

Deloitte.



2025 Transparency Report

Deloitte LLP and Deloitte Limited

Regulatory context

This Audit Transparency Report (Report) relates to Deloitte LLP and Deloitte Limited's¹ principal activities in the UK and Gibraltar, respectively, for the year ended 31 May 2025 (FY2025), unless otherwise stated. Deloitte LLP also has a subsidiary in Switzerland that prepares its own transparency report. Consequently, Deloitte's activities in Switzerland are not covered in this Report, unless otherwise stated.

This Report includes disclosures required by the 2022 Audit Firm Governance Code (the Code), which provides a framework for good governance practice against which firms that audit Public Interest Entities (PIEs) can be assessed and report. A reconciliation to the Code is provided in [Appendix 16](#).

This Report is prepared to comply with Article 13 of Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014 (the EU Audit Regulation) as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019. In addition, it also addresses our obligations under the EU Audit Regulation to prepare a transparency report in each of the EEA countries where Deloitte LLP has a third country audit registration: Ireland, Luxembourg, the Netherlands, Sweden and Germany.

Deloitte Limited, the Deloitte business operating in Gibraltar that has been a subsidiary of Deloitte LLP since 1 June 2017, also prepares an audit transparency report under Article 13 of the EU Audit Regulation as retained in Gibraltar law ([Appendix 3](#)).

Local audits

Public sector bodies in the United Kingdom have differing audit requirements and arrangements, depending upon the country and the type of body. 'Local audits' (or 'local public audits') are audits of English bodies conducted in accordance with the Local Audit and Accountability Act 2014. These local audits cover Local Authorities, Integrated Care Boards, and NHS Trusts (but not NHS Foundation Trusts). As we have issued audit reports in respect of major local audits² during the year ended 31 May 2025, we are required to comply with The Local Auditors (Transparency) Regulations 2020. [Appendix 4](#) includes a summary of the requirements of The Local Auditors (Transparency) Regulations 2020 and where these requirements are addressed within this Report.

We are appointed auditors for six NHS Trusts and one Integrated Care Board. We were appointed auditors for 32 local government bodies (including pension schemes) for periods up to the financial year ending 31 March 2023, for which work was ongoing during FY2025. In June 2025, we were appointed auditor for one local authority for financial years ending 31 March 2020 onwards. Our arrangements in respect of NHS Foundation Trusts and Scottish public sector audits (which are not required to be included in this Report under The Local Auditors (Transparency) Regulations 2020) are consistent with those for local audits.

Contact us atr@deloitte.co.uk

¹ Deloitte Limited is a subsidiary of Deloitte LLP (collectively, Deloitte or the firm), which is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

² As defined in The Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014.

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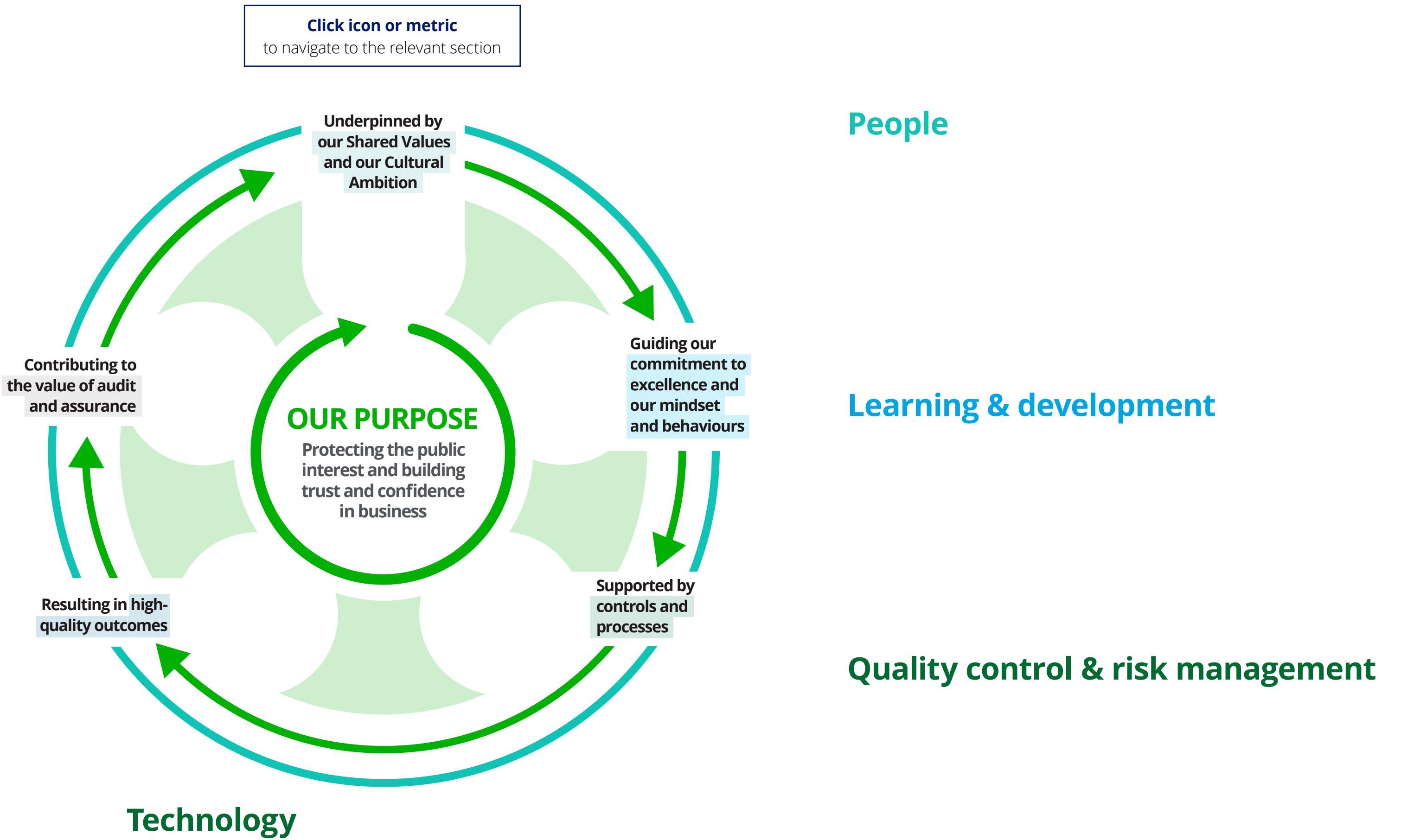
Our year in focus

Culture

Value of audit and assurance

Quality

³ FY2024 corrected and restated.



Leadership message

We take pride in our profession. In an uncertain world, where companies face complex challenges around sustainable value, audit and assurance has an important role in supporting trust and confidence.

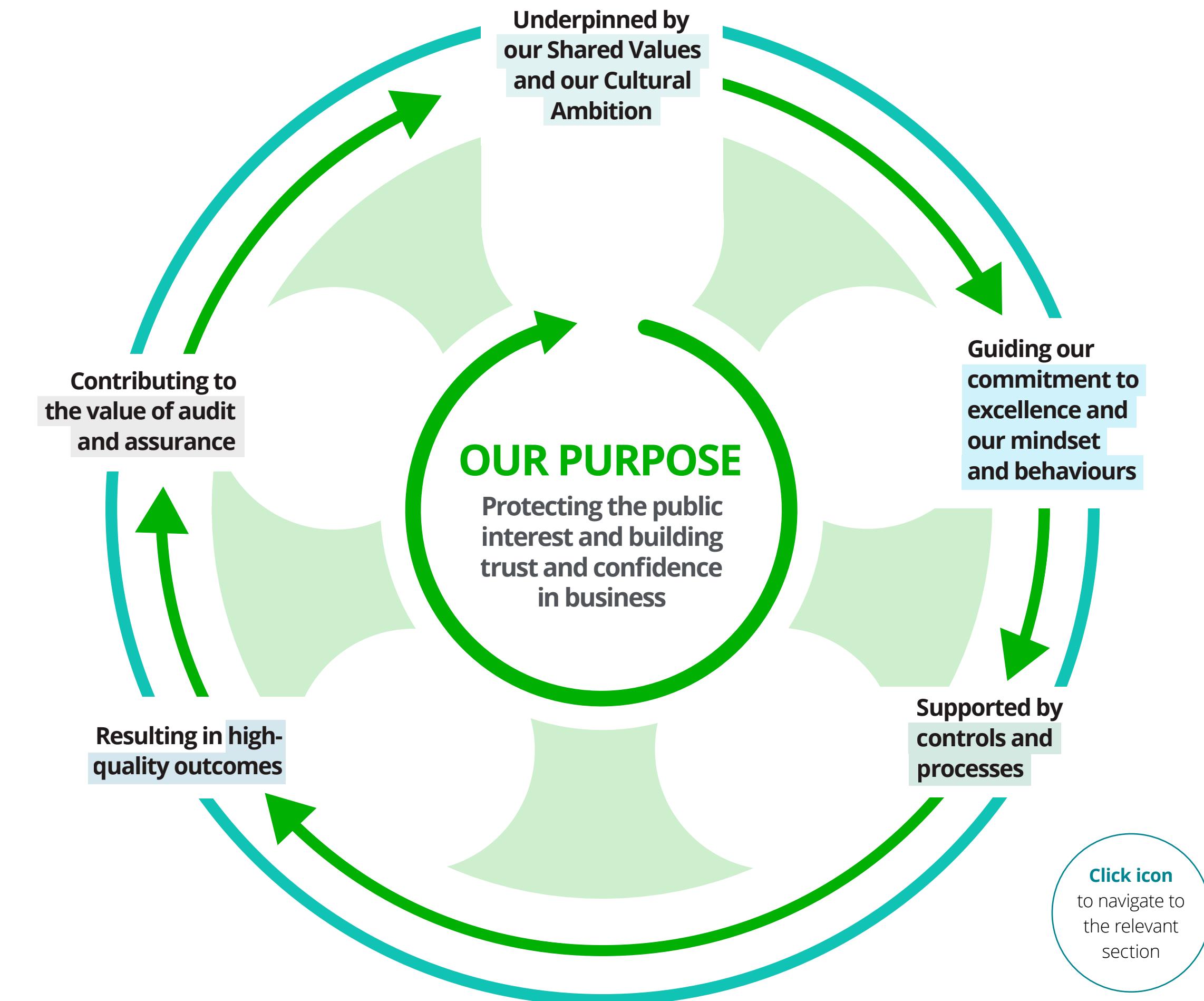
Our commitment to building trust is reflected in our dedication to developing the finance and industry leaders of the future, our investments in technology, and our focus on delivering high-quality audit and assurance work that serves the public interest and reinforces trust in the capital markets. As auditors, we have a responsibility to challenge the entities we audit on how they have responded to, and reported on, the complex business landscape. We are proud of the positive impact of our work.

Our Transparency Report provides an in-depth look at how we delivered on this commitment in the past financial year, showcasing our positive impact on audit and assurance quality, and outlining our priorities for the future. It explores the framework

we have built around our purpose, demonstrating how our people, values, culture, controls and processes work together to achieve high-quality outcomes and enhance the value of audit and assurance.

Our Shared Values and our Cultural Ambition

At Deloitte, our Shared Values and Cultural Ambition are the bedrock of our success. They guide our actions, shape our interactions and underpin our commitment to delivering high-quality audit and assurance. We believe a strong, inclusive culture, where everyone feels valued, empowered and safe, is essential to achieving our purpose. Psychological safety - an environment where everyone feels they can be their authentic selves and reach their full potential - is an important foundation to achieve this. We have recently launched a '[Culture Catalyst](#)' programme, including a summit for Audit & Assurance partners and directors, to deepen understanding and equip leaders with the tools to create psychologically safe teams.



Leadership message

Measuring our culture

The past year has seen us embed our Cultural Ambition and conduct its second annual measurement. We have continued to identify and develop metrics for ongoing measurement of our purpose-led culture, aligned to both our Global Shared Values and [Audit & Assurance behaviours](#). We are encouraged that many of our metrics show either stability or improvement. More people tell us this year that their work environment is respectful, supportive and inclusive. As we transform, we are using our Cultural Ambition as a strategic change framework to ensure we continue to bring to life our shared purpose in all that we do. Full detail of this is included in [Appendix 6](#).

High-performance culture

We are committed to fostering a high-performance culture within Audit & Assurance, one that is built on continuous feedback, development and a growth mindset. Over the past year, we have focused on enhancing how feedback is given and received, ensuring it is timely, constructive, and contributes to individual growth. We launched a charter outlining expectations for giving and receiving feedback, and developed resources, including videos and training sessions, to support these principles. We also introduced a new 360-degree feedback tool, allowing all our people to provide feedback on partners and directors. This tool is linked to our Shared Values and provides valuable insights for personal development.

Diversity and inclusion

Our people are at the heart of everything we do; making sure our workplace is inclusive and reflective of the society in which we operate is critical to our success. This year, within Audit & Assurance, 37% (FY2024: 42%) of our director promotions were female, 26% (FY2024: 24%) from ethnic minority backgrounds (of those who identify their ethnicity), and 3% were Black (FY2024: 5%). Of our partner promotions in 2025, 40% (FY2024: 33%) were female, 27% (FY2024: 22%) from ethnic minority backgrounds, and 7% were Black (FY2024: 0%). We are proud that 50% (FY2024: 39%) of our FTSE 100 audit opinions in FY2025 were signed by female audit partners.

We recognise there is still work to be done, particularly in increasing Black representation at partner level. We are focused on developing our pipeline of Black partners and directors and providing them with the support and resources they need to progress to partnership. Initiatives such as a coaching programme for high performing Black directors, as part of The Deloitte Black Experience, demonstrate our commitment to fostering the next generation of diverse leaders.

Societal impact

At Deloitte, we are proud that our people also have the opportunity to use their skills and expertise to help people and organisations outside of their audit and assurance engagements. In FY2025, Audit & Assurance colleagues spent over 7,200 hours on volunteer projects for our charity partners (FY2024: over 6,600).

Our commitment to excellence

On 1 January 2025, Allee Bonnard succeeded Paul Stephenson as Managing Partner Audit & Assurance. Allee previously led Deloitte UK's Financial Services Audit practice. Paul has taken on the role as North and South Europe (NSE) Managing Partner Audit & Assurance.

Resourcing and capacity

Our headcount in FY2025 was similar to FY2024. Balancing the human and technology aspects of audit and assurance delivery remains a focus for the Executive. Our strategic investments in technology mean that certain tasks in the future will be performed by digital tools. This provides opportunity to upskill and reskill to enhance the role that human wisdom plays alongside technology in the provision of audit and assurance; it also means our business model will need to evolve.

We continue to invest in, and expand, our extended delivery model network, carefully balancing its growth while maintaining robust graduate recruitment. We recognise the important role we play in developing the next generation of UK finance professionals through our graduate recruitment programmes and BrightStart apprenticeships.

