountants B.V., for partners and directors. In relation to the total number of hours recorded for these engagements. The hours recorded include the hours spent on these engagements by other Deloitte Netherlands business contributing their expertise on audit engagements.

Table V – Number of hours per FTE spent on audit and other engagements in total and by position**2017/2018****2016/2017**

	P/D	(Sr) Man	Other	P/D	(Sr.) Man	Other
Hours spent per FTE on auditing	656	779	940	655	823	877
Hours spent per FTE on other assignments	286	373	476	328	403	470
Total direct hours per FTE	942	1.152	1.416	983	1.226	1.347

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

Hours per FTE for other professionals have increased. We have implemented an integrated program, which includes for example discontinuing clients, transferring work to regional delivery centers, retention and increased recruitment to reduce workload for financial year 2018/2019 and beyond.

Table VI – Deployment of specialists in audit assignments, divided into PIEs and non-PIEs**2017/2018****2016/2017**

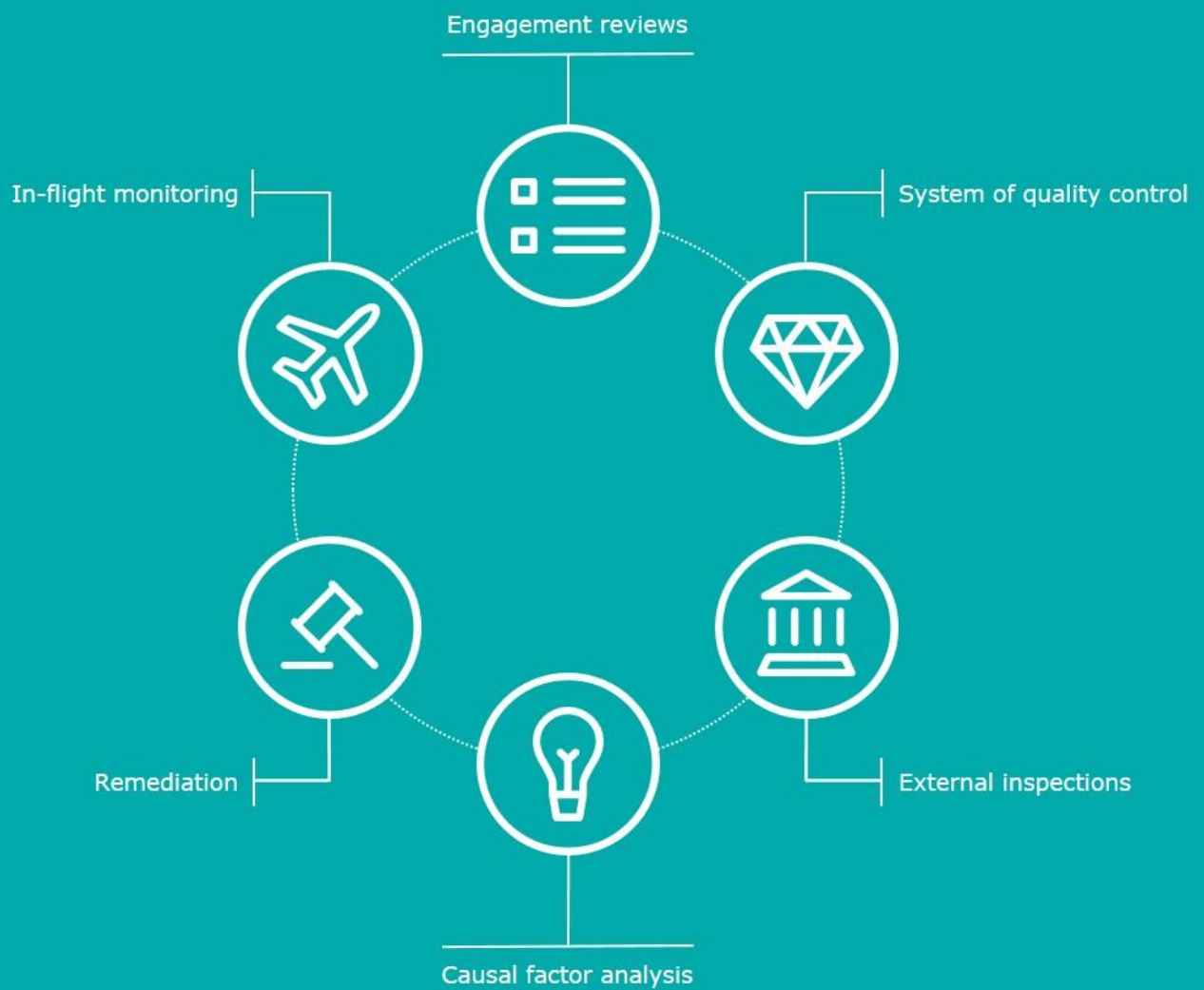
	PIE	Non-PIE	PIE	Non-PIE
Risk advisory, incl. IT specialists	7,9%	3,8%	12,24%	3,96%
Others				
• Tax & Legal	0,65%	0,56%	0,73%	0,51%
• Financial Advisory	3,75%	1,10%	1,04%	1,04%
• Miscellaneous	0,42%	0,37%	0,20%	0,06%
Total	12,72%	5,83%	14,21%	5,57%

Criteria: The hours of specialists – based on the company that provides support on the audit engagement recorded in the financial administration divided into activities on statutory audits of Deloitte Accountants B.V. on PIE and Non-PIE engagements.

The decline in the use of IT specialists shown in Table VI was mainly attributable to: i) fewer first-year PIE audits and ii) the transfer of the fraud specialists department from Risk Advisory to Financial Advisory. This also accounted for the increase in this percentage in Financial Advisory.



Audit Quality Monitoring & Measurement





In-flight monitoring

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

- Deploying and monitoring a series of core Diagnostics to continuously monitor audit quality and take immediate action;
- A programme of specific “health checks” that support our audit quality leadership in assessing progress and identifying potential issues on in-flight engagements;

An integrated approach to monitoring and measuring execution of our audit methodology enhancements.