Learning and development

We are committed to fostering a strong mindset around learning and development within Audit & Assurance, ensuring our people have the skills and knowledge they need to thrive in a rapidly changing environment. High-quality, timely learning experiences, coupled with a strong tone from the top and individual ownership, have supported high

Leadership message

engagement and completion rates for mandatory technical learning. [Deloitte University EMEA](#) - opened in June 2024 - provides world-class learning opportunities with more than 780 courses completed by UK Audit & Assurance colleagues in FY2025. We are also investing in the future of our profession by revising our early careers journey, enabling graduates to gain broader experience and contribute to end-to-end audit and assurance engagements earlier in their careers. This comprehensive approach to learning and development ensures that our people are well equipped to navigate the challenges and opportunities of the future.

Our controls and processes

Transformation through technology

Adapting to the opportunities and risks of the evolving landscape means we need to embrace innovation and establish a clear vision for the future of the profession, at the same time as upholding fundamental principles of integrity, objectivity and professional scepticism.

We continue to invest significantly in technology to enhance the quality and effectiveness of our Audit & Assurance business. This investment fuels initiatives such as our Innovation Hub, a dedicated team developing cutting-edge tools and technologies to transform how we audit and provide assurance. Innovations include PairD – our internal generative AI (GenAI) platform, which now has over 4,500 active users within Audit & Assurance – and the GenAI-powered [Smart Review](#) functionality.

AI is transforming both what we audit and assure, and how we work. We see this as a significant opportunity for our profession and for the organisations we audit provide assurance for, requiring careful adaptation of our delivery models and the cultivation of future-ready skills. Our Omnia and Levvia Global digital platforms provide our people with integrated access to cognitive technologies, AI, customised workflows and advanced data analytics. This enables deeper insights, creating more consistent, transparent and valuable audit and assurance services.

Recognising the growing importance of AI and the increasing demand for trust in these systems, we are also expanding the scope of our AI assurance services. These new services leverage our deep audit and data science expertise to assess and evaluate the effectiveness and safety of AI tools, complementing our existing services related to AI governance, control and regulatory compliance. We believe independent AI assurance is critical for the responsible adoption and scaling of AI, providing confidence to businesses, consumers, and regulators alike.

Looking ahead, we are charting a clear path for the future of Audit & Assurance, focusing on key shifts that will reshape our profession and redefine the skills and knowledge required by our teams. This forward-looking approach, combined with our investments in technology, data-driven audit techniques and AI, will enable us to adapt to our stakeholders' rapidly changing needs and deliver valuable, high-quality outcomes.

System of Quality Management (SQM)

A robust SQM is crucial for delivering high-quality engagements. This year's evaluation of the SQM took place as at 31 May 2025, and concluded with two deficiencies identified (neither severe nor pervasive) which did not have an impact on the evaluation of the SQM, confirming it provides reasonable assurance that the objectives of International Standard on Quality Management (UK) 1 (ISQM (UK) 1) are being met. At the date of this report, one of the deficiencies is fully remediated and remediation of the second is well progressed. As our SQM matures and embeds further into our daily operations, we remain focused on continuous improvement to ensure a consistent and strong approach to managing quality. We are busy implementing the Public Company Accounting Oversight Board's (PCAOB) standard on A Firm's System of Quality Control (QC 1000) that will be effective on 15 December 2026.

Single Quality Plan (SQP)

Our SQP prioritises and measures progress in key areas critical to driving measurable quality improvements. During the year, we strengthened the link between our SQP and ISQM (UK) 1, developed a formal assessment of emerging priority areas, and continued monitoring current and historic priorities. We are committed to continuously evolving our SQP to further embed its use and ensure our ongoing prioritisation of consistently high-quality engagements.

High-quality outcomes

Over the past five years, our Audit Quality Review (AQR) results have consistently improved. Published by the FRC, these results are the outcome of their audit quality inspections and supervision of each major audit firm.

Leadership message

This year we delivered our best audit quality results to date, with 95% of sampled audits rated as good or requiring no more than limited improvement. We are pleased our average results over a five-year period are now 87%, up from 83% last year. The equivalent results for FTSE 350 audits inspected was 91% (FY2024: 100%). We were disappointed that one of our audits reviewed by the Institute of Chartered Accountants of England and Wales (ICAEW) Quality Assurance Department (QAD) was assessed as requiring significant improvement. While this was a single instance, we take any failing seriously and have identified the causes and are taking action. Further, this year, the [outcome of our PCAOB inspection in 2022](#) was published. Detail on our external and internal quality monitoring results is included in [Appendix 5: Audit and assurance quality](#).

We are not complacent and recognise there is always more we can do. We put a significant level of investment, resource and effort into taking real-time actions throughout the year to address findings and to enhance our SQM.

A growing and resilient business

To promote the continued resilience of Audit & Assurance, the firm invests considerable time and resources to ensure we have the systems and processes in place to anticipate, prepare for, respond to, and recover from incidents, minimising any potential disruption to delivering high-quality engagements. This includes the implementation of a new business continuity system at the beginning of FY2025. A strong and resilient business is essential to support our investments in quality, our people, and our technology.

We are excited about the future, for the profession and our people. Forthcoming technological advancements present an opportunity for generational change - eliminating more mundane tasks for practitioners, providing deeper insights into the entities we work with, and evolving the traditional audit into a forward-looking view on the health of a business. We are seeing increasing demand in the market for confidence over broader non-financial areas, reflecting expanding stakeholder needs. This creates compelling opportunities for our people to develop new skills, drive growth and protect the public interest, which are all in turn supportive of the resilience and attractiveness of the wider audit and assurance profession.

We were disappointed that there has been a delay to the draft Audit Reform and Corporate Governance Bill. We remain of the view that there is an important opportunity to strengthen the resilience of UK business and build confidence in the capital markets. We hope that reform can be moved forward at the earliest opportunity, but not at the expense of getting the Bill right, particularly a proportionate response to the definition of public interest entity (PIE) and director accountability. As a profession, and alongside business and policy makers, we must continue to push for this outcome and set the bar for streamlined reporting, governance, and audit and assurance processes that focus on business resilience. We have welcomed the open approach that the FRC has taken in engaging with the market on its future-focused supervision and enforcement projects, and will continue to input constructive feedback to support a thriving, trusted and quality-focused profession. The complex business landscape means trust in corporate reporting has never been more valuable, and we are proud of the active role we will play as a valued profession, and as a firm, in shaping the future of audit and assurance.



Richard Houston
Senior Partner & Chief Executive



Allee Bonnard
Managing Partner
Audit & Assurance



Alan Chaudhuri
Head of Quality & Risk
Audit & Assurance



Shauna Robinson
Head of Policy, Regulation & Risk
Audit & Assurance

The Deloitte perspective

The future of audit and assurance



James Polson
IT, Data &
Analytics lead
Audit & Assurance

'Future of' conversations can sometimes feel distant or intangible. We can't predict the future of audit and assurance with certainty, but we do know that it will unfold within the context of:

- Evolving stakeholder demands and expectations of business
- An erosion of trust against a backdrop of rising misinformation or disinformation
- Rapidly changing technology.

Collectively, these drivers of change impact both what an audit or assurance scope looks like, and how it is delivered.

The headline need for our profession to provide confidence in information does not diminish against this backdrop, even with the advancement of AI. Rather, the focus shifts; it mirrors the changing risk environment and increased complexity of judgements that companies are navigating.

A big part of looking to the future is taking a view on what we think these shifts will be, and how they will, individually and in combination, impact reported information and the direction of audit and assurance.

Many of these are being felt across the world today:

- Growing societal expectations of business to address broader challenges
- Increasing disclosure of non-financial information, on an integrated and more frequent basis
- Continuing rapid advancements in technology, shaping what people and businesses can do, and increasing productivity and complexity

- The impact of geopolitics on the evolution of capital markets.

For auditors, the shift is one from focusing on independent assurance on the figures companies publish, to providing ever greater scrutiny and challenge of the story they tell.

Trust, in a business context, signifies reliance on a company's integrity, competence and commitment to ethical conduct. It is not only about financial reporting; it encompasses a broader spectrum of values and behaviours that demonstrate a company's responsibility to its stakeholders and its long-term sustainability.

To drive trust, the audit of the future must move from taking a view on financial soundness to taking a more holistic view of the companies we audit and the information they report. The increasing risk of disinformation, and the sheer volume of data that stakeholders access through AI platforms, means that society needs more confidence that the output of these tools are

reliable and trustworthy information sources. This includes assurance over processes, controls and governance around information, technology, decisions and judgements taken by directors. It must also evolve from taking a 'pass or fail' view to expressing opinions on a spectrum of confidence, with a focus on risks and judgements that are specific to the business model.

Delivering spectrums of confidence on an increasingly complex set of non-financial information requires a significant shift in approach from professional bodies, audit and assurance firms and standard setters, supported by a regulatory environment which encourages innovation.

Skill sets need to evolve, reported information needs to be tailored and focused, and our profession needs to find new, accessible ways to provide nuanced opinions on integrated data sets. This includes offering views on the

appropriateness of the range of possible outcomes used in estimation, and the underlying assumptions and judgements that the company is taking—all in a way stakeholders can access, when they want it.

Proportionality has become a buzzword in recent years, but it is key to bringing this vision to reality. Audit and assurance of the future should focus on business-critical matters; be presented clearly, and must be bold; shining a light on uncertainties, quality of decision making, and business resilience.



It is in all our interests that audit provides a more forward-looking view, with nuanced opinions across a broader spectrum of non-financial information, enabling stakeholders to assess future outcomes with confidence.

Shirley Garrood
AGB Chair

The Deloitte perspective

Business resilience, sustainability and connected reporting



Veronica Poole
UK Vice-Chair
and Global IFRS
& Corporate
Reporting lead

There have been many developments globally in sustainability reporting and assurance in recent years. In June, the UK government reached a significant milestone by issuing its consultation on the adoption of the International Sustainability Standards Board's (ISSB) IFRS Sustainability Disclosure Standards. It also issued two further consultations, including a proposal for a voluntary registration regime for assurance providers, and one on transition plan disclosure. In addition, we anticipate a consultation on non-financial reporting before the end of the calendar year.

In the EU, the European Commission's renewed focus on competitiveness has led to omnibus proposals to simplify the current sustainability reporting requirements and increase interoperability with global standards, including the ISSB Standards. In other parts of the world, adoption or use of the ISSB Standards is gaining momentum. These developments provide an opportunity for greater alignment of sustainability reporting and assurance requirements around the world, which is important if we are to achieve consistent, comparable and decision-useful sustainability information for capital markets.

The recent activity in the UK is a welcome step in that direction. The UK already has a mature and comprehensive approach, including the strategic report, Section 172 requirement and the Corporate Governance Code, encouraging a long-term perspective, a wide view of risk, and consideration of stakeholders in promoting the success of the company. Adoption of the ISSB Standards provides

an excellent opportunity to review and streamline reporting requirements in a proportionate and risk-focused way, and further emphasises the need for an integrated approach to governance, strategy, risk, performance and reporting.

To achieve a reporting regime that delivers streamlined, integrated reporting requires being bold, with the annual report as the prime communication for material information relevant to the capital allocation decisions of providers of financial capital.

Many sustainability matters are significant drivers of value and risk for companies—for example, their workforce, resilience of supply chains, relationships with customers and communities, and use of natural resources such as water. So the sustainability reporting regime, incorporating the ISSB Standards, should focus on decision-useful information, rather than promoting a 'box-ticking' mindset.

The ISSB Standards require companies to identify the key risks and opportunities relating to sustainability matters that may affect their prospects over time, and report these in a way which supports informed decision making. At the heart of the standards lies the concept of connectivity between financial and non-financial information, which can demonstrate the underlying integrated approach in the way the business is governed and managed.

Provision 29 of the revised Corporate Governance Code, which comes into force in January 2026, further emphasises the need for integrated governance by requiring an integrated approach to risk management and controls.

The groundwork for meaningful change is in place. We now need to provide companies with clear parameters to drive best practice.

An ongoing focus on integrated governance, strategy, risk, performance and reporting is an important factor in supporting a resilient UK economy. The framework for the provision of risk-focused audit and assurance within this integrated reporting landscape is an important part of the jigsaw.

[Appendix 8](#) provides further detail on the developing requirements for sustainability reporting and assurance.



While international consensus is difficult to achieve, the UK continues to refine its approach to sustainability reporting and how that is assured, recognising how important sustainability is in assessing risk and value for many companies.

Shirley Garrood
AGB Chair

Message from the Non-Executives

Consistent high quality doesn't happen by accident—people make it happen. Through our work, we see the commitment of Deloitte's people to delivering the highest standards of audit quality, and to embedding a strong culture of continuous improvement and doing the right thing. The open and transparent way in which the firm embraces our oversight, advice and challenge is testament to that strong culture.

During the year, Sir Hugh Robertson stepped down as a member of Audit Governance Board (AGB) to focus on his role on the Global Independent Non-Executive (INE) Advisory Council. He remains a member of the UK Oversight Board (UKOB) and North and South Europe (NSE) Board. There have been no other significant changes to our oversight during the year.

We were involved in the process to appoint Allee Bonnard as Managing Partner Audit & Assurance and have been delighted to see the smooth leadership transition. We would like to thank Paul Stephenson for his open approach to governance during what was a formative time for the ring-fenced Audit & Assurance business, and to wish him well in his new

role as NSE Managing Partner Audit & Assurance. We look forward to working with Allee over the coming years.

Our role as Deloitte Non-Executives extends beyond the boardroom. By speaking with Deloitte's people, across all levels of the business, we gain a deep understanding of how decisions are made and the impact they have, and that enables us to provide truly informed advice, recommendations and challenge.

Our governance focus during FY2025 Non-Executive Committee (NEC)

The NEC is our private forum where we invite members of the firm's management team to meet with us to facilitate deeper discussions on certain matters, including those of particular public interest, that we come across in the formal governance meetings and through our other engagement with the firm's leadership.

We met five times as an NEC during the year, and the matters discussed included:

- Culture measurement:** We engage regularly with the UK partner responsible for leading on Audit & Assurance culture, and their team, and are pleased to see the progress they have made in defining, activating and measuring progress against the Audit & Assurance Cultural Ambition and desired behaviours. We will continue to monitor the impact of those measures. One of us also attends the

monthly meetings of the firmwide Culture Council to enhance our understanding of how the whole firm is promoting an appropriate culture that supports the sustainability of the firm and its role in serving the public interest.

- Extended delivery teams:** During the year, two of us visited Global Audit India (GAI) to meet with leadership and staff and to see the extended delivery operations for ourselves. Four of us have now visited the firm's operations in India over the past three years; we have been impressed by the quality of the set-up and the people, and the integrated way in which the teams in India and the UK work together. We were reassured to see the strong controls in place around the extended delivery model to ensure the highest levels of audit quality are maintained and to safeguard the resilience of the UK business, in the public interest.

- Shape of the Audit & Assurance partnership:** Becoming a Deloitte partner is a significant achievement - partners have the privilege and opportunity to help drive the strategic direction of the firm, and to lead and inspire Deloitte's people. A partnership model that promotes quality, experience and leadership is critical to motivating and inspiring partners and staff to maintain the highest standards and ensure the long-term sustainability of the Audit & Assurance business. As a proxy to the sub-committee of the AGB, the NEC discussed with Audit & Assurance leadership their recommendations for audit partner remuneration and promotions.