Engagement Quality Control Review (EQCR)

- Internal inspections in 2016/2017 showed that our policies on Engagement Quality Control Review could be improved. We have since updated our EQCR procedures, which are now executed by professionals acting independently of the audit team during the audit process. Essentially, the updated policy enhances the robustness of EQCR procedures applying to (i) engagements for public interest entities (PIE) and (ii) other complex engagements with an increased risk profile due to their nature, size or complexity.

In 2017/2018 we took the following action to further improve our EQCR procedures:

- Introducing periodic training for all EQC reviewers;
- Distributing periodic updates on EQCR via newsletters and separate correspondence to all our EQC reviewers;
- Reinforcing the process for assigning EQC reviewers to specific engagements, both in terms of the allocation itself and in the documentation used to establish whether a reviewer has the appropriate experience and knowledge;
- Implementing monitoring of the timeliness and quality of the EQCRs performed by our professionals via monitoring of hours and plans to embed EQCR in the formal Practice Reviews.
- In addition, we are currently looking at the culture and mindset of the EQCR, with the aim to further strengthen the process.

Last year, we introduced a new form of centralized, risk-based monitoring for engagements outside the scope of EQCR and that uses a combination of diagnostics and Audit Quality Indicators to promptly identify any outliers. This year, we also used in-flight monitoring to analyze various engagement outside the scope of EQCR. Based on various predefined criteria, a number of engagements are selected each month for in-flight monitoring. In terms of hours, we can see that the number of EQCR hours compared to the number of team hours was relatively stable this year compared to last year (1.9% in 2017/2018; 2.1% in 2016/2017).

The hours for in-flight monitoring started this year and are not included in the hours spent on EQCR. For 52 audit engagements our central review team performed in-flight monitoring in 2017/2018.

Table VII: Performed EQCRs and hours spent	2017/2018	2016/2017
Mandatory EQCR (OKB)	207	302
Voluntary EQCR	580	674
Total number of EQCRs at statutory audits	787	976
% of total number of statutory audits	42,1%	47,7%
% of hours spent on EQCRs for statutory audits with EQCR	1,9%	2,1%

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



Engagement reviews

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

- Risk-based engagement selection and consideration of all major industries served by Deloitte Netherlands;
- Mandatory moderation panels to drive consistency in findings and engagement ratings;
- External partners and deputies who oversee practice reviews to increase global consistency;
- Identifying appropriate resources (from within Deloitte Netherlands as well as from other Deloitte geographies) with the right experience and industry expertise, including establishing central review teams.



System of quality control (SQC)

SQC includes numerous elements such as documenting key areas of the SQC processes and controls and performing procedures for testing the operating effectiveness of the SQC, including execution of a comprehensive SQC review programme.

Used in conjunction with other metrics, Audit Quality Indicators (AQIs) further assist Deloitte Netherlands in developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey. AQIs are integrated with ongoing AQMM activities.

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

Table VIII: Total number of consultations in the field of accounting and auditing	2017/2018	2016/2017
Audit	345	216
Reporting	202	174
Legitimacy	1	1
Other	13	11
Total	561	402

Criteria:

1. The number of written mandatory and non-mandatory consultations submitted to the PPD in the financial year.
2. In cases in which a consultation relates to more than one advice category, it is classified on the basis of the category to which the query primarily relates.
3. Consultations' refers to formal queries from professionals on the interpretation of laws, regulations and procedures in the field of audits and reporting.



Causal factor analysis and remediation

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



Internal and External inspections

In addition to Deloitte Netherlands' own monitoring of audit quality, we are subject to external inspections by the NBA, AFM, PCAOB, the Central Government Audit Service (ADR) and the Dutch Ministry of Education, as summarized in Table IX.

Please note that the external inspections performed by the Dutch authority for the Financial Markets and PCAOB and NBA are not performed on an annual basis.



Table IX: Number of internal and external inspections**2017/2018****2016/2017****External inspections – statutory audits**

• Dutch authority for the Financial Markets	n/a	8
• PCAOB	n/a	3
• SiSA	3	3
Total external inspections on statutory audits	3	14
Total statutory audits	1.870	1.981
	0,2%	0,7%

External inspections – Non-statutory audits

• Ministry of Education	9	12
• SiSA (incl. WNT)	3	1
• NBA	n/a	n/a

Internal inspections

Statutory audits*	44	33
* Of which PIE audits	8	4
Non-statutory audits	10	11

Criteria:

1. The amount of internal & external inspections on statutory audits as a percentage of the total number of statutory audits.
2. The publication of the final inspection results is leading in the allocation of an inspection to a financial year

Internal inspection results (Practice Review Programme)

In 2017/2018, 44 statutory audits were reviewed in the internal Practice Review Programme. Of these, 34 (77.3%) were regarded as 'compliant' (2016/2017: 66.7%), while 7 (15.9%) were regarded as 'non-compliant' (2016/2017: 12.1%) and 2 (4.5%) were regarded as 'requiring improvement' (2016/2017: 18.2%). One review is currently pending an appeal (2016/2017: 1).

External inspections results

All the external inspections – conducted by the Central Government Audit Services and the Ministry of Education – were assessed as being 'adequate'. In 2017/2018, the Royal Netherlands Institute of Chartered Accountants (NBA) did not perform any inspections of non-statutory audits executed by Deloitte Netherlands.

In late May 2018 the Dutch Authority for the Financial Markets issued its final report on its inspection of the quality of statutory audits during 2015/2016. This marked the conclusion of this investigation. We reported on the results of the AFM's inspections in our previous Transparency Report.

Acting in the public interest

To encourage and support our professionals in their focus on the public interest, we have clarified the behaviour we expect. This is because we see strong correlation between culture, mindset and professional scepticism. An example of this can be seen in the Quality Commitment, which has been signed by our professionals registered as 'external auditors', and which is based on our core values and an unwavering focus on the public interest. We are also encouraging dialogue on the behaviour we consider appropriate for achieving audit excellence and on potential dilemmas in our day-to-day practice that could hinder such

behaviour. Our efforts relating to fraud risks have resulted in a steady increase in the number of unusual transactions being reported by our professionals to the Financial Intelligence Unit.

In 2017/2018, one set of financial statements audited by the organization was found to contain a fundamental error (2016/2017: 0).



Table X: Number of unusual transactions reported	2017/2018	2016/2017
Number of unusual transactions reported	259	99

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

The increase in internal and external awareness around topics like fraud and business continuity has caused the increase in reported unusual transactions.

Lessons learned from good practices and deficiencies

We believe in the concept of continuous improvement and recognise the value of insights derived from deficiencies identified through our internal monitoring procedures. It is those insights that help our professionals reflect and learn in an ongoing effort to improve our products, services and processes. To enable our professionals to benefit from such lessons, we centrally log occurrences in cases where we have concluded that compliance with the requirements of the Dutch Auditors' Supervision Act could be enhanced. This log is a standardised source of information we can use to perform causal factor analyses and as input

for the development of training materials and coaching programmes. In our efforts to create a learning organisation, we differentiate systematic, repetitive or other significant deficiencies from instances of a more isolated nature or that are clearly trivial in nature or impact. By transparently communicating the lessons learned, next steps, and our considerations in this respect, we aim to create an environment where professionals feel free to debate the concept of audit quality, openly share potential dilemmas in day-to-day practice, and help each other to do the right thing from a public interest perspective.

Examples of observations related to financial accounting	Example of the next steps
Situation where the entity valued an investment at cost, where the equity method should have been used.	In this engagement we performed remedial procedures to ensure that we have an appropriate understanding of all relevant facts and circumstances. In addition, the entity has adjusted its financial statements, and transparently disclosed that such a situation occurred and how this has been addressed.
In a complex situation a transaction that has been accounted for as a receivable should have been charged directly to the equity position as an (informal) deduction of equity.	In this engagement we performed remedial procedures to ensure that we have an appropriate understanding of all relevant facts and circumstances. In addition, the entity has adjusted its financial statements, and transparently disclosed that such a situation occurred and how this has been addressed.
Examples of observations related to auditing	Example of the next steps
Auditors are required to perform detailed testing on journal entries. Our system of quality control revealed that this is an area where we can improve, for example in the way professionals apply the relevant methodology and the rationale for selecting certain journal entries.	In this engagement we performed remedial procedures to compliance with the Standards on Auditing. As this is an area where we see repetitive findings, our Audit Quality Plan includes a firm-wide initiative to leverage the use of data analytics in testing our journal entries and to increase consistency in the way we do so.
Auditors are required to obtain an appropriate understanding of the internal control environment. Our system of quality control revealed that some of our professionals struggle with the impact on internal control effectiveness, in situations where the entity's IT system includes certain deficiencies. We have also seen situations where there is room to improve our complete understanding of all design elements of an individual control, particularly around management review controls.	In this engagement we performed remedial procedures to ensure compliance with the Standards on Auditing. As this is an area where we see repetitive findings, our IT specialists and Professional Practice Department held an anonymous survey amongst all audit professional to trace the situations professionals consider as most challenging. The outcome of the survey has been used to develop tailored examples (training materials and webcasts) of the appropriate audit response to such situations



In all occurrences where we concluded that compliance with the requirements of the Dutch Auditors' Supervision Act could be enhanced, we have taken measures in relation to that particular situation to rectify the situation that has arisen and prevent any recurrence. Our consideration in this context is that we see it as our role and responsibility to follow up on relevant improvement areas and to do our utmost to learn from such situations by enhancing our overall system of quality control to avoid reoccurrence. In this respect we always evaluate how our Engagement Quality Control Review process could contribute to the timely identification of such a situation prior to the issuance of an auditor's report. From the perspective of the individual's performance, we consider the relevance of providing additional support and developing tailored training courses, based on the outcome of the causal factor analysis and an appropriate evaluation of the level of accountability. In evaluating the level of accountability of the professionals involved, we strongly focus on mindset and behavioral aspects, combined with an assessment of the severity of the issue in terms of nature and/ or impact and the overall track record of the professionals involved. We primarily drive quality by recognising and rewarding audit excellence and applying financial incentives that positively contribute to acting in the public interest. Utilizing this concept, there have also been instances of non-compliance as a result of an internal Practice Review or external inspection where we considered it appropriate to reduce the overall income of a respective partner (ranging between 5 and 10 percent of the annual income) to indicate the importance of audit quality and overall remuneration. Looking forward and based on the outcome of causal factor analyses, there have also been examples where we considered it in the best interests of the professionals involved to reassess the nature, composition and /or volume of the individual's client portfolio.

Partner remuneration

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

In accordance with global policies, the performance of Deloitte Netherlands' partners is evaluated annually, and depending on the outcome of the evaluation, the remuneration of partners may increase or decrease. Specifically, partner evaluations take the following factors into account:

(i) results of practice reviews and external inspections, (ii) contribution to set objectives and (iii) competencies and behaviour expected from partners within the relevant Equity Group. The National Professional Practice Director (NPPD), Risk & Reputation Leader and Director of Independence all provide input to this process. The remuneration received by a partner depends on the Equity Group to which the partner is assigned, the number of so-called NWE units allocated to that partner and on the value of each NWE unit. That NWE unit value is based on Deloitte's financial results and is determined after the end of a financial year. Deloitte applies three Equity Groups, each with a range of units. Before the start of each financial year, each Partner is assigned to an Equity Group. At the end of a financial year, a number of units is allocated to each partner, based on the performance of the partner in that financial year. That number of units times the value of those units constitutes the remuneration that the partner receives (retroactively) over that financial year. We take the quality assessment into account as one of the criteria of performance evaluation. The Equity Group and unit allocation is discussed and approved in a unit level meeting, a meeting of the Executive Board and Executive Committee, attended by the NPPD of the Audit & Assurance Function and the RRL (Reputation & Risk Leader). After that unit level meeting, the Committee for Partner Affairs of the Supervisory Board performs a (marginal) review of the meeting results to ensure recognisability, consistency and careful execution of the process. The Executive Board then resolves and submits the unit allocation for all Deloitte Netherlands' partners for final approval by the Deloitte NWE Board.