Message from the Non-Executives

- **Ethics:** We meet regularly with the Ethics Partner and, during the year, discussed their ethics strategy and priorities for ensuring Deloitte's people demonstrate appropriate values and behaviours. They also shared with us the insights from the latest Ethics survey. As Non-Executives, and in accordance with the FRC's Ethical Standard for Auditors, we have a direct line of access to and from the Ethics Partner and they consult with us, as necessary, on matters arising from the [Public Interest Review Group \(PIRG\)](#), the firm's whistleblowing procedures, or on independence matters of particular public interest.
- **Technology:** As the firm looks to upgrade its client, audited entity and engagement take-on systems, we undertook a deep dive into the firm's proposals and the work ongoing to complete the new systems, including for ensuring the resilience of the existing systems in the interim.
- **Industrial strategy:** Deloitte's business is systemically important to the UK economy and the UK's modern industrial strategy plays an important role in meeting the challenges and opportunities facing the UK. Therefore, we were keen to discuss with Deloitte's UK Market Chair the firm's proposals for achieving sustainable growth for the benefit of the whole UK economy, and we will continue to monitor progress.
- **Information sharing:** At every meeting, we also set aside time for private discussion to share the insights from our individual meetings with Deloitte's people.

Individual engagement

Facilitated through an engagement plan, we each meet regularly with members of the UK Executive and the extended leadership team, on a one-to-one basis, to discuss the firm's strategy and operations, and the challenges and opportunities it faces. This includes regular meetings with Allee Bonnard (since January 2025 and Paul Stephenson previously) and members of her Audit & Assurance Executive to understand how they ensure people who undertake audit and assurance engagements have the right tools, resources, support and motivations to deliver consistently high-quality engagements in the public interest. And, when things go wrong, as they inevitably will from time to time, that the firm has the right controls and processes in place to address them.

We have access to the same information as is available to management, where appropriate, and are regularly invited by leadership to observe various quality and risk related meetings, including the quarterly Monitoring & Remediation meetings, and meetings of the Audit & Assurance Quality Board and Public Interest Review Group.

Colleague Engagement Sessions

Last year, the firm established a formal programme of Colleague Engagement Sessions, which one of us chairs, to explore some of the matters raised in Engage for Change surveys.

We hugely value the insights these sessions bring to our governance oversight, and really enjoy the opportunity to engage directly with staff on important topics for the firm. These sessions have also proved themselves to be a valuable addition to the firm's other listening mechanisms, and anonymous feedback is captured in a report shared with the UKOB, the UK Managing Partner People & Purpose and with the relevant management teams to help inform any actions going forward.

The latest session, on people's experiences of being a people leader, provided a fascinating insight into the rewards and challenges of the role, and what more the firm could do to better help people leaders in what is a critical role for supporting the performance and wellbeing of all Deloitte's people. We discussed these insights with the UKOB and shared them with People & Purpose leadership and HR to help inform their strategy, plans and updates to the learning curriculum.

Audit partner remuneration and promotions

As in previous years, one of us attended the various meetings that took place throughout the year to determine audit partner remuneration and promotions. This allows us to observe the firm's processes for ourselves and to see how audit quality is reflected in discussions.

We were pleased to see that the firm's processes continue to be rigorous and thorough, with a strong emphasis on audit quality.

Message from the Non-Executives

Overall, based on the frameworks established for FY2025, we are satisfied processes were in place during the year to ensure audit quality is taken into account in audit partner remuneration, reflecting the degree of difficulty and risk of the audits, and that audit quality is also taken into account in the process for selecting and reviewing candidates for promotion to audit partner.

Other engagement

Deloitte has an extensive UK-wide footprint and we seek out opportunities to meet partners and staff to understand the opportunities and challenges they face in their local markets. During the year, we visited Deloitte's offices in Birmingham and Manchester, and plan to visit Edinburgh, Belfast and Cardiff in the coming months. We are delighted to see Deloitte creating jobs and opportunities across the UK.

High-quality and timely learning and development is critical, and we attend the annual Audit & Assurance [Technical Excellence \(TechEx\)](#) training to see for ourselves how Audit & Assurance training is delivered and received. This also provides another great opportunity to engage directly with staff. We were pleased to see that AI featured specifically in TechEx 2025 and are mindful that skills requirements are changing, hopefully in a way that makes the role of an auditor even more interesting and attractive. We anticipate this being a key area of focus for us in FY2026 and beyond.

Stakeholder engagement is an important aspect of our role as Non-Executives and we are involved in Deloitte's annual audit stakeholder forum and Academy programme. We also meet with the FRC at least twice a year and find these meetings invaluable for gauging their views as the firm's key regulator and for gaining insights on areas of best practice they see at other firms. We are pleased the FRC is undertaking a comprehensive review of its approach to audit supervision and enforcement and we are continuing to provide input to the review, both in our capacity as audit firm Non-Executives and as users of audit services. Similarly, we continue to stay close to the ongoing discussions on the delayed Audit Reform and Corporate Governance Bill. Government and regulators, companies and auditors all have a key part to play in enabling the UK market to thrive. Corporate reporting needs to be proportionate and relevant for each entity, moving beyond voluntary change, with clear agreement on accountability. To that end, we look forward to seeing proportionate measures being taken forward with appropriate focus over the coming months.

Conclusion

Through their commitment to delivering quality and continuously striving for improvement and doing the right thing, we remain confident Deloitte is in a strong position to ensure a thriving and resilient audit and assurance offering that is fit for the future.

We will continue to leverage our position as Non-Executives to advise and challenge management and to communicate with stakeholders.

We are always delighted to receive any feedback. If you would like to contact us, please do so at: independentnon-execs@deloitte.co.uk



Shirley Garrood
AGB Chair,
Doubly Independent Audit Non-Executive



Jim Coyle
UKOB Deputy Chair, Non-Executive
(Audit and Non-Audit)



Almira Delibegovic-Broome KC
Non-Executive (Audit and Non-Audit)



Rt Hon Sir Hugh Robertson
Independent Non-Executive (Non-Audit)



Elisabeth Stheeman
Non-Executive (Audit and Non-Audit)

Quality overview

A dynamic environment of geopolitical and economic change demands unwavering commitment to continuous improvement, and delivery of consistently high-quality audit and assurance.



Alan Chaudhuri
Head of Quality & Risk
Audit & Assurance

I am pleased to report another year of strong performance in delivering exceptional audit and assurance quality.

Our commitment to excellence is reflected in our consistent track record of high audit quality. The results of our FRC inspections show 95% of our public interest audits in their 2025 report were rated as 'good' or 'limited improvements required', building upon the 94% achieved in the previous year. This represents a sustained upward trend over the past five years, demonstrating the effectiveness of our ongoing investments and commitment to delivering high-quality audits in the public interest. The outcome of our PCAOB inspection in 2022 was [published this year](#), and is further confirmation of our commitment to quality.

This steady improvement reflects not only our robust control environment but also the strength of our firm's culture and the support provided to our teams.

We remain committed to a culture of continuous improvement.

I am pleased the FRC report highlighted numerous examples of good practice. Robust risk assessments, including the use of forensic specialists, and effective group audit oversight, were consistently observed. The report observed the strength of our procedures in higher-risk areas, such as accounting estimates and judgements, especially asset valuations and impairments. In addition, it highlighted how data analytics significantly improved high-volume revenue audits, with alternative procedures ensuring revenue completeness where needed.

The FRC also noted our teams were proactive in offering suggestions for improving disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) and providing high-quality reporting to audit committees. These examples highlight a strong emphasis on a challenge mindset, effective coaching, robust project management, and active engagement with the engagement quality review (EQR) team.

While we celebrate these achievements, we also recognise the areas where improvement is needed.

While numerous examples of good practice were identified, the FRC also highlighted some findings in respect of valuation and impairment assessments, and revenue recognition. Our root cause analysis for these matters identified some areas for improvement in documentation, including where we had relied on prior knowledge in situations where circumstances had not changed. Our analysis also identified that some of the findings arose in lower risk areas due to teams' prioritisation of higher risk matters.

To address the findings, we have implemented several actions, including:

- Enhancements to our impairment specialist consultation policy and mandatory training on data analysis for valuation and impairment assessments
- The development of industry-focused guidance and further support for substantive analytical procedures in revenue recognition
- Improving our documentation templates for ethics and independence.

These actions, detailed in [our response to the FRC's report](#), aim to improve consistency, especially in areas of lower risk where many of the points arose. Our commitment to open communication is reflected in our transparent discussion of all Audit Quality Review (AQR) findings with Audit & Assurance partners and directors.

Quality overview

Our SQM remains a cornerstone of our audit and assurance quality.

The environment in which we operate is complex and evolving. We remain focused on identifying and investing in the changes required to continually improve and enhance the effectiveness of our SQM.

We have further developed our SQP, strengthening the link with ISQM (UK) 1, and formally assessing emerging and future priority areas while routinely monitoring current and historical priority areas. By doing this we aim to focus our resources on the most critical areas for improvement. We are also actively monitoring the effectiveness of our internal quality monitoring processes, and adjust our approach as needed to ensure it responds effectively to evolving areas of interest.

[We continue to meet the objectives of ISQM \(UK\) 1](#). In the time since this standard was implemented, our SQM has continued to mature, and we are pleased to see the FRC have identified continued instances of good practice in this area.

We have already taken action to address findings, adding further risks to our SQM which map to existing risk responses, and enhancing areas of our decision-making documentation. This has included the implementation of certain procedures and detective controls to further enhance our processes in areas identified by the FRC.

Our purpose-led culture is fundamental to our success.

Our Audit & Assurance purpose-led culture fosters the key behaviours that drive high audit and assurance quality: a positive tone from the top, strong coaching, effective project management, active engagement with EQRs, and a challenge mindset. The [measurement of this culture](#) helps us understand our strengths and areas for further focus.

Our investment in technology and data analytics is driving improvements in audit and assurance quality and effectiveness.

Our proprietary platforms, Omnia and Levvia, provide real-time access to an end-to-end digital audit, integrating AI and advanced data analytics. We have significantly increased the use of our internal GenAI tool, [PairD](#), which is now being used by over 75% of our Audit & Assurance professionals. Smart Review, our in-house GenAI-based audit review tool, enhances consistency and quality in internal controls testing. We have also deployed automated impairment modelling technologies, resulting in improved efficiency and the identification of calculation inaccuracies.

For the coming year, we are exploring the potential of several GenAI use cases and expect the use of GenAI in our audit and assurance engagements to increase rapidly in the coming years. We are committed to responsible innovation, performing rigorous testing and carefully managing the ethical considerations and risk management aspects of using GenAI in our engagements.

To ensure we leverage the full potential of these new technologies and data analytics tools, we are actively upskilling and training our people.

Our strategic priorities for FY2025 focused on building and upholding a purpose-led culture, embracing new technology and new thinking, and strengthening industry organisation and engagement. The integration of IT audit with our data and analytics teams has positioned us to deliver technology-led audits more effectively, further strengthening our ability to respond effectively to emerging technologies, risks, and market trends.

[We remain dedicated to our purpose to protect the public interest and build trust and confidence in business. This, alongside our commitment to continuous improvement, ensures we are well positioned to deliver high-quality audit and assurance engagements in the years to come.](#)

Audit Governance Board and UK Oversight Board report

Our governance bodies play a vital role in safeguarding the sustainability and resilience of the UK business, and in promoting the firm's responsibilities towards quality and the public interest. We hugely value the constructive challenge, advice and recommendations they bring to decision making.

Governance context

The North and South Europe (NSE) Board is the primary governance body for the whole of Deloitte NSE, responsible for ensuring high-quality governance and stewardship of the NSE business. The NSE Board works with the NSE Executive to set and approve the long-term strategic objectives of Deloitte NSE and the markets in which it operates.

The UK Audit Governance Board (AGB) comprises a majority of independent Audit Non-Executives (ANEs), including its Chair, and is focused on improving audit quality by ensuring that people in the Audit & Assurance business are focused above all on the delivery of high-quality audits in the public interest.

The UK Oversight Board (UKOB) comprises Independent Non-Executive (INE) members, one of whom is Deputy Chair, and a majority of partners who do not have significant management responsibilities within the

firm, including the UKOB Chair. The UKOB is focused on ensuring the resilience of the UK business and that it meets its public interest, legal and regulatory obligations. Its remit also covers oversight of specific UK business-wide matters such as external reporting and internal audit.

Significant NSE strategic changes are also considered at UKOB, including any impact on the UK business; that the UK business is not disadvantaged; and the appropriateness of the actions being taken to manage the changes. All the elected partner members of the UKOB and AGB, and two of the UK Non-Executives, are members of the NSE Board.

The UKOB and AGB work alongside each other to ensure the UK business, as a whole, meets the requirements of the Audit Firm Governance Code.

The governance schematic in [Appendix 12](#) illustrates how the UK and NSE governance bodies work together.

The work of the AGB

The AGB met six times during the year and considered the matters outlined below.

Performance and operations

At every meeting, the Managing Partner Audit & Assurance and the Audit & Assurance Chief Operating Officer (COO) provided an update on the performance and operations of the Audit & Assurance business, including discussing strategic priorities; audit tenders, resignations and

the audit pipeline; people matters (resourcing, attrition, performance management, reward and diversity); and reputational matters impacting the Audit & Assurance business or the profession as a whole. The Audit & Assurance strategic KPI dashboard is also provided at every meeting.

The AGB is consulted on all significant responses to regulatory findings and feedback, including on the FRC's annual Audit Quality Inspection and Supervision Report and root cause analysis, and on the Annual Supervisor Letter. Deloitte's supervisor at the FRC receives copies of the papers for every meeting and is invited to attend one meeting a year (although FRC attendance did not take place during FY2025 due to a change in supervisor during the year).

In addition, during the year:

- The head of the Assurance business and the Assurance Quality & Risk Leader presented to the AGB on the current position of the Assurance business, plans for FY2026 and beyond, and key opportunities and challenges
- The lead partner for Public Sector Audit presented on the work of his team, the ongoing challenges for the sector and how they are being addressed
- As part of the firm's programme of monitoring in respect of ISQM (UK) 1, the Monitoring & Remediation lead partner observed the AGB meeting in January 2025 and confirmed no observations from a governance and leadership perspective

Audit Governance Board and UK Oversight Board report

- The NSE Board Chair attended one AGB meeting during the year to observe proceedings and provide their insights from an NSE perspective.

Audit quality and risk management

A focus on audit quality underpins everything the AGB does.

The Audit & Assurance Head of Quality & Risk is a permanent attendee of the AGB and presents in every meeting on the processes in place for ensuring the consistent delivery of high-quality audits. Discussions during the year included:

- Quarterly updates on progress against the [Single Quality Plan \(SQP\)](#), an assessment of the continued appropriateness and completeness of the priority areas identified, actions being taken to further improve audit quality, emerging themes, and the ongoing assessment of the effectiveness of priority areas marked as complete
- The results of regulatory inspections and internal quality monitoring, root cause analyses and lessons learnt
- The results of ISQM (UK) 1 first and second line monitoring, and progress on implementing the incoming QC 1000 standard for quality control.