As part of the NBA recommendations 'In het Publiek Belang', Deloitte introduced a claw back scheme with a six-year term applicable for profit-sharing partners who serve as external auditor and are involved in statutory audit engagements. These partners deposit a lump sum or accrue an amount over six years from a reservation of profit amounts to one average annual profit share received during the most recent six-year period. If it becomes apparent, before the relevant expiration date under the claw back scheme, that the auditor made gross mistakes, which resulted in issuing an incorrect opinion for a statutory audit which in turn resulted in damage to society, the amount accrued pursuant to this claw back scheme may not be paid out to the audit partner. Instead, the relevant auditor may lose all or part of his/her entitlement to this amount. The remuneration received by directors



and non-profit sharing partners consists of a fixed element, a variable element (profit sharing) and, in the event of exceptional performance, a personal excellence bonus. The amount of the profit share is determined by three factors: the number of profit points for the job classification, the assessment score (including the multiplication factor) and the fixed value per profit point.

Considerations when defining 'next steps'

When defining next steps after a quality related incident, we take various elements into consideration:

- Mindset and behavioural aspects of the professionals involved;
- The public interest; the extent to which non-compliance could harm trust in Deloitte Accountants B.V. and/or the financial markets;
- The nature and severity of the non-compliance, for example, non-compliance with an internal rule versus a case of non-compliance that leads to actions with external effects, such as the withdrawal of an issued auditors' report;
- The extent to which non-compliance impacts and/or causes damage to Deloitte Accountants B.V.'s relationship with its audit entity or with supervisory bodies and regulators;
- The impact of the proposed disciplinary measure/measures;
- Level and position of the professionals involved;
- The level of cooperation demonstrated during in the follow-up.

The failure of the person concerned to immediately follow up on the non-compliance, or a lack of co-operation in answering questions truthfully and/or providing necessary information may result in more severe disciplinary measures. An individual's track record, repeated non-compliance within a short period and/or noncompliance as a result of which the entity concerned incurs a material loss, as well as noncompliance of material or essential importance to the party concerned or the entity concerned, may result in the imposition of more severe disciplinary measures.

Incidents

The integrity of persons and institutions that are active in the financial markets affects public trust in these markets and the institutions that trade in there. Audit firms play a public role. Trust in the audit firm and its image influence the performance of capital markets. This is why Deloitte's business operations are designed to ensure control and integrity in performing its activities.

Incidents reported in 2017/2018 reporting year

In 2017/2018 Deloitte reported two incidents with the Dutch authority for the Financial Markets.

One incident relates to Steinhoff International Holdings N.V. ("Steinhoff"), a Dutch company based in South Africa with shares listed on the Frankfurt, Germany and Johannesburg, South Africa stock exchanges. In press releases Steinhoff informed the public about possible accounting irregularities of material impact. Steinhoff withdrew the annual accounts for the financial year 2015/2016, which had been audited by Deloitte Netherlands, and the annual accounts for the financial year 2014/2015 of its former top holding company, which had been audited by Deloitte South Africa, a separate member firm of DTTL. The audit opinions issued on these accounts by Deloitte Netherlands and Deloitte South Africa, respectively, have been withdrawn after Management had withdrawn the referred to financial statements. Press releases followed after questions were raised by Deloitte in its audit of the annual accounts of Steinhoff for the financial year 2016/2017. The publication of the annual accounts for the financial year 2016/2017 has been postponed until completion of investigations into these possible irregularities by an independent forensic accountant appointed by Steinhoff's Supervisory Board. In June 2018, the VEB ("Vereniging voor Effecten Bezitters"), an association that had initiated a Dutch Group action on behalf of shareholders against Steinhoff previously, has also initiated a group action against Deloitte Netherlands before the Dutch Court. An investigation from the Dutch authority for the Financial Markets in relation to the above-mentioned incident reporting by Deloitte Netherlands is pending.

The second incident relates to an independence threat in the audit of two Public Interest Entities: Stedin Holding N.V. and Sligro Food Group N.V.

Stedin Holding N.V. qualifies as a public interest entity ("OOB") as from 24 October 2017. Hence, as of that date a prohibition applies to execute the legally required audit engagement of the financial statements, if the audit firm or another part of its network provides or has provided services other than audit services to Stedin Holding N.V. and its affiliated entities during the period in which independence is required. In the period from October 24, 2017 to October 27, 2017, Deloitte Belastingadviseurs B.V. answered several questions of Stedin, which qualifies as the provision of non-

audit services to Stedin. This service was not permitted under Article 5.1 of the EU Regulation on specific requirements regarding statutory audits of financial statements of public interest entities, as further implemented in the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act) and the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics of Professional Accountants, a regulation with respect to independence).

In the cases of Sligro Food Group N.V, during 2017 a team that is part of the Deloitte network but is not based in the Netherlands has continued delivering its non-audit services to a local client after this client has been acquired by Sligro Food Group N.V. These services were prohibited under article 5.1 of the EU Regulation on specific requirements regarding statutory audit of public interest entities as of the acquisition date. As soon as these situations were identified the services were terminated and measures have been taken. We discussed the situation with the Supervisory Boards of the entities and, in addition, we informed the Dutch authority for the Financial Markets heron. The Supervisory Boards agreed on the taken measures as well as on our conclusion that based on the facts and circumstances, our objectivity, integrity and professional skepticism have not been compromised.