The Head of the [Continuous Improvement Group \(CIG\)](#) meets with the AGB Chair before every AGB meeting and attends three AGB meetings a year to formally update on their work in assessing, challenging

and monitoring actions being taken by the firm to respond to audit quality findings.

The Independence lead met with the AGB to discuss the process for identifying potential conflicts of interest and independence issues across the Deloitte network when bidding for audits, and the lessons learnt from some recent audit tenders. The systems and controls in place to prevent non-permissible services being provided globally to the UK firm's audited entities were also discussed, along with the processes for monitoring compliance and checking for completeness.

External reporting

The AGB reviewed the process for financial reporting to the FRC and in the Transparency Report, including compliance with the Principles for Operational Separation for ensuring transactions between the Audit & Assurance business and the rest of the firm are conducted and priced on an arms-length basis.

The AGB also reviewed this Transparency Report prior to publication, to ensure it is fair, balanced and understandable.

People management and culture

Prior to her appointment as Audit & Assurance Managing Partner, Allee Bonnard presented to the AGB on the work she was leading to address the challenges around the attractiveness of the profession, including understanding what attractiveness means to different grades; improving the external perception of audit in order to attract more talent to the

profession; and initiatives designed to improve the job experience of Deloitte auditors.

The outgoing and incoming Heads of Audit & Assurance People & Purpose presented to the AGB on achievements in FY2025, plans for FY2026 (including around early years recruitment, training and diversity), equity partner admissions and progress on culture measurement.

The AGB was also kept updated on the fulfilment of the Audit & Assurance Cultural Ambition and the results of the FY2025 Audit & Assurance Global Culture of Quality Survey.

The future of audit

The Audit & Assurance IT, Data & Analytics lead presented to the AGB on the future of audit, and actions being taken to ensure the firm is fit for the future in the context of changing expectations of businesses, changes in technology, the growth in non-financial reporting, and the impacts of various geopolitical, demographic and environmental shifts.

The Head of Audit & Assurance Policy, Regulation & Risk presented to the AGB on discussions with the FRC and the Department for Business and Trade regarding audit and corporate governance reform.

Audit Governance Board and UK Oversight Board report

Operational separation

As the operational separation transition period for the 'Big Four' audit firms came to an end during the year, the AGB reflected on the impact of ringfencing. This included the practical implications, and the impacts on resilience, quality, culture and on the profession as a whole. While several factors have led to improved quality and resilience, ringfencing has undoubtedly played an important part.

The AGB was consulted on proposed changes to the firm's application of the ring-fence, for review and challenge.

Two of the ANEs also met with the FRC to discuss their views of ringfencing, as part of the FRC's own assessment of its effectiveness.

Extended delivery model

All ANEs have now visited the extended delivery teams at Global Audit India (GAI); two ANEs visited in FY2023 and two in FY2025. The GAI Partner in Charge and the Quality Partner presented to the AGB an update on the strategy and plans for GAI and discussed the observations from the latest Executive and Non-Executive visit to India in November 2024.

The AGB challenged on the resilience of the model in an increasingly volatile geopolitical environment and was assured by the firm's analysis of, and response to, the risks.

The work of the UKOB during FY2025

The UKOB met six times during the year and considered the matters outlined below.

Strategic priorities, operations and performance

At every meeting, the UK Chief Executive Officer (CEO) and/or the UK Managing Partner (supported by the Chief Financial Officer (CFO) and Chief Risk Officer (CRO), as required) updated the UKOB on the strategic priorities, operations and performance of the UK business. They also updated on the Global and NSE strategy and performance as it relates to the UK business.

The Chief Strategy Officer (CSO) presented to the UKOB on the UK strategy and plans in the context of Deloitte's ambitions (in the UK, NSE and globally); changing client demands and expectations; a rapidly evolving technological backdrop; and a dynamic competitive landscape. At the start of the annual programme of partner engagement sessions (which all the Non-Executives attended), the CSO also presented to the UKOB on the NSE and UK strategic priorities being discussed with the partners in those sessions.

Following the strategic changes that took place globally (with effect from 1 October 2024) to simplify the storefront across the Deloitte network, the UKOB continues to monitor the impact of those changes on the UK business, including through updates from the UK Managing Partners and Quality & Risk leaders for the newly created Technology & Transformation (T&T) and Strategy, Risk and Transactions Advisory (SR&T-A) businesses on their performance, opportunities and challenges.

Other matters discussed included: UK financial performance and plans; economic and market outlook; business restructuring, including how the firm supports the impacted individuals; and changes to the partnership model.

People & Purpose

The Managing Partner People & Purpose and Head of HR updated the UKOB on how they manage the people and culture enterprise risks, including: transformation of the firm's onboarding processes; results of the Engage for Change staff survey, trends and actions to address the feedback; diversity, equity and inclusion (DEI) initiatives; and plans for FY2026.

The UKOB also discussed the feedback from the two Colleague Engagement Sessions that were held during the year, chaired by one of the Non-Executives, on the topics of making an impact and experiences of being a people leader.

Resilience and reputation

The CRO kept the UKOB updated on progress of significant claims and investigations involving the UK business or the wider network (where relevant to the resilience/reputation of the UK business). The adequacy of any related provisions in the financial statements was discussed with the CFO.

Audit Governance Board and UK Oversight Board report

The COO, Security Partner, Chief Information Security Officer (CISO) and Head of IT presented to the UKOB on business continuity plans, measures in place to manage cyber risks, and the resilience of the firm's IT infrastructure.

External reporting

Following its establishment during FY2024, the Sub-Group of the UKOB (comprising one of the Non-Executives, who chairs the Sub-Group, the UKOB Chair and the elected partner member who is common to both the UKOB and the AGB) again supported the UKOB in discharging its responsibilities regarding UK financial and non-financial reporting. The Sub-Group reports to the UKOB on its discussions and makes recommendations for the UKOB's consideration and approval, as necessary.

During the year, the UKOB and Sub-Group met the CFO and external auditors on various occasions to oversee the preparation of, and external audit arrangements over, the financial statements of the Deloitte LLP Group. The preparation of, and assurance arrangements over, certain environmental, social and governance (ESG) metrics reported in [Deloitte's UK Annual Review](#) were also considered.

The CFO also presented to the UKOB on the FY2026 business plan, the UK Treasury Policy (which was approved by the UKOB) and updated the UKOB on sources of funding for Deloitte LLP. The UKOB oversees the same measures around arm's length pricing, cost allocation and cross-subsidy as the AGB, but through a firmwide and non-audit lens.

Ethics and culture

The Head of Tax Quality & Risk, who led the review of the firm's culture of confidentiality, presented to the UKOB on the feedback from partner roundtable discussions (which were also attended by the Non-Executives) and actions being taken by the firm in response.

NSE governance

The NSE Audit & Risk Committee (ARC) and Transformation Committee Chairs present at every UKOB meeting on matters discussed at their committees that are of relevance to the UK business (where there is not already a UK-specific update scheduled to take place). The majority of matters covered by NSE governance are covered at UKOB in a specific UK context (for example, internal audit, financial performance and year-end reporting, enterprise risks and internal controls).

The NSE Board Chair also presented to UKOB on their NSE governance priorities.

Risk management and internal control

In maintaining a sound system of internal control and risk management and in reviewing its effectiveness, the firm observes the principles outlined in the FRC's Corporate Governance Code Guidance.

In relation to the internal control environment, the firm conducts an annual review of the ongoing effectiveness of the firm's system of internal control, including financial, operational and compliance controls and risk management systems. This system of internal control, which is the responsibility of the UK Executive, is designed to mitigate and manage, and not eliminate risk, and therefore provides reasonable rather than absolute assurance against the firm not achieving its strategic goals, material loss or misstatement, or non-compliance with laws, regulations and professional standards.

The UK Executive monitors the effectiveness of the firm's internal controls on an ongoing basis. Evidence as to controls effectiveness, and where required details of any necessary remediation, is obtained from a variety of internal and external sources, including internal audit. Matters of significance are escalated for debate and decision by the UK Executive where necessary. In addition, the UK Executive regularly considers and commissions enhancements to the firm's policies, procedures and controls in response to regulatory and legislative change, market developments and the operational needs of the business.

Audit Governance Board and UK Oversight Board report

The robustness of the design and operating effectiveness of the firm's internal controls has continued to evolve, through:

- Work to bring together our fraud controls in a framework that aligns to the guidance supporting the failure to prevent fraud legislation within the Economic Crime and Corporate Transparency Act 2023
- Refreshing the firm's risk management escalation and reporting protocols, which include regulatory notification requirements
- Addressing the requirements of other regulations such as the Digital Operational Resilience Act (DORA) and the Network and Information Security Directive (NIS2)
- Continued enhancements to the resilience of the firm's extended delivery model.

International Standard on Quality Management (UK) 1 (ISQM (UK) 1) operating effectiveness has also been assessed for a third year through 1st line of defence activities as well as a comprehensive and independent second line monitoring and remediation programme with no severe and/or pervasive deficiencies identified. While the PCAOB has deferred the implementation date of QC1000, A Firm's System of Quality Control, by 12 months to December 2026, our implementation programme which builds on our existing ISQM (UK) 1 framework remains underway to address the additional requirements of QC1000.

The UK Executive's ongoing monitoring of the system of internal control is complemented by oversight from the UKOB throughout the year. Evidence considered by the UKOB during FY2025 has been presented in accordance with a risk-based plan which sets out those areas of the firm's operations upon which the UKOB wished to focus in discharging its responsibilities for oversight of the firm under the Code, including the outputs of monitoring activities from across the firm.

Based upon the evidence, the UK Executive and UKOB have considered, utilising the agreed definition of 'significant control failing or weakness', whether any control failing or weakness or combination thereof, having regard to both qualitative and quantitative measures, could seriously affect the performance, future prospects or reputation of the firm. This included whether any significant control failings or weaknesses reported during the year could threaten the firm's business model (including regulatory issues and challenges to the firm's strategic objectives), future performance, solvency or liquidity.

While areas for improvement and actions are identified as part of the Enterprise Risk Framework (ERF), monitoring of control effectiveness, internal audit reports and ISQM (UK) 1, these are not of such individual or collective significance such that they represent a significant control failing or weakness. Rather they represent improvement areas we believe will further strengthen our system of internal control. In light of the evolving regulatory environment in which the firm operates, including ISQM (UK) 1, we will continue to assess the maturity of our control frameworks, to identify further areas where improvements may be achieved.

Based on our discussions and the evidence provided, the UK Executive and UKOB have concluded that no significant failings or weaknesses exist which require disclosure.

On the basis of the reviews carried out, the UK Executive and UKOB are satisfied that the firm's system of internal control has operated effectively throughout the year.

Other matters

In addition to the matters detailed above, the UKOB considered the following during the year:

- Reports from the UK Head of Internal Audit, and one report from the Global Head of Internal Audit, covering internal audit reports issued in the UK and those issued at NSE or Global that were of relevance to the UK business, along with progress against actions from previous reviews. The UKOB also approved the UK internal audit plan for FY2026, as it does annually
- An update from the COO and Head of IT on the policies and procedures for managing IT risk
- The annual report from the Independence lead on key matters regarding independence processes and related compliance
- The annual report from the Money Laundering Reporting Officer (MLRO) on the money laundering and terrorist financing risks facing the firm and how they are being managed.

Audit Governance Board and UK Oversight Board report

Monitoring the effectiveness of our governance

The following indicators are used to monitor and report on the performance of the AGB and UKOB:

KPI	Performance during FY2025
Structure and composition 1. The AGB has a majority of Audit Non-Executive (ANE) members, including an ANE Chair and at least one ANE member who is 'doubly independent', i.e., not a member of any other governance body of the firm or network	<p>At 31 May 2025, the AGB comprised:</p> <ul style="list-style-type: none">• four ANE members, including the Chair who is also the doubly independent ANE• one elected partner member who is also an elected member of the NSE Board• two executive members. <p>In October 2024, Sir Hugh Robertson stepped down as a member of the AGB to focus on his other roles as a member of the UKOB, NSE Board (including certain NSE Board Sub-Committees), and the Global INE Advisory Council.</p> <p>At all times during the year, the AGB had a majority of ANE members.</p> <p>In its latest Annual Operational Separation Assessment report, the FRC highlighted that the AGB Chair also chaired the NEC from November 2023 until June 2025 and determined this was in breach of Principle 4 which prohibits the AGB Chair from chairing any other governance body of the firm. The NEC is constituted outside of the Deloitte LLP Partnership Agreement and, as such, it is the firm's view that it is not a formal governance body of the firm. Nevertheless, a new NEC Chair was appointed on 1 July 2025.</p>

Audit Governance Board and UK Oversight Board report

KPI	Performance during FY2025
Structure and composition (continued) 2. The UKOB has a majority of members, including the Chair, who are not members of the firm's Executive 3. Relative to the responsibilities of the AGB and UKOB, the members bring the right combination of skills, expertise and knowledge	<p>At 31 May 2025, and throughout the year, the UKOB comprised:</p> <ul style="list-style-type: none">• three elected partner members, including the Chair, who are also elected members of the NSE Board• four INE members, one of whom is Deputy Chair• two executive members <p>At all times during the year, the UKOB had a majority of members who are not members of the firm's Executive.</p> <p>The Non-Executive and partner members of the UKOB and AGB have a broad range of skills, expertise and knowledge from their current and former roles, including as auditors and consumers of audit services.</p>
Meeting attendance 4. Each UKOB and AGB member attends at least 75% of meetings during the year for which they are eligible	<p>Six UKOB and six AGB meetings were held during the year (one UKOB and one AGB meeting took place a few days post year-end to accommodate members' diaries) and meeting attendance is reported in Appendix 1 of this Transparency Report.</p> <p>All the AGB meetings held during the year were quorate. Sir Hugh Robertson was a member of the AGB for two of the meetings held during the year and was unable to attend one of them, meaning he attended 50% of the meetings for which he was eligible. All other AGB members attended all the meetings held during the year.</p> <p>Richard Houston, Jane Whitlock and Sir Hugh Robertson were unable to attend one UKOB meeting each during the year.</p> <p>All UKOB meetings held during the year were quorate and all members attended at least 75% of the meetings for which they were eligible.</p>

Audit Governance Board and UK Oversight Board report

KPI	Performance during FY2025
<p>Meeting effectiveness</p> <p>5. UKOB and AGB meetings are effective in enabling the governance bodies to fulfil their roles and responsibilities in relation to the requirements of the FRC's Principles for Operational Separation and the Code, including around the reputation and resilience of the firm and the Audit & Assurance business, and around audit quality</p> <p>6. Actions arising from meetings are recorded, monitored and responded to</p>	<p>High-level UKOB and AGB agendas are drafted at the beginning of the year to align with the requirements of the FRC's Principles for Operational Separation, the Audit Firm Governance Code, and the anticipated needs of the firm and Audit & Assurance business, and may be flexed as necessary.</p> <p>Detailed agendas and pre-UKOB/AGB briefing meetings held between the respective chairs and presenters ensure timings are sufficient to cover the required content in enough detail and that the content meets the needs of the UKOB/AGB.</p> <p>The UKOB/AGB Secretariat records minutes of the meetings and compiles action plans, which are distributed to the UKOB/AGB members and relevant action owners, monitored by the Governance Chief of Staff and then followed up at subsequent meetings.</p>

Audit Governance Board and UK Oversight Board report

KPI	Performance during FY2025
<p>Information flows</p> <p>7. The quality and content of management information presented to the UKOB and AGB is appropriate to enable the governance bodies to meet their responsibilities</p> <p>8. There is an appropriate flow of information to and from the UKOB/AGB and the NSE Audit & Risk Committee (ARC)</p>	<p>The AGB Chair meets with the presenters ahead of each AGB meeting to discuss the content of the presentation and pre-read papers.</p> <p>A standing Audit & Assurance management information pack has been developed for the purposes of reporting to the AGB. The pack contains narrative on key themes to support execution of the Audit & Assurance business strategy: quality and risk, financial and operational resilience, people and purpose, and reputation, alongside relevant metrics and performance indicators. The pack is also shared with the FRC after every AGB meeting.</p> <p>The UKOB Chair and Deputy Chair meet with the presenters ahead of each UKOB meeting to discuss the content of the presentation and pre-read papers.</p> <p>UKOB and AGB agendas, standing management information packs and other relevant pre-read information are uploaded onto an electronic board portal in advance of the meetings, with a view to them being available for the members to review during the week before the meeting.</p> <p>There is a formal reporting mechanism in place between the NSE ARC and UKOB. While the majority of matters considered by the NSE ARC are already reported to UKOB in a specific UK context, NSE ARC agendas are shared with UKOB members and there is a standing UKOB agenda item for the NSE ARC Chair to report to UKOB on any items of relevance to the UK business that have not already been covered.</p> <p>In addition, there is commonality of membership between the NSE ARC and UKOB which ensures an appropriate flow of information and shared knowledge. There are currently three UK elected partners who are members of both the NSE ARC and the UKOB. One of the Non-Executives (Elisabeth Stheeman) is also a member of the NSE ARC.</p> <p>The NSE ARC papers are made available to all the UK Non-Executives to access as required.</p>

Audit Governance Board and UK Oversight Board report

KPI	Performance during FY2025
Monitoring governance effectiveness 9. A review is undertaken into the effectiveness of the UKOB and AGB on at least a three-yearly basis	<p>During FY2021, as part of the firm's plans for operational separation, an internal review was undertaken into the UK governance structure and the future roles and authorities of the AGB and UKOB.</p> <p>As reported in the previous year's Transparency Report, an externally facilitated review of the effectiveness of the governance model which had been planned for FY2024, to coincide with three years of operation of the AGB, was deferred to FY2025. However, the review has been deferred again due to an ongoing reassessment of Deloitte's governance against the 2022 Audit Firm Governance Code being undertaken by the FRC.</p> <p>We will conduct an externally facilitated review of our governance at an appropriate time, once the FRC's reassessment is complete.</p> <p>The terms of reference of the AGB and UKOB are kept under review.</p>
Stakeholder dialogue 10. The firm, including the Non-Executives, meets regularly with stakeholders (including public interest entity investors and audit committees, and regulators) to discuss matters of relevance to the profession and ensure it keeps in touch with stakeholder opinion, issues and concerns 11. The Non-Executives provide an external perspective to the firm's public reports and consultation responses, drawing on their broad knowledge and experience	<p>The firm holds an Audit Forum each autumn, inviting various internal and external stakeholders to discuss and debate issues impacting the profession. This event is attended by the ANEs.</p> <p>The FRC has a regular programme of supervisory meetings with the firm's leadership and also meets the Non-Executives at least twice a year.</p> <p>During the year the Non-Executives reviewed and provided input to the firm's responses to the FRC's Audit Quality Inspection and Supervision Report and root cause analysis, and the Annual Supervisor Letter.</p> <p>The Non-Executives also reviewed and provided input into this Transparency Report, prior to publication.</p>

Ethics, independence and conflicts

Upholding the highest standards of quality, ethics and independence is paramount to build public trust and strengthen our professional reputation; these are essential factors in building pride in our profession.

Our dedicated Ethics, Independence and Conflicts teams work closely with all business areas to protect the quality of our audit and assurance services. Together, we ensure compliance with relevant rules, regulations and policies, employing a proactive and risk-focused approach. Through continuous dialogue, feedback mechanisms, targeted education and communication programmes and robust quality control systems, we embed these principles into our daily operations. This collaborative and transparent communication framework reinforces our commitment to placing ethics and independence at the core of all we do, fostering public trust and confidence in our profession.

Our latest Engage for Change survey showed that 83% of colleagues within Audit & Assurance feel they are supported to behave in a way aligned to our Shared Values (FY2024: 83%).

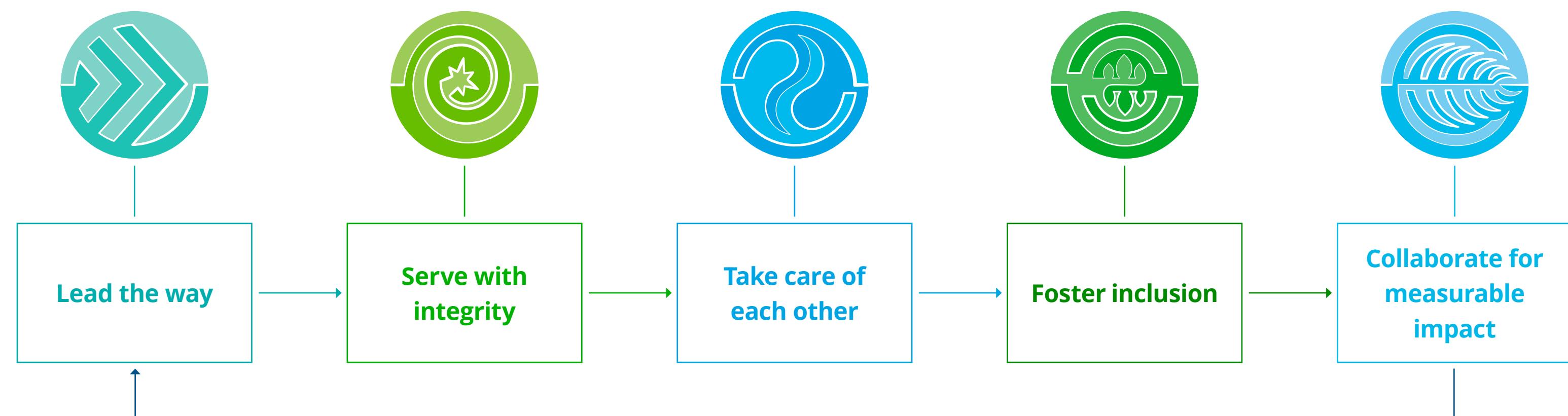
Confirmation of internal review of independence practices and compliance

In accordance with Article 13.2(g) of the EU Audit Regulation, we confirm an internal review of our independence practices has been conducted during the year.

Our internal monitoring processes provide us with reasonable assurance that our processes operate as designed, our independence controls are appropriately observed and, where exceptions are noted, identify where further action is required. As part of these reviews and other monitoring we perform, we also assess compliance with Deloitte Global and UK independence policies. The results of these internal reviews are reported to the UK Executive and UKOB and, where required, to Deloitte Global's CEO and Board.

Our Shared Values

Our Shared Values lie at the core of how we shape our behaviours, attitudes and decisions, and provide a robust quality framework for our colleagues and business to operate and grow. We aim to foster an environment of trust and accountability among colleagues, which is reflected in the strong relationships we build with our internal and external stakeholders.



Ethics, independence and conflicts

The importance of an ethical and independent mindset

Pride in our profession demands public confidence, achieved through robust and ethical practices. We champion this by focusing on preventative controls, bolstered by additional detective measures. This multi-layered approach strengthens our processes, introducing vital checks and balances that minimise risk and enhance quality.

Our commitment to an ethical and independent mindset is at the forefront of what we do. It forms the bedrock of our decision making, ensuring every action aligns with our Shared Values of inclusion, integrity, and collaboration.

This principle guides our Ethics, Independence and Conflicts teams who work with the business. A collaborative approach promotes ethical considerations as central to every business decision. Our dedication to quality management and meeting regulatory requirements set by bodies such as the FRC, International Ethics Standards Board for Accounting (IESBA), and the US Public Company Audit Oversight Board (PCAOB), further reinforces our Shared Values.

At Deloitte, all our people pledge to follow our [Code of Conduct](#), as well as our Global Principles of Business Conduct, which outline the commitments each of us make. While we are all individually responsible for knowing, understanding and complying with the Code, our Ethics team supports us in enabling our people to uphold our ethical culture and Shared Values while maintaining an independent mindset.

Our 2024 Ethics Survey showed that, of our people:

- 96% believe we are an ethical organisation (2023: 95%)
- 95% feel prepared to deal with ethical issues at work when confronted with them (2023: 92%)
- 98% understand we all have an individual responsibility to report unethical conduct (2023: not included in survey).

While these are positive results, the Ethics team continues to work on increasing transparency around reporting and raising awareness of our ethics framework.

Systems and quality management

During the year, we further developed our controls and processes with a formal assessment of historic, emerging and future priority areas, for continuous monitoring. We are committed to developing our quality management to further embed its use and ensure ongoing prioritisation in delivering consistently high-quality audit and assurance engagements.

Detail on the approach to our SQM can be found within [Appendix 5: Audit and assurance quality](#).

Protecting our reputation through strong acceptance and continuance processes

Professional standards and regulations require us to have effective policies and processes in place to identify and address potential conflicts of interest.

All proposed engagements and business and financial relationships go through a conflict check before they are accepted



If potential conflicts are identified, we implement safeguards to eliminate or reduce threats to an acceptable level



Where potential conflicts cannot be eliminated or reduced to an acceptable level, we decline the engagement



Safeguards are subject to ongoing monitoring procedures

Ethics, independence and conflicts

To protect the quality of our engagements, we ensure:

- The audit partner is always consulted where a potential conflict involves entities audited by the firm and has the potential to impact audit independence. Education and training is provided to our partners and staff to allow early identification of such potential conflicts
- Independence experts and firm leaders are consulted on difficult or contentious matters, including the Public Interest Review Group (PIRG) when there are significant public interest considerations
- All our people consider whether any personal relationships or financial interests could give rise to potential conflicts of interest, consult where appropriate and remain alert throughout engagements for any new potential conflicts.

To protect our reputation and build public trust, it is key we are meticulous and rigorous in our assessment of risks deriving from new projects. During the year, we have placed a strong emphasis on strengthening the assessment of independence considerations when taking on non-audit engagements, including the testing of the completeness of these processes.

Serving the public interest

Consistent with our purpose of protecting the public interest and building trust and confidence in business, we use robust processes to build ethical decision making into our acceptance of new engagements. The purpose of the PIRG is to review proposed engagements with high public interest characteristics and/or which could potentially impact on the reputation of the firm and/or that may be of interest to the public. The PIRG has been serving our business and upholding trust in our profession for over a decade. The PIRG makes a valuable contribution to our organisation, demonstrated by the fact that more than 800 matters with a public interest component have been reviewed in that time, and the quality of leadership consultations - resulting in outcomes that align with the public interest and our Shared Values.

During FY2025, 32 matters were brought to the PIRG for a formal consultation (FY2024: 38) of which 82% related to work that proceeded (FY2024: 81%), in most cases subject to conditions. 9% of matters resulted in work being declined (FY2024: 19%), primarily due to misalignment between prospective client or audit entity and Deloitte values. The PIRG also meets regularly with certain account teams to discuss account milestones and updates throughout an engagement lifecycle for clients or audited entities with strong public interest considerations, and holds broader thematic discussions to keep PIRG members abreast of new industry developments and relevant growth opportunities. These discussions make up the remaining 9% of the overall matters discussed in FY2025.

As the governance and experience of the Office of the PIRG (the Office) has matured, the review of engagements with a public interest element has been streamlined. The Office triages opportunities (more than 100 matters in FY2025) to ensure only the most complex matters are discussed at formal consultation. Alongside the Ethics, Independence and Conflicts teams, the Office also participated in other related firmwide forums, one example being the group considering opportunities in the AI and technology space.

The PIRG is also aligned with the NSE equivalent, the Public Interest Consistency Group, and actively participates in Global Responsible Business Committee meetings and initiatives. The Office has been collaborating with NSE geographies to create the NSE Community of Best Practice, to build a trusted network of experts and develop consistent thinking, methods and approach when making decisions concerning public interest and responsible business matters.

The PIRG continues to review and update existing guardrails in a number of subject matter areas to support consideration of public interest by the business. The PIRG holds regular thematic sessions to facilitate ongoing knowledge sharing and professional development across diverse sectors and areas of expertise. A communications plan has been developed to increase transparency of the firm's decision making and the role the PIRG plays within our firm's governance.

Ethics, independence and conflicts

Partner and staff rotation

To ensure we serve with integrity and control the risk of a threat to independence from prolonged service in audit engagement teams, we closely monitor the length of time partners and key staff spend on each engagement, including across different roles, and implement succession plans where appropriate. Supported by our compliance systems, this active monitoring allows us to identify and manage perceived threats to independence and ensure strict adherence to regulation in this area. In response to inspection findings, we chose to issue a revised long association policy in 2022, which requires rotation of audit partner and key staff after seven years and includes a two-year transitional provision. Extensions are only considered on audit quality grounds, and rarely granted, subject to approval by Quality, Risk & Security and Audit Quality and Risk Management (QRM) leadership.

SpeakUp and ethics policies

We are proud of the effort we put into creating an inclusive, ethical environment, and in helping all our people understand the expectations we have of them, as well as the channels available to them should they need to consult or raise an ethical concern (including an externally-hosted [Speak Up reporting channel](#)).

In FY2025, there were 91 reports from Audit & Assurance through our SpeakUp channels, approximately 1.48 reports per 100 FTE (an increase from last year's 1.15 reports per 100 FTE). The upward trend of reports is in line with other comparable entities, and, based on data analysis and monitoring of (for example) substantiation and anonymity rates,

we believe the increase demonstrates an environment of trust and confidence. All matters reported are triaged by the Ethics team and investigated or referred, with appropriate action being taken in cases that are partially or fully substantiated.

The Ethics team consider themes arising from the SpeakUp data and are in the process of implementing detailed root cause analysis on closed cases, to enable the identification of consistent or emerging issues which can then be addressed on a broader basis where appropriate.

To support our approach, Deloitte has Non-Retaliation, Whistleblowing and Familial & Personal Relationships policies which are robustly applied.

The most recent Ethics Survey, conducted in 2024, showed a 5% increase from the 2023 survey (from 80 to 85%) in people in Audit & Assurance knowing where to go to report unethical conduct, and a 5% increase (from 59% to 64%) in people reporting unethical conduct that had been observed. There is more work to be done, but we are encouraged that our people appear to feel increasingly confident to challenge unethical behaviours and feel supported to raise these issues. Feedback received via the Ethics Survey has been acted upon and has led to more regular firmwide communications, as well as support for colleagues through structured and specific training.