Update on certain cases reported as incidents in prior years

During the reporting year 2017/2018, the following developments took place relating to incidents reported from previous financial years:

1. InnoConcepts

A settlement was reached between Deloitte and VEB in August 2017.

2. VEB concerning Ahold

In June 2018, a settlement agreement was reached between Deloitte and VEB and proceedings pending before the Amsterdam District Court have been terminated on June 6, 2018.

3. Vestia

In 2016, Vestia initiated civil proceedings against Deloitte requesting that the District Court decide that Deloitte is liable for damages allegedly suffered by Vestia, and damages to be established in subsequent, separate proceedings. These proceedings are still pending.

Complaints procedure

The complaints procedure was applied a total of twenty-two times. Ten cases concerned internal complaints. One internal complaint concerned a Talent (appraisal) related issue and was resolved within the Talent function. Five complaints concerned the rendering of a fine in connection with loss of an iPhone or laptop. One complaint concerned a facility matter. One complaint concerned a malfunctioning laptop and was referred to the ICT department. Two complaints concerned ethics, of which one was referred to the formal employer (managing the facility services), while the other was found not justified.

Twelve external complaints were registered. Three were related to services rendered by Deloitte Accountants B.V. Two complaints were referred to and dealt with by the service line, the other was found justified and solved amicably with intervention of the complaints committee. Five related to services rendered by Deloitte Belastingadviseurs B.V. All were referred to and dealt with by the service line. One complaint was by a whistle blower. Investigation showed that the company concerned was not a Deloitte client and the case was subsequently closed. One complaint concerned an investigation by Deloitte Forensic and is still pending. The remaining two complaints concerned Talent and concerned the selection procedure. One was referred to the specific Talent complaints procedure. The other dealt with by the complaints committee and found not justified.

Disciplinary complaints

During financial year 2017/2018, two disciplinary complaints were filed against three auditors and accountants (currently or formerly) affiliated to Deloitte Accountants B.V. in connection with services provided by Deloitte Accountants. One complaint concerned an audit of a company and relates to a tax investigation into alleged irregularities later followed by a tax settlement of the company and its management. This complaint was withdrawn after a settlement between Deloitte and plaintiffs. The second complaint relates to valuation services to a small business entity. The disciplinary court awarded this complaint and ordered the sanction of a warning.

Civil proceedings

During financial year 2017/2018, two civil proceedings were instituted against Deloitte Accountants B.V. and/or against current or former external auditors affiliated to Deloitte Accountants B.V. in connection with statutory audits

The first case is the group action by VEB relating to Steinhoff as described above under "Incidents"

The second case is litigation initiated by former Supervisory Directors of a Housing Corporation that are held liable by the Housing corporation for the performance of their supervisory tasks (the housing corporation did not hold the auditor liable). The former Supervisory Directors want to hold Deloitte as auditor liable in case claims against them are awarded by the court.

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

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

Taking the above into account, we hereby declare that we evaluated the quality assurance and internal quality monitoring system on September 28, 2018 and established that:

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

Rotterdam, September 28, 2018

Executive Board Deloitte Accountants B.V.

Peter Bommel

Bert Albers

Engelhardt Robbe

Mario van Vliet

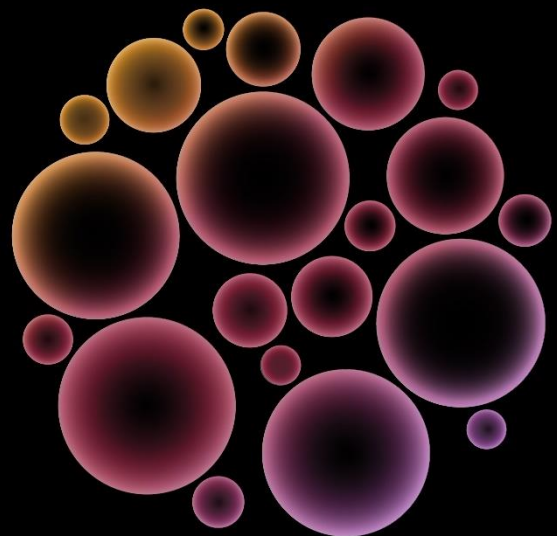


The organizational capabilities we build

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

In addition, operational discipline, effective management of our business, and the development of a singular approach of auditing provide the foundation for our commitment to bring consistency to what we do.

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





Independence, ethics, and additional disclosures

Deloitte Global Independence



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



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



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



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

Deloitte Netherlands Independence

Deloitte Netherlands has policies and procedures designed to address compliance with applicable professional standards that relate to independence. These policies and procedures are based on Regulation (EU) 537/2014, the Audit Firms Supervision Act (*Wet toezicht accountantsorganisaties, Wta*), the Audit Firms Supervision Decree (*Besluit toezicht accountantsorganisaties, Bta*), the Dutch regulation on auditor independence (*Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten, ViO*) and the Deloitte Global Independence policy. Deloitte Netherlands leadership reinforces the importance of compliance with independence and related quality control standards, thereby setting the tone at the top and instilling the importance of this into its professional values and culture. Strategies and procedures to communicate the importance of independence to partners, other professionals and support staff have been adopted, emphasizing everyone's responsibility to understand and meet our requirements.

The key elements of the system of quality control that Deloitte Netherlands has implemented in accordance with global policies include:

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



Inspection and testing procedures on personal independence

Deloitte performs an annual assessment on a selection of partners, directors and senior and other managers to determine whether they observe the independence rules and compliance requirements relating to personal independence. All individuals who hold a leadership position are tested annually. Based on the DTTL requirements, all partners and directors are assessed at least once every five years. Each year, as specified in the DTTL instructions, a percentage of the senior and other manager population are tested.