Education and awareness

We are committed to evolving our service offerings. Central to this success is ensuring our people have a thorough understanding of our policies and procedures through comprehensive education and awareness programmes.

This empowers them to make sound decisions and deliver high-quality services. Our independence activities are designed to address impactful changes and are subject to continuous review, ensuring we support the firm's ambitions and grow its credibility and reputation in the marketplace, while maintaining full compliance.

Over the course of the year, we delivered 85 educational resources on independence to our people, tailored to a mix of audit-focused and firmwide audiences (FY2024: 86).

Quarterly videos reinforce independence requirements, complementing annual learning programmes. Prompt communications keep our people informed of regulatory changes, including IESBA and FRC updates, promoting awareness and compliance. We actively seek feedback through focus groups to identify areas for improvement in supporting our people. This feedback informs enhancements to our education and awareness programmes, shared management information, and learning materials. Monitoring data demonstrates the positive impact of these activities on compliance, particularly in matters of personal independence. Results and trends are regularly reported to business leadership, fostering strong collaboration. Beyond e-learning, dedicated

Ethics, independence and conflicts

partner sessions emphasise our Shared Values, leadership tone, and risk awareness, further strengthening our commitment to maintain public trust and safeguarding our reputation.

Our Independence team has also implemented a comprehensive training programme delivered to all audit practitioners on several key areas, including how to improve our documentation when taking on non-audit services, guidance on affiliates and how to perform the third-party test. Our training emphasised the need for a sceptical analysis of the threats and safeguards assessment, as well as its detailed documentation, helping practitioners to rationalise and evidence their conclusions. We recognise the importance of integrity and ethical behaviours in our profession, and as a firm with over 26,000 people, we acknowledge we are not immune to inappropriate behaviour. Our commitment to ethical conduct is reinforced through mandatory annual ethics e-learning. This training presents realistic workplace scenarios, prompting reflection and discussion on appropriate responses to potential ethical dilemmas. Upon promotion, individuals undertake additional, targeted training to deepen their understanding of ethical leadership and reinforce our Shared Values within their new roles.

We continue to monitor and address the risks associated with inappropriate behaviour in exams and assessments, embedding course integrity interventions throughout the employee lifecycle. This is a responsibility we take very seriously, including continuing to educate our people on doing the right thing, and considering what preventative and detective measures can be enhanced across the firm in relation

to these issues. Our proactive actions have included: a review and refresh of policies to ensure a clear and thorough process for managing potential course-taking integrity cases, related to both internal and external exams and assessments; notifications at the start of our e-learning programmes to remind our colleagues of their responsibility to undertake tests independently; and a centralised single point of record to ensure consistency in dealing with any potential concerns. We are clear with our people that any form of cheating or plagiarism, including the use of GenAI in assessments, constitutes gross misconduct. Where appropriate, we will address such behaviours through the firm's disciplinary procedures, which may lead to dismissal. We have developed and rolled out to all our people specific course-taking integrity e-learning, to support them in understanding when to work collaboratively and when it is important to complete tasks and tests independently.

Going forward

Our success next year depends on empowering the business to proactively embrace innovation and emerging opportunities, while upholding our commitment to quality and safeguarding the public interest.

We understand our regulators expect us to continue striving for high quality and we actively collaborate with them to shape the future of our profession and ensure our work consistently meets their high standards.

Technology impacts nearly all aspects of human life and will be a key component of our future growth. It already serves as the backbone of how we deliver work and help our clients and audited entities envision the future. To address changes and challenges caused by the increased use of technology, Deloitte has developed the [Trustworthy AI Framework](#). This framework provides a foundation for safe, ethical and responsible AI use and offers risk management dimensions to enhance AI governance. It assists in building and using AI-powered systems while promoting trustworthy AI and will provide a solid basis upon which to build our future offerings.

Through the firm's Digitisation Programme, the Ethics, Independence and Conflicts teams continue to explore new systems and platforms to support a growing and ever-changing business. Work is underway in the design of a global, end-to-end acceptance and continuance platform, with UK implementation planned for FY2027. This will enable us to simplify processes for our people and improving consistency of information.

To enhance quality and regulatory compliance, we're increasing dedicated support to complex, high-volume business areas. This will enable our people to successfully navigate complexity, pursue compliant opportunities with strong independence, and assure clients of consistently high-quality service across all geographies, sectors, and product offerings.

Appendices

Appendix 1:

Biographies: Executive and governance boards⁴

1. Current Deloitte UK Executive members

Richard Houston, UK Senior Partner & Chief Executive*

Richard is Senior Partner and Chief Executive of Deloitte UK and Deloitte North and South Europe (NSE). He is also a member of Deloitte's Global Executive.

Since being elected in 2019, Richard has led the transformation and integration of NSE to become a single Deloitte business, delivering greater value for our clients, our people and our communities. NSE is the second largest member firm in the Deloitte network with over 75,000 people and 4,000 partners across 30 countries in EMEA.

Richard is proud to champion several People & Purpose campaigns for Deloitte on topics including mental health, diversity and inclusion, and the journey to net zero. He has a particular interest in the role of technology, the need for digital inclusion and is a strong advocate for the role and responsibilities that businesses, such as Deloitte, must play in bridging the digital divide.

In 2022, Richard received overwhelming support from the NSE Partnership to serve as CEO for a second term. Prior to taking on the role of CEO, Richard led the UK and North West Europe Consulting businesses, delivering strong revenue growth and enhancing the sense of partnership across multiple geographies.

Richard has over 25 years of experience in consulting and financial services. He joined Deloitte in 2002 having previously worked at Arthur Andersen, HSBC and Royal Bank of Scotland.

- Appointed: June 2019
- Executive meetings attended during FY2025: 20/20

Allee Bonnard, UK Managing Partner Audit & Assurance

Allee has over 25 years of asset management experience, starting in Deloitte's New York practice and moving to London in 2005. She became Managing Partner for UK Audit & Assurance on the 1 January 2025, and until December 2024 led Deloitte UK's Financial Services Audit practice.

Allee is a statutory Audit partner to a number of entities in the financial services industry, with a particular focus on asset management and private equity. She has applied her experience to a range of large and complex entities, in both the listed and private space.

She previously led Deloitte's Investment Management & Private Equity Audit Group, and plays an active role on the firm's Financial Services leadership team.

- Appointed: January 2025
- Executive meetings attended during FY2025: 9/10 for which they were eligible

⁴ To note: * where used throughout this appendix denotes the individual also holds an NSE leadership role.

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1. Current Deloitte UK Executive members

Heather Bygrave, UK Chief Financial Officer

Heather has been the UK Chief Financial Officer (CFO) for two years. Prior to her UK CFO role, Heather was Chief Operating Officer (COO) for our Large and Complex Audit business and Consumer lead for Audit. An Audit partner with over 30 years' experience across both the corporate and public sectors, her corporate experience focused on the consumer business sector. In addition to audit, Heather has also worked with our reorganisation services and forensic teams supporting clients on transactions, investment reviews and investigations.

- Appointed: June 2023
- Executive meetings attended during FY2025: 20/20

Rob Cullen, UK Managing Partner Technology & Transformation

Rob is the UK Managing Partner for Deloitte's Technology & Transformation business and is passionate about the role consulting services plays in being the trusted partner to our clients; working with them to navigate complexity, understand their business, shape their thinking and together unlock value and deliver sustainable outcomes for their organisations.

Previously Rob was the lead partner for Deloitte's Enterprise Technology and Performance practice focusing on digital transformation of systems and processes at the core of clients' businesses. Rob has over 20 years' consulting experience specialising in supporting CFOs and finance directors, mostly at telecommunications, media and technology clients, in improving their finance functions to better meet their strategic needs.

- Appointed: January 2023
- Executive meetings attended during FY2025: 19/20

Cindy Chan, UK Chief Risk Officer

Cindy is the UK Chief Risk Officer (CRO) responsible for Quality, Risk & Security (QRS) for the UK firm. Previously, she was the Managing Partner for UK Risk Advisory and a member of the NSE Board and the UK Oversight Board. She specialises in providing risk and regulatory advice to the financial services sector.

- Appointed: January 2023 - UK Managing Partner Risk Advisory;
June 2024 - UK Managing Partner Quality Risk & Security
- Executive meetings attended during FY2025: 19/20

Duncan Farrow-Smith, UK Chief Strategy Officer

Duncan is Deloitte UK's Chief Strategy Officer (CSO), with responsibility for shaping how the firm adapts to issues such as the economy, geopolitics, AI, and changes in the competitive landscape. Prior to this, Duncan led the strategy, analytics and mergers & acquisitions (M&A) business within Deloitte's Consulting business, comprising Monitor Deloitte, net zero strategy teams and the firm's AI & data business, including the AI Institute. Duncan works in the defence and security sector and is the lead client service partner for the UK and Middle East defence practices.

- Appointed: January 2023
- Executive meetings attended during FY2025: 17/20

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1. Current Deloitte UK Executive members

Dominic Graham, UK Managing Partner, Consumer

Dom leads our sector specialists in providing advice around transformation to optimise shareholder value. Dom has been at Deloitte since 1998 and has extensive transaction support experience. He leads Deloitte's UK Consumer business and has worked with and leads relationships with major client organisations.

- Appointed: June 2019
- Executive meetings attended during FY2025: 19/20

Jackie Henry, UK Managing Partner People and Purpose

Jackie is the UK Managing Partner for People and Purpose at Deloitte. She started her career with Deloitte in Belfast in 1989, first working in audit before moving to consulting. Jackie became a partner in 2004 and was the Northern Ireland office senior partner from July 2014 to May 2025. She has also previously served as the People and Purpose lead for consulting.

Jackie has over 30 years' experience of supporting the transformational change of Northern Ireland, particularly within the public sector. In 2017, she was awarded an MBE for services to the Northern Ireland economy. She received an Honorary Doctorate from Ulster University in 2022, was recognised as Northern Ireland's Business Woman of the Year in 2023, and was named #1 Empower Advocate by INvolve in 2025.

- Appointed: May 2021
- Executive meetings attended during FY2025: 19/20

Richard Hammell, UK Managing Partner Clients and Markets

Richard has over 30 years' experience in the financial and professional services industry. He helps our clients, predominantly in the global banking sector, to improve performance, resilience and effectiveness, including deployment of advanced technologies. He leads UK Clients and Markets, helping to enhance the quality of relationships and outcomes across our client portfolio, and directing the contribution of the firm to support UK economic and productivity growth. He joined Deloitte in 2000, has been a partner since 2004, and has been a member of the UK Executive since March 2020.

- Appointed: March 2020 - UK Managing Partner Financial Services;
January 2025 - UK Managing Partner Clients and Markets
- Executive meetings attended during FY2025: 17/20

Suresh Kanwar, UK Managing Partner Financial Services

Suresh is the Managing Partner for UK Financial Services, leading sector specialists and experienced multidisciplinary teams to support our clients across banking, capital markets, insurance, wealth, investment management and real estate.

He is a partner in our Technology & Transformation business and leads some of our most important client relationships. He has spent over 25 years advising and delivering programmes for the largest European and global investment banks, investment managers and custodians. His experience spans the full spectrum of scale for complex business transformation, underpinned by technology and workforce re-engineering.

- Appointed: March 2025
- Executive meetings attended during FY2025: 6/6 for which they were eligible

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1. Current Deloitte UK Executive members

Philip Mills, UK Managing Partner

Philip is responsible for delivering the strategy and financial performance in the UK, leading on all operational matters. Prior to his UK Managing Partner role, Philip was the Global Leader for Tax & Legal for four years and previously led the Global and UK Tax businesses. He delivered significant operational and market changes and supported Deloitte's Tax & Legal businesses around the globe on their transformation journeys. For over twenty years, Philip's client work has been focused on M&A tax, particularly private equity, real estate and hedge funds. He has worked on significant, large and complex European transactions, and supported some of our largest multinational corporate clients.

- Appointed: June 2023
- Executive meetings attended during FY2025: 19/20

Lisa Stott, UK Managing Partner Tax and Legal

Lisa joined as a graduate in 1988 and became a partner in 1999. Prior to taking on the UK Managing Partner Tax & Legal role, she served on the Global Tax & Legal Executive. Lisa's experience lies in advising large multi-national corporations on corporate tax restructuring, refinancing and reorganisation.

- Appointed: June 2021
- Executive meetings attended during FY2025: 19/20

Charindra Pathiwile, UK Managing Partner Strategy, Risk and Transactions Advisory

Charindra is the UK Managing Partner Strategy, Risk and Transactions Advisory (SR&T-A) and has been with Deloitte for 23 years, 19 of them focused on real assets advising on complex infrastructure and real estate transactions across the UK and Europe. Prior to his appointment, he was the head of London transaction services. Charindra continues to spend a significant proportion of his time leading some of our most important client relationships and actively engaging with a broad cross-section of companies.

- Appointed: January 2023
- Executive meetings attended during FY2025: 19/20

Appendix 1:

Biographies: Executive and governance boards

2. Former Deloitte UK Executive members

The following were members of the UK Executive during FY2025; their meeting attendance for the (relevant part of that) year is shown below:

Paul Stephenson, UK Managing Partner Audit & Assurance

- Executive meetings attended during FY2025: 9/10
- End of term: December 2024

Nick Turner, UK Managing Partner Growth

- Executive meetings attended during FY2025: 10/10
- End of term: December 2024

Appendix 1:

Biographies: Executive and governance boards

3. Current Deloitte UK Audit Governance Board members

Shirley Garrood, Non-Executive and Chair of the UK Audit Governance Board

Shirley was appointed as an Independent Non-Executive member of the Deloitte UK Oversight Board in May 2020, providing oversight of the external audit business only. In January 2021, Shirley stepped down from the UK Oversight Board and became an Audit Non-Executive member of the Deloitte Audit Governance Board upon its establishment. She has chaired the Audit Governance Board since November 2023 and, until 30 June 2025, also chaired the Non-Executive Committee.

Shirley was Chief Financial Officer of Henderson Group plc from 2009-2013 and is currently Chair and Audit Committee Chair of Dignity Group Holdings Limited. Previous non-executive roles include Audit Committee Chair of Ashmore Group plc; Chair of the Audit & Risk Committee at the BBC; Chair of Royal London Asset Management; Deputy Chair and Chair of the Audit Committee at esure Group plc; and Chair of the Audit and Risk Committees at Hargreaves Lansdown plc.

Shirley graduated in Economics and Accounting from the University of Bristol and is a qualified Chartered Accountant and Corporate Treasurer.

- Appointed: As a member in January 2021, as Chair in November 2023
- AGB meetings attended during FY2025: 6/6

Jim Coyle, Non-Executive (Audit and Non-Audit)

Jim was appointed as an Independent Non-Executive member of the Deloitte UK Oversight Board in January 2019 and is its Deputy Chair. He was appointed as an Audit Non-Executive member of the Deloitte Audit Governance Board when it was established in January 2021.