Additionally, Deloitte performs Inspection & Testing procedures on all partner and director candidates and new hires. The Director of Independence reports the outcomes of these procedures to the Reputation & Risk Leader, the Executive Board, the Supervisory Board and DTTL Global Independence annually. The 2016 report included the test results of 234 people (126 partners and directors, 105 senior and other managers, and 3 external Supervisory Board members).

Firm transactions

Deloitte Netherlands has policies and procedures in place that ensure, among other things, that potential independence concerns relating to transactions, such as acquisitions or divestments, are identified and resolved in a timely manner.

Rotation of key audit partners and professionals

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

Monitoring of rotation requirements and overall threats to independence arising from the long association of senior members of the audit team is an integral part of the independence practice reviews that are performed on a selection of audit files. The Deloitte Netherlands policy on Long Associations requires consultation with the Director of Independence in cases where rotation is not mandatory, or teams conclude that, despite the long association of a senior member of the audit team, no threat exists.

Non-compliance with applicable policies

Deloitte Netherlands has a disciplinary policy that applies in the event of non-compliance with independence policies or procedures. During the year under review, Deloitte Netherlands performed

260 personal independence assessments of partners and employees. These resulted in 58 situations where disciplinary action, based on the Deloitte Netherlands disciplinary policy, was taken. These findings related to instances of non-compliance with the policies applying in respect of timeliness and accuracy of registrations in the Global Independence Monitoring System. Deloitte Netherlands did not find any violations of external independence rules during these proceedings. Disciplinary action was taken against individuals in one case of long association with an audit entity and where an internal Deloitte Netherlands policy was not adhered to. The increase in disciplinary action can be explained by the more rigorous disciplinary policy that became effective in 2017.

Regarding combinations of services, disciplinary action was taken against individuals in two cases regarding prohibited services provided to an affiliate of an audit entity. We refer in this respect to the 'External and Internal Quality Monitoring' section in this report regarding the incident concerning Stedin Holding N.V. and Sligro Food Group N.V.

Deloitte Netherlands ethics & integrity

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

The ethical requirements for audit and related assurance services provided by Deloitte Netherlands are in accordance with the Rules concerning the Professional Code of Conduct for Chartered Accountants [*Verordening gedrags- en beroepsregels accountants/VGBA*]. Deloitte Netherlands also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the Code of Ethics for Professional Accountants ('the Code') issued by the International Ethics Standards Board for Accountants, a standard-setting body of the International Federation of Accountants (IFAC). Where the national professional requirements are more restrictive than the Deloitte Global policies and procedures, Deloitte Netherlands follows the applicable national requirements.

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



behaviour that reflects local customs, regulations and legal requirements.

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

The Deloitte Global Principles of Business Conduct ('Global Code') outlines our ethical commitments as an organization and the expectations of our people. In May 2017, DTTL launched its integrity imperative to amplify our Global Code across the organization and with the aim of achieving the following outcomes:

- Our leaders feel empowered to set a strong tone from the top;
- Our people speak up when they witness anything that runs counter to our Global Code;
- Our organization acts quickly and appropriately in the event of misconduct.

Through the integrity imperative, the ethics team can develop a proactive ethics agenda and help ensure integrity is deeply embedded in the way Deloitte conducts business and leads its people. In the 2017/2018 financial year we worked closely with the NWE ethics team to start implementing the integrity imperative in the Netherlands. The launch and completion of the integrity imperative e-learning programme by our professionals and other staff was the first visible action. By demonstrating the values and behaviours critical to our brand, to our purpose and to each other we are continuing to build our culture.

Governance

The ethics programme provides support for building ethical judgement and decision-making skills for all Deloitte staff. An Ethics Leader has been appointed with responsibility for ethics and ethics training within NWE and for establishing channels for consulting on difficult issues and reporting suspected misconduct. The Ethics Leader is supported by a Deputy Ethics Officer and a team of three confidential counsellors. One of the ways we measure the effectiveness of the ethics programme

is by conducting an annual survey. The Ethics Leader periodically reports on ethics issues and the ethics programme's progress to the Executive Board and Supervisory Board. Acting in accordance with the Global Code is the responsibility of all people at Deloitte. Each of us is called upon to know, understand and comply with the Global Code. We also have a responsibility to raise our voice if we become aware of anything that is inconsistent with the Code.

Five key commitments

The Global Code entails five key commitments:

1. Professional Behaviour: We comply with applicable professional standards, legislation and regulations and seek to avoid actions that may discredit ourselves or our professions.
2. Public Trust: We are committed to earning and sustaining the public's trust and confidence in our work.
3. Objectivity: We do not allow bias, conflict of interest or the inappropriate influence of others to override our professional judgements and responsibilities.
4. Respect and Fair Treatment: We foster a culture and working environment where our people treat each other with respect, courtesy and fairness, thus promoting equal opportunity for all.
5. Anti-Corruption: We are against corruption and neither make nor accept bribes, nor induce or permit any other party to make or receive them.

Table XI: Ethics incidents	2017/2018	2016/2017
Sexual harassment	4	4
Intimidation	10	8
Stalking	1	0
Other disrespectful treatment of colleagues (incl. bullying)	71	47
Total	86	59

Please note that the number of reports as shown in the table relate to Deloitte Netherlands as a whole

We notice an increase of ethics incidents reported to the ethics team in 2017/2018. We assume that the increased number of incidents is also a result of more attention for ethical behaviour, also in line with global trends and the launched integrity imperative e-learning which encourages our people to speak up.



Deloitte Global Ethics and Integrity Imperative

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

Deloitte's Global Principles of Business Conduct ("Global Code") outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 264,000 people, giving a strong, principled foundation. The Deloitte Integrity Imperative amplifies the Global Code across the network by empowering leaders to set a strong tone from the top; encouraging people to speak up when they witness anything that runs counter to the Global Code; and helping Deloitte act quickly and appropriately in the face of misconduct.

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

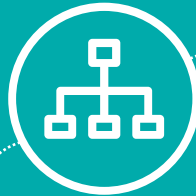
Elements of the Deloitte ethics program



Global principles of business conduct



Global ethics policies



Reporting channels and non-retaliation policy



Annual ethics survey



Practice-review program



Ethics learning programs



Appendices



Appendix A | EU EEA audit firms

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

EU/EEA Member State	Name of audit firms carrying out statutory audits in each Member State
Austria	Deloitte Audit Wirtschaftsprüfungs GmbH
	Deloitte Burgenland Wirtschaftsprüfungs GmbH
	Deloitte Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Schwarz & Schmid Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
	F.X. Priester GesmbH
	Kapferer Frei und Partner Wirtschaftsprüfungs- und Steuerberatungs GmbH
	MPD Wirtschaftsprüfungs-GmbH & Co KG
Belgium	Deloitte Bedrijfsrevisoren – Reviseurs d'Entreprises
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	Deloitte Audit Eesti AS
Finland	Deloitte Oy
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Deloitte Marque Gendrot
	Anne-Marie Torres Commissaires aux comptes
	Audalian Commissaire
	Audit Aquitaine Commissariat aux comptes
	Auitex
	BEAS
	BH Audit
	Cabinet Barouh, Societe Anonyme D'Expertise Comptable Et De Commissariat Aux Comptes
	Cabinet Garnier In Extenso
	Cabinet Husson Sas Societe D'Expertise Comptable Et De Commissaires Aux Comptes
	Cisane
	COGES

Constantin Associés
Constantin Entreprises
Consultants Auditeurs Associés
Davec SAS
DB Consultants
Durand & Associés
ECA Audit
Espace Audit Et Conseil
Extenso IDF Holding Audit Et Consulting
Fiduciaire Expertise Commissariat et Développement
In Extenso Audit
In Extenso Bretagne
In Extenso Centre Est
In Extenso Centre Ouest
In Extenso Charente
In Extenso Dauphine Savoie
In Extenso Dordogne
In Extenso Eure
In Extenso IDF Audit
In Extenso IDF EX&Com Audit
In Extenso IDF Harl Lefort et Associés
In Extenso Ile de France
In Extenso Mont Blanc
In Extenso Nord Audit
In Extenso Nord de France
In Extenso Orne
In Extenso Picardie Ile de France
In Extenso Provence
In Extenso Rhône Alpes
In Extenso SECAG
In Extenso Strasbourg Nord
Jacques Serra et Associés
Laurens Michel Audit
Lesaine, Casteleyn, Lecrocq, Societe D'Expertise Comptable Et De Commissariat Aux Comptes
MFG Audit
Opus 3.14 Audit Et Conseil
Pierre-Henri Scacchi et Associés
Revi Conseil
Sterenn

Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants SA
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland - Republic of Ireland
Italy	Deloitte & Touche S.p.A.
Latvia	Deloitte Audits Latvia SIA
Lithuania	Deloitte Lietuva, UAB
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Polska spółka z ograniczoną odpowiedzialnością Sp. k.
	Deloitte Polska Sp z o.o.
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit S.R.L.
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, S.L.
Sweden	Deloitte AB
United Kingdom	Deloitte LLP
	Deloitte Gibraltar Limited
	Deloitte NI Limited

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

The total turnover achieved by the audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements: € 2 billion¹

¹ Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective Member States provide statutory audit services as well as other audit, assurance and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2018, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than Euros is used in the Member State, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2017 to 31 May 2018.



Appendix B | Financial information

Overview : Revenue of Deloitte Coöperatief U.A. in the reporting year 2017/2018 (in € mln)

Type of services						
	Statutory audits of financial statements	Other audit and assurance engagements	Assurance related services	Subtotal	Other Services	Total
Statutory audits of entities financial statements (PIEs)	21 (21)	3 (3)	1 (1)	25 (25)	0 (1)	25 (26)
Other statutory audits of entities financial statements	103 (102)	16 (10)	6 (5)	125 (117)	25 (26)	150 (143)
Non-statutory audits of entities financial statements	0 (0)	43 (49)	1 (1)	44 (50)	6 (8)	50 (58)
Other assurance entities	0 (0)	7 (8)	52 (10)	59 (18)	28 (22)	87 (40)
Non-assurance entities	0 (0)	0 (0)	25 (24)	25 (24)	560 (523)	585 (547)
Total	124 (123)	69 (70)	85 (41)	278 (234)	619 (580)	897 (814)

Criteria:

- The 'revenue' of Deloitte Coöperatief U.A. refers to the revenue of Deloitte Coöperatief U.A. and its consolidated subsidiaries in the reporting year 2017/2018, as shown in the financial statements of Deloitte Coöperatief U.A.
- This revenue is categorized according to the nature of the services provided by Deloitte and according to the category of the relevant entity:
 - The sub-division by the type of service is made on the basis of the service classification of the engagement number under which the relevant revenue is shown in the financial accounts, with these service types being classed in four categories;
 - The sub-division by entity category is based on the classification of the entity, which is linked to the engagement number under which the relevant revenue is shown in the financial accounts, with these entities being classed in five categories.
- The sub-division is consistent with the generally accepted terms in legislation and regulations, as recorded in the Accounting Regulations Guide.
- The revenue amounts shown relate to the reporting year 2017/2018. Revenue amounts for the 2016/2017 financial year are shown in brackets for the purpose of comparison.

In the table above, revenues from statutory audit services are presented in line with the definition of a statutory audit in article 1, paragraph 1, paragraph p of the Audit Firms Supervision Act (Wet toezicht accountantsorganisaties), including attachments. This definition differs from the definition of a statutory audit in Article 13 (2) (k) of EU Regulation 537/2014.