After 25 years in financial services, Jim retired as Group Financial Controller/Deputy Finance Director at Lloyds Banking Group in May 2015 and, prior to that, held the position of Divisional Finance Director, Group Operations as well as Group Chief Accountant at the Bank of Scotland. Before joining Lloyds, Jim held senior finance positions at BP for ten years.

Jim was previously Chair of the Risk Committee of HSBC Bank plc and Chair of the Audit Committee of HSBC UK Bank plc before becoming the current Chair of the Risk Committee of HSBC Bank (Singapore) Limited and Chair of HSBC Global Services Limited. He is also currently Senior Independent Director and Chair of the Audit & Risk Committee at Pollen Street Capital, and Audit Committee Chair of Ecclesiastical Insurance Office plc.

Jim holds a degree in Law and Accountancy from Glasgow University and qualified as a chartered accountant with KPMG.

- Appointed: January 2021
- AGB meetings attended during FY2025: 6/6

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3. Current Deloitte UK Audit Governance Board members

Almira Delibegovic-Broome KC, Non-Executive (Audit and Non-Audit)

Almira was appointed as an Independent Non-Executive member of the Deloitte UK Oversight Board in March 2020 and as an Audit Non-Executive member of the Deloitte Audit Governance Board when it was established in January 2021. Since 1 July 2025, she has chaired the Non-Executive Committee, which comprises only the Deloitte Non-Executives and provides a forum for 'deeper dives' into specific areas of public interest.

She is a senior member of the Bar in Scotland, specialising in company and insolvency law. Almira is also Chair of JUSTICE Scotland; a member of the Edinburgh Law School Advancement Advisory Board; a member, trustee and director of the Scottish Council of Law Reporting; and Honorary Consul of Bosnia-Herzegovina in Scotland.

Originally from Bosnia-Herzegovina and now living in Edinburgh where she completed her undergraduate studies, Almira obtained her Master of Laws at Harvard Law School. Her previous experience includes time as a Visiting Scholar at Harvard Law School and as a Senior Research Fellow for the Committee on Capital Markets Regulation in the US.

- Appointed: January 2021
- AGB meetings attended during FY2025: 6/6

Allee Bonnard, UK Managing Partner Audit & Assurance

See Deloitte UK Executive members.

- Appointed: January 2025
- AGB meetings attended during FY2025: 3/3 for which they were eligible

Elisabeth Stheeman, Non-Executive (Audit and Non-Audit)*

Elisabeth was appointed as an Independent Non-Executive member of the Deloitte NSE Board and the Deloitte UK Oversight Board, and as an Audit Non-Executive member of the Deloitte UK Audit Governance Board in May 2024.

She is currently the Chair of Edinburgh Investment Trust plc, a member of the board and the Audit and Risk Committees of M&G plc, a non-Executive director at W. P. Carey Inc. and an external member of the Audit & Risk Committee of the Asian Infrastructure Investment Bank (AIIB).

Elisabeth was previously an external member of the Bank of England's Financial Policy Committee and Financial Market Infrastructure Board, and Senior Advisor to the Prudential Regulation Authority. Her executive career included roles as Global Chief Operating Officer for LaSalle Investment Management, having previously worked at Morgan Stanley for over 20 years.

Elisabeth is a Fellow of Chapter Zero and a Fellow of the Royal Society for Arts.

- Appointed: May 2024
- AGB meetings attended during FY2025: 6/6

Philip Mills, UK Managing Partner

See Deloitte UK Executive members.

- Appointed: July 2023
- AGB meetings attended during FY2025: 6/6

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Biographies: Executive and governance boards

3. Current Deloitte UK Audit Governance Board members

Jane Whitlock, UK Partner*

Jane is an Audit partner with over 30 years' experience (21 as a partner) auditing a range of larger complex and FTSE 350 entities. She was elected as a member of the NSE Board in 2022 and is appointed as Chair of the NSE Audit & Risk Committee. Throughout her career, Jane has worked with a number of large UK-listed international companies in both the consumer business and energy and resources and sectors, focusing on corporate governance and regulation, together with a range of accounting and assurance related matters, including Generally Accepted Accounting Principles (GAAP) transitions, bond offerings and group reorganisations. Jane was previously Practice Senior Partner for the Midlands.

- Appointed: June 2023
- AGB meetings attended during FY2025: 6/6

Appendix 1:

Biographies: Executive and governance boards

4. Former Deloitte UK Audit Governance Board Members

The following were members of the AGB during FY2025; their meeting attendance for the (relevant part of that) year is shown below:

Rt Hon Sir Hugh Robertson, Independent Non-Executive (Non-Audit)*

- AGB meetings attended during FY2025: 1/2 for which they were eligible
- End of term: October 2024

Paul Stephenson, NSE Managing Partner Audit & Assurance

- AGB meetings attended during FY2025: 3/3 for which they were eligible
- End of term: December 2024

Appendix 1:

Biographies: Executive and governance boards

5. Current Deloitte UK Oversight Board members

Sarah Sturt, Chair of the UK Oversight Board*

Sarah is a transaction services partner within Deloitte's SR&T-A business, based in the Bristol office. She has 27 years' experience with Deloitte and has been a partner since 2008. She provides buy-side and sell-side transaction support for many private sector businesses, specialising particularly in mid-market private equity and the consumer and business services sectors. She previously was the Head of People & Purpose for the UK Financial Advisory business, led the UK Regions Transaction Services business and is a long-standing member of the Public Interest Review Group. Sarah has been a member of the NSE Board since 2021, also currently sitting on the NSE Audit & Risk, Property, People & Purpose, and Transactions Sub-Committees.

- Appointed: January 2023
- UKOB meetings attended during FY2025: 6/6

Almira Delibegovic-Broome KC, Non-Executive (Audit and Non-Audit)

See Deloitte Audit Governance Board members.

- Appointed: March 2020
- UKOB meetings attended during FY2025: 6/6

Jim Coyle, Non-Executive (Audit and Non-Audit)

See Deloitte Audit Governance Board members.

- Appointed: January 2019
- UKOB meetings attended during FY2025: 6/6

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Biographies: Executive and governance boards

5. Current Deloitte UK Oversight Board members

Rt Hon Sir Hugh Robertson, Independent Non-Executive (Non-Audit)*

Hugh was appointed as an Independent Non-Executive member of the Deloitte NSE Board and the Deloitte UK Oversight Board in February 2024. He is also a member of Deloitte's Global Independent Non-Executive Advisory Council.

Hugh is currently Chair of Birmingham International Airport. He is also a member of the International Olympic Committee, a member of the Epsom Downs Racecourse Committee and an Independent Member of The House of Lords Appointments Commission.

Previously, he was the Chair of The British Olympic Association from 2016 – 2025, Chair of Camelot, the operator of The National Lottery, from 2018 – 2023, Chair of The Sports Honours Committee from 2017 - 2023 and Vice Chair of Falcon Associates from 2015 – 2018. He was a government minister from 2010 – 2014, including as Minister of State for Foreign and Commonwealth Affairs, responsible for the Middle East, North Africa and Counter Terrorism, and as Minister for Sport and the Olympics with responsibility for the London 2012 Olympic Games. Earlier in his career, he worked at Schroder Investment Management and saw active service as an army officer.

Hugh has been a member of the Royal Household, as a member of The Gentlemen at Arms, since 2015.

- Appointed: February 2024
- UKOB meetings attended during FY2025: 5/6

Elisabeth Stheeman, Non-Executive (Audit and Non-Audit)*

See Deloitte Audit Governance Board members.

- Appointed: May 2024
- UKOB meetings attended during FY2025: 6/6

Appendix 1:

Biographies: Executive and governance boards

5. Current Deloitte UK Oversight Board members

Dean Cook, UK Partner*

Dean is a partner within Audit & Assurance based in the London office. He has 29 years' experience with Deloitte and has been a partner since 2008. He has audited a large number of listed multinational companies in the energy, resources & industrials, technology, and real estate sectors. He is experienced in leading audits under both International Standards on Auditing (ISA) and PCAOB standards, guiding listed company boards through regulatory change and helping them focus on enhancements to corporate governance and internal controls. He was elected as a member of the NSE Board in 2022, was recently appointed chair of the NSE Governance and Composition Committee, and currently sits on the NSE Audit & Risk Sub-Committee.

Dean is also Chair of the UK Partnership Council. He formerly co-led our Large & Complex Audit business in London and the South East.

- Appointed: June 2024
- UKOB meetings attended during FY2025: 6/6

Philip Mills, UK Managing Partner

See Deloitte UK Executive members.

- Appointed: June 2023
- UKOB meetings attended during FY2025: 6/6

Richard Houston, UK Senior Partner & Chief Executive*

See Deloitte UK Executive members.

- Appointed: June 2019
- UKOB meetings attended during FY2025: 5/6

Jane Whitlock, UK Partner*

See Deloitte Audit Governance Board members.

- Appointed: July 2023
- UKOB meetings attended during FY2025: 5/6

Appendix 2:

Financial information

Disclosure in accordance with Article 13(2) (k) (i)-(iv) of the EU Audit Regulation and the schedule to the Local Auditors (Transparency) Regulations 2020

We have extracted the following financial information from Deloitte's audited financial statements and financial records for the year ended 31 May 2025. The figures indicate the relative concentration of audit work for UK PIEs (see definition in [Appendix 15: Public Interest Entities](#)), audits of entities on EU exchanges and local audits, and the levels of non-audit services provided to entities for which Deloitte is, and is not, the auditor. They relate to the UK only.

Service	FY2025 £m	FY2024 £m
Statutory audits and directly related services for entities we audit (UK PIE and subsidiaries of UK PIE)	323	342
Statutory audits and directly related services for other entities we audit	576	558
Total audit revenues⁵	899	900
Non-audit services provided to entities we audit ⁶	155	158
Total revenues from entities we audit	1,054	1,058
Non-audit services provided to entities we do not audit	3,819	3,850
Total UK revenue	4,873	4,908

⁵ Of which revenue from audits of EEA regulated entities is £102m in FY2025 (£114m in FY2024). In addition, £2.5m relates to local audit work for FY2025 (£4.2m in FY2024).

⁶ Of which £0.0m relates to local audit work in both FY2025 and FY2024.

Appendix 2:

Financial information

Basis of preparation

The Audit & Assurance business is an operationally separate business. In line with the requirements of Principle 20 of the FRC's Principles for Operational Separation, we have produced a separate profit and loss account for our UK Audit & Assurance business which is consistent with our published statutory financial statements.

We allocate all overhead costs equitably across the firm's businesses based on the most appropriate drivers. For example (a) learning costs are charged based on a full-time employee basis, (b) real estate and facilities costs are charged based on 'square footage occupied', and (c) take on process costs are charged based on usage. Most overheads are allocated based on revenue or profit, whichever is deemed the most appropriate.

The firm has charges in relation to its closed defined benefit scheme and its partner annuity scheme. The charges recognised with respect of these items are (a) joint and several obligations of the entire firm and are not the responsibility of any particular business and (b) unrelated to current trading activity. Such charges, which are largely driven by actuarial assumptions, have not been allocated to the Audit & Assurance profit and loss account.

The profit and loss account includes gross statutory revenue, consistent with our published statutory financial statements (reflecting the total revenue generated by our Audit & Assurance practitioners). In addition, it includes revenue generated by specialists working outside the Audit & Assurance business on Audit & Assurance-led engagements, consistent with FRC reporting requirements. In line with FRC requirements, the cost of delivering such services has been moved from 'Expenses and disbursements on assignments' to 'Other operating charges' so that this revenue is now included in 'Revenue attributable to the UK Audit & Assurance business'. FY2024 has also been re-presented accordingly.

Appendix 2:

Financial information

Performance, position and prospects

After two years of significant activity growth, FY2025 was a more challenging trading environment as we rotated off some significant audit engagements. As a result, growth was lower than it has been in previous years. We continued to invest in our people, our product and in particular our technology platforms, which has resulted in a small reduction in profit for the period. The business remains resilient and consistent with the [FRC's Principles for Operational Separation](#) continues to receive no cross-subsidy from the rest of the firm. We expect growth to increase in the next year. Our firmwide results and performance are covered in our [financial statements](#).

Operational separation of UK Audit & Assurance financials	Operationally separated Audit & Assurance business	FY2025		FY2024	
		£m	(as re-presented) ⁷	£m	£m
	Gross Statutory Revenue			1,014	993
	Expenses and disbursements on assignments			(89)	(84)
	Revenue attributable to the UK Audit & Assurance business			925	909
	Employee costs			(477)	(461)
	Other operating charges			(306)	(304)
	Operating profit			142	144
	Net finance income/(expense)			(3)	-
	UK Audit & Assurance business profit			139	144

⁷ Re-presented as detailed on page 45.

Appendix 3:

Deloitte Gibraltar

As set out at the start of this Report, Deloitte Limited is the Deloitte business operating in Gibraltar that has been a subsidiary of Deloitte LLP since 1 June 2017. Transparency Report disclosures are driven by the EU Audit Regulation (as retained in Gibraltar law) and are reflected in this Report as set out below.

Provision of Article 13(2)	
(a) a description of the legal structure and ownership of the audit firm;	Deloitte operates in Gibraltar through Deloitte LLP's wholly owned subsidiary, Deloitte Limited, a company registered in Gibraltar. Deloitte Limited is approved as a statutory auditor by the Gibraltar Financial Services Commission under the Gibraltar Financial Services Act 2019.
(b) where the statutory auditor is a member of a network:	See: (i) Appendix 13: The Deloitte network (ii), (iii) and (iv): Appendix 14: EU/EEA audit firms
(i) a description of the network and the legal and structural arrangements in the network;	
(ii) the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of the network;	
(iii) the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of the network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business;	
(iv) the total turnover achieved by the statutory auditors operating as sole practitioners and audit firms that are members of the network, resulting from the statutory audit of annual and consolidated financial statements;	
(c) a description of the governance structure of the audit firm;	Deloitte Limited is governed by a board of directors. The board meets at least quarterly and is responsible for overseeing the legal and regulatory requirements of the company, as well as its local operations and future development.

Appendix 3:

Deloitte Gibraltar

Provision of Article 13(2)	
(d) a description of the internal quality control system of the statutory auditor or of the audit firm and a statement by the administrative or management body on the effectiveness of its functioning;	See: Audit Governance Board and UK Oversight Board report Appendix 5: Audit and assurance quality - High-quality outcomes
(e) an indication of when the last quality assurance review referred to in Article 26 was carried out;	Deloitte Limited and its individual statutory auditors are regulated by the Gibraltar Financial Services Commission (GFSC). The most recent quality assurance review by the GFSC was carried out in September 2024: Annual Regulatory Report (fsc.gi) .
(f) a list of public-interest entities for which the statutory auditor or the audit firm carried out statutory audits during the preceding financial year;	Admiral Insurance (Gibraltar) Limited Advantage Insurance Company Limited Bray Insurance Company Limited Calpe Insurance Company Limited Extracover Insurance Company Limited Gibraltar International Bank Limited First Central Underwriting Limited Turicum Private Bank Limited
(g) a statement concerning the statutory auditor's or the audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted;	See: Ethics, independence and conflicts
(h) a statement on the policy followed by the statutory auditor or the audit firm concerning the continuing education of statutory auditors referred to in Article 13 of Directive 2006/43/EC;	See: Appendix 5: Audit and assurance quality - Our mindset and behaviours
(i) information concerning the basis for the partners' remuneration in audit firms;	See: Appendix 5: Audit and assurance quality - Our people Appendix 12: Deloitte UK governance and legal structure
(j) a description of the statutory auditor's or the audit firm's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7) ⁸ ;	See: Ethics, independence and conflicts

⁸ The key audit partners responsible for carrying out a statutory audit shall cease their participation in the statutory audit of the audited entity not later than seven years from the date of their appointment. They shall not participate again in the statutory audit of the audited entity before three years have elapsed following that cessation.