Appendix C | Public interest entities

Public Interest Entities Audited for Statutory Purposes by Deloitte Accountants B.V. in 2017/2018:

Name

Aalberts Industries N.V.
AFC Ajax N.V.
Algarve International B.V.
Alliander N.V.
Altice N.V.
Amadeus Finance B.V.
Anadolubank Nederland N.V.
Anker Verzekeringen N.V.
Arcona Property Fund N.V.
argenx N.V.
ARQ P Notes B.V.
Atlanteo Capital B.V.
Atradius Finance B.V.
Bank Insinger De Beaufort N.V.
Bayer Capital Corporation B.V.
BBVA Global Markets B.V.
BE Semiconductor Industries N.V.
BinckBank N.V.
BNP Paribas Cardif Levensverzekeringen N.V.
BNP Paribas Cardif Schadeverzekeringen N.V.
Boiro Finance B.V.
CID Finance B.V.
Citco Bank Nederland N.V.
CityMortgage MBS Finance B.V.
Coniston CLO B.V.
DCDML 2016-1 B.V.
DELA Natura- en levensverzekeringen N.V.
Dela Verzekeringen N.V.
Douro Finance B.V.
DPA Group N.V.
DSW Ziektekostenverzekeringen N.V.



Name

Dutch Star Companies ONE N.V.

E.O.C. Onderlinge Schepenzekerings U.A.

E-MAC DE 2005-I B.V.

E-MAC DE 2006-I B.V.

E-MAC DE 2006-II B.V.

E-MAC DE 2007-I B.V.

E-MAC NL 2004-I B.V.

E-MAC NL 2004-II B.V.

E-MAC NL 2005-I B.V.

E-MAC NL 2005-III B.V.

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

E-MAC NL 2006-II B.V.

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

E-MAC Program B.V.

E-MAC Program II B.V.

E-MAC Program III B.V.

EMF-NL 2008-2 B.V.

EMF-NL Prime 2008-A B.V.

Eurosail-NL 2007-1 B.V.

Eurosail-NL 2007-2 B.V.

Euro-Galaxy II CLO B.V.

Euro-Galaxy III CLO B.V.

Euro-Galaxy IV CLO B.V.

F.A.B. CBO 2002-1 B.V.

FAB CBO 2003-1 B.V.

FAB CBO 2005-1 B.V.

Garda CLO B.V.

General Motors Finance International B.V.

Harbourmaster CLO 9 B.V.

Harbourmaster Pro-Rata CLO 2 B.V.

Harbourmaster Pro-Rata CLO 3 B.V.

Heineken Holding N.V.

Heineken N.V.

Herbert Park B.V.

Hof Hoorneman Investment Funds N.V.

Hollands Welvaren Leven N.V.

Name

IMCD N.V.
Intereffekt Investment Funds N.V.
Invesco Mezzano B.V.
IZA Zorgverzekeraar N.V.
Kendrion N.V.
Koninklijke VolkerWessels N.V.
Koninklijke Vopak N.V.
Koninklijke Wessanen N.V.
LafargeHolcim Sterling Finance (Netherlands) B.V.
Leidsche Verzekering Maatschappij N.V.
Louis Dreyfus Company B.V. (voorheen Louis Dreyfus Commodities B.V.)
Mizuho Bank Nederland N.V.
Morgan Stanley B.V.
MUFG Bank (voorheen: Bank of Tokyo-Mitsubishi UFJ (Holland) N.V.)
Munda CLO I B.V.
N.V. Argenta-Life Nederland
N.V. Bever Holding
N.V. Koninklijke Delftsch Aardewerfabriek "De Porceleyne Fles Anno 1653"
N.V. Univé "Het Zuiden" Schadeverzekeringen
N.V. Univé Zorg
N.V. VGZ Cares
Neptuno CLO I B.V.
Neptuno CLO II B.V.
Odeon ABS 2007-1 B.V.
Onderlinge Verzekering Maatschappij ZLM
Onderlinge Verzekeringsmaatschappij Univé Samen U.A. (voorheen Onderlinge Verzekeringsmaatschappij "Midden Drenthe" U.A.)
Fusie tussen;
<ul style="list-style-type: none"> • Onderlinge Verzekeringsmaatschappij "Midden Drenthe" U.A., • Onderlinge Waarborgmaatschappij Unive Westdrenthe U.A. en • Onderlinge Waarborgmaatschappij Unive Ruinen U.A.
Onderlinge Waarborgmaatschappij DSW Zorgverzekeraar U.A.
Onderlinge Waarborgmaatschappij SAZAS U.A.
Onderlinge Waarborgmaatschappij Zorgverzekeraar Zorg en Zekerheid U.A.
Randstad Holding N.V.
REA Finance B.V.
REN Finance B.V.



Name

Renoir CDO B.V.
Repsol International Finance B.V.
Roeminck Insurance N.V.
Scheepsverzekeringsmaatschappij Compact "DOV" N.V.
Sligro Food Group N.V.
SL Bidco B.V.
Stad Holland Zorgverzekeraar Onderlinge Waarborgmaatschappij U.A.
Stedin Holding N.V.
Steinhoff International Holdings N.V.
Succes 2015 B.V.
Takeaway.com N.V.
Telegraaf Media Groep N.V.
Toyota Motor Finance (Netherlands) B.V.
Univé Noord-Nederland Verzekeraar N.V.
Urenco Finance N.V.
Vesteda Finance B.V.
VGZ Zorgverzekeraar N.V.
VGZ voor de Zorg N.V.
Waard Leven N.V.
Waard Schade N.V.
Waha Aerospace B.V.
Wolters Kluwer N.V.
ZOO ABS II B.V.





Appendix D | Status of implementation of NBA Measures

Deloitte has embraced the 53 NBA measures to improve audit quality. Part of these measures requires it to provide an update of the implementation of the individual measures through the annual Transparency Report. Deloitte has provided this detailed status in the last two editions.

For the actual status please refer to the [online NBA Monitor](#). Deloitte frequently updates its status in the online NBA Monitor



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