Appendix 3:

Deloitte Gibraltar

Provision of Article 13(2)

(k) where not disclosed in its financial statements within the meaning of Article 4(2) of Directive 2013/34/EU, information about the total turnover of the statutory auditor or the audit firm, divided into the following categories:

- (i) revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity;
- (ii) revenues from the statutory audit of annual and consolidated financial statements of other entities;
- (iii) revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; and
- (iv) revenues from non-audit services to other entities.

The transparency report shall be signed by the statutory auditor or the audit firm:

Total turnover of Deloitte Limited by category:

	Year ended 31 May 2025 £'000s	Year ended 31 May 2024 £'000s	Year ended 31 May 2023 £'000s
Statutory audit of Gibraltar PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE	1,565	1,532	1,178
Statutory audit of other entities	1,195	1,528	1,594
Permitted non-audit services to audited entities	252	340	185
Non-audit services to other entities	1,949	1,485	1,556
Total Gibraltar revenue	4,961	4,885	4,514⁹

⁹ Difference is due to rounding.

Appendix 4:

Local audit disclosure requirements

Local Audit Transparency Report disclosures are driven by The Local Auditors (Transparency) Regulations 2020 and are reflected in this Report as and where set out below.

There have been significant challenges in the financial reporting and audit processes for local authorities for a number of years, resulting in an extensive backlog in the publication of audited accounts of local authorities, including bodies audited by Deloitte.

In July 2023, the Minister for Local Government published a [Cross-System Statement](#) on proposals to reset the local audit system and restore the assurance provided by timely financial reporting and annual audits. On 30 July 2024, the government announced it would implement a series of 'backstop' dates by which local authorities will be required to have published their accounts as part of plans for:

- A "reset" of local authority financial reporting by clearing the backlog of historical audit opinions up to and including financial year 2022/23
- A "recovery" period to address any gaps in assurance
- "Reform" to address systemic challenges to embed timely financial reporting and audit.

On 9 September 2024, a Statutory Instrument, and a revised Code of Audit Practice from the National Audit Office, were laid before Parliament. The Statutory Instrument established a backstop date of 13 December 2024, by which local authorities were required to publish their audited accounts for all years to 31 March 2023 (with limited exceptions). If an audit could not be completed by this date, the statutory backstop imposed a limitation of scope on auditors. Consequently, in line with the National Audit Office's Local Audit Reset and Recovery Implementation Guidance, auditors were required to issue a modified or disclaimed audit opinion. Local authorities are required to publish their draft accounts for public inspection for a period of 30 working days before they can be

approved and the auditor issue their report. Where local authorities had not met this requirement by 13 December 2024, the auditor could not issue an audit report until the statutory inspection period was complete.

For our portfolio of audits, we put in place governance mechanisms to monitor the progress of local authority audits and support completion of as many audits as possible prior to the backstop date. While it is regrettable a backstop date is necessary to address the challenges in local authority financial reporting and audit, this has provided the necessary reset to the system. Nationally, 361 disclaimed opinions (including those on pension fund accounts) were issued by auditors due to these backstop provisions by 13 December 2024.

Appendix 4:

Local audit disclosure requirements

Under our contract with Public Sector Audit Appointments Limited, we were appointed auditors for local authorities for the financial years 2018/19 to 2022/23. As part of the 'reset' process, we have issued all outstanding audit reports for these audits, 41 of which had disclaimers of opinion due to the backstop. We issued 59 of these audit reports by the statutory backstop date of 13 December 2024. We issued two unmodified opinions after that date in December 2024, where we and the local authority agreed it was in the public interest to complete the remaining procedures outstanding at 13 December for the issuance of an unmodified opinion. There were five audits where the local authority had not published draft accounts for inspection in time to be able to approve the accounts by 13 December 2024 – we issued disclaimers of opinion for three of these audits during FY2025, and two in FY2026.

Number of audit reports:	Signed by 13 December 2024	Signed by 31 March 2025	Signed by July 31 2025	Total
Unmodified audit opinion	21	2	-	23
Disclaimer of opinion (not due to the backstop)	1	-	-	1
Modified audit opinion due to the backstop	1	-	-	1
Disclaimer of opinion due to the backstop	36	3	2	41
	59	5	2	66

In support of the reset process, in 2025/26 we have accepted a joint appointment as auditor for an additional local audit which had not met the backstop date for four years of account due to the resignation of the previous auditor. We have not yet made any audit reports in respect of this local audit.

We have continued to engage with government, FRC, and other stakeholders over proposals for local audit reform and to improve the functioning of the NHS audit market, to strengthen the financial reporting and audit system.

Appendix 4:

Local audit disclosure requirements

Provision per the schedule to the Regulations	
a. A description of the legal structure, governance and ownership of the transparency reporting local auditor;	See: Appendix 12: Deloitte UK governance and legal structure ; Appendix 13: The Deloitte network
b. Where the transparency reporting local auditor belongs to a network, a description of the network and the legal, governance and structural arrangements of the network;	See: Appendix 12: Deloitte UK governance and legal structure ; Appendix 13: The Deloitte network
c. A description of the internal quality control system of the transparency reporting local auditor and a statement by the administrative or management body on the effectiveness of its functioning in relation to local audit work;	<p>In accordance with the schedule of The Local Auditors (Transparency) Regulations 2020 and based on the practice review carried out in 2025, the Audit & Assurance Executive is satisfied that our internal quality controls and systems are, in general, robust and operating effectively in regard to the local audits and allow us to readily identify any areas of potential improvement or refinement.</p> <p>We continually seek to improve all aspects of our business, including in relation to local audits, and we use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our SQM. The results of the local audit practice review are presented within the overall practice review results for the firm. During the 2025 practice review, one local audit was selected for our internal review (2024: one).</p> <p>Consistent with other elements of work by the firm, where there are findings from internal and external inspections of audit work, root cause analysis is undertaken, and action plans implemented to address factors identified.</p> <p>The FRC local audit inspection cycle for 2023/24 selected one Deloitte audit for inspection. The local audit inspection cycle for 2024/25 has not selected any Deloitte audits for inspection. The FRC reports separately on its inspection of Major Local Audits.</p> <p>The firm also conducts an annual review of the ongoing effectiveness of the firm's systems of internal control, including financial, operational and compliance controls, and risk management systems, as well as the promotion of an appropriate culture underpinned by our Shared Values.</p> <p>A statement regarding the effectiveness of the firm's system of internal control is included in the Audit Governance Board and UK Oversight Board report - Risk management and internal control and covers local audit.</p>

Appendix 4:

Local audit disclosure requirements

Provision per the schedule to the Regulations	
d. A description of the transparency reporting local auditor's independence procedures and practices including a confirmation that an internal review of independence practices has been conducted;	<p>See: Ethics, independence and conflicts</p> <p>Also:</p> <ul style="list-style-type: none">• The specific independence requirements applicable to local audits include the requirements of the National Audit Office's Code of Audit Practice and Auditor Guidance Note 1 'General Guidance Supporting local audit'.• Our local audit engagement leads and staff, together with our Independence team, are experienced in considering local audit specific requirements where they add to those of the FRC's Ethical Standard.

Appendix 4:

Local audit disclosure requirements

Provision per the schedule to the Regulations	
e. Confirmation that all engagement leads are competent to undertake local audit work and staff working on such assignments are suitably trained;	<ul style="list-style-type: none">• All of our engagement leads for local audit work are public sector specialists and have been accredited as 'Key Audit Partners' by the ICAEW. Our process in submitting candidates for accreditation includes specific consideration of their competence to undertake local audit work. The allocation of engagement leads to individual engagements takes into account the nature of the engagement and the skills and experience of the individual.• Staff working on local audit assignments receive suitable training. In addition to the audit-wide learning programmes such as TechEx, team members have access to recordings of previous 'deep dives' into specific technical issues and areas. Additional deep dive sessions delivered this year have included: the auditor's Value for Money responsibilities; Managing Public Money, the Nolan Principles and expectations of public accountability; and, Public sector budgeting and national accounts. This is supplemented by regular sector conference calls for assistant managers and above discussing emerging issues and guidance.• Our audit teams are supported by relevant specialists with sector knowledge, including actuarial and property valuations specialists, to address areas of greater risk and complexity in local audits.• Sector-specific training and briefing calls are delivered during the year, and recorded sessions are available for staff to access throughout the year. Sector-specific work papers are prepared covering relevant auditing and accounting issues, including those highlighted in guidance from the FRC, National Audit Office, NHS England and the Chartered Institute of Public Finance and Accountancy (CIPFA), as well as relevant considerations from internal risk assessment of the impact on each sector.• Alongside regular briefings for Key Audit Partners during the development of the local authority backstop proposals and supporting National Audit Office guidance, we provided training to engagement teams on the requirements for backstop-affected engagements. We also developed template working papers and reports to assist these teams.• We actively engage with the working groups hosted by the National Audit Office with representatives from each of the firms that carry out local audit work, including the Local Auditors Advisory Group, NHS Technical Network, Local Government Technical Network, and Value for Money Technical Network. Issues arising are communicated to partners and staff working on local audits.

Appendix 4:

Local audit disclosure requirements

Provision per the schedule to the Regulations	
f. A statement of when the last monitoring of the performance by the transparency reporting local auditor of local audit functions, within the meaning of paragraph 23 of Schedule 10 to the 2006 Act, as applied in relation to local audits by Section 18 and paragraphs 1, 2 and 28(7) of Schedule 5 to the 2014 Act, took place;	<ul style="list-style-type: none">• All local audits are included within the scope of our audit quality control system, including practice review. We are required to practice review every Responsible Individual (RI) who signs local audits in England once every three years on one such engagement. We will regularly (a minimum of three times per year) refresh the list of applicable RIs to check which individuals are signing or are due to sign English local audits so we can be sure all relevant RIs are subject to this review.
g. A list of major local audits in respect of which an audit report has been made by the transparency reporting local auditor in the financial year of the auditor; and any such list may be made available elsewhere on the website specified in regulation 4 provided that a clear link is established between the transparency report and such a list;	<p>The organisations below are the only relevant authorities:</p> <ul style="list-style-type: none">a) Which constitute a 'major local audit' for the purposes of Regulation 12 of The Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014 (SI 2014/1627)b) For which Deloitte LLP signed an audit report on its annual financial statements during the year ended 31 May 2025. <ul style="list-style-type: none">• Imperial College Healthcare NHS Trust (year ended 31 March 2024)• NHS North West London Integrated Care Board (year ended 31 March 2024)• Blackpool Council (years ended 31 March 2022 and 31 March 2023)• Dorset Council (years ended 31 March 2022 and 31 March 2023)• London Borough of Ealing (year ended 31 March 2022 and 31 March 2023)• London Borough of Tower Hamlets (years ended 31 March 2021, 31 March 2022 and 31 March 2023)• North Yorkshire County Council (year ended 31 March 2023)• Royal Borough of Windsor and Maidenhead (year ended 31 March 2022 and 31 March 2023)• City of Wakefield Metropolitan District Council (year ended 31 March 2023)• Wiltshire Council (years ended 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023)

Appendix 4:

Local audit disclosure requirements

Provision per the schedule to the Regulations	
h. A statement on the policies and practices of the transparency reporting local auditor designed to ensure that persons eligible for appointment as a local auditor continue to maintain their theoretical knowledge, professional skills and values at a sufficiently high level;	A statement regarding the continuing education of statutory auditors is included in Appendix 5: Audit and assurance quality , which also covers persons eligible for appointment as a local auditor. Further details on local audit specific policies and practices are detailed in (e) above.
i. Turnover for the financial year of the transparency reporting local auditor to which the report relates, including the showing of the importance of the transparency reporting local auditor's local audit work; and	See: Appendix 2: Financial information
j. Information about the basis for the remuneration of partners.	<ul style="list-style-type: none">Local audit partners were included in the FY2025 audit appraisal process. The Audit Quality Remuneration Committee plays a key role in partners' audit quality evaluationSee: Appendix 5: Audit and assurance quality - Our people; Appendix 12: Deloitte UK governance and legal structure

Appendix 5:

Audit and assurance quality

Our commitment to excellence, our mindset and behaviours, and effective governance and controls are critical to us achieving high-quality outcomes in our Audit & Assurance business. Together, they enable us to deliver our purpose, and help underpin pride in our firm and our profession.

We set out here some of the ways we have made a positive impact to maintain and enhance quality, and where we continue to focus our efforts for ongoing improvements.



Appendix 5:

Audit and assurance quality



Our Shared Values and our Cultural Ambition

High-performance culture

Over the last 12 months, we have remained focused on building a high-performance culture within Audit & Assurance, supporting our [Cultural Ambition](#) and Audit & Assurance behaviours. To drive this, we identified several priority areas and initiatives to aid success.

Enhancing a growth mindset towards feedback has been one of these priority areas, through improving how feedback is used to build trust, and ensuring it is both developmental and timely. We have introduced a charter outlining the collective obligations for giving and receiving feedback, including intentions, frequency, tools and response timeframes, and incorporated specific guidance to people leaders on supporting their team members. We also created a series of team-led videos showcasing people's experiences of giving and receiving feedback, focusing on difficult conversations, how to best approach these, and the importance of developmental feedback at all stages of an individual's career.

To support this, we launched a monitoring tool across Audit & Assurance to track the timeliness of feedback delivery, and a new 360-degree feedback tool (D360) for partners and directors, linked to our Shared Values. Partners undertook D360s in November 2024, and directors between June and September 2025. Individuals will be able to use the insights from these surveys to guide their personal development plan. In addition, we have created a training session for our summer Technical Excellence (TechEx) event, focusing on how cultural values and communication styles influence effective feedback processes, helping to further foster inclusivity within our teams and maximise career growth potential for our people.

This concerted effort reflects our commitment to fostering a culture of open and constructive feedback and development.

Continuous listening

We are committed to understanding the views and sentiments of our people, and this is achieved through various mechanisms, including focus groups and anonymised surveys. During the year, we held focus groups involving grades from senior analyst through to senior manager to gain input and perspectives on a range of topics, including innovation and technology and exploring key business priorities. We hold regular community year-group meetings to gather feedback and discuss pertinent topics, and we benefitted further from the insights gained through our reverse mentoring schemes.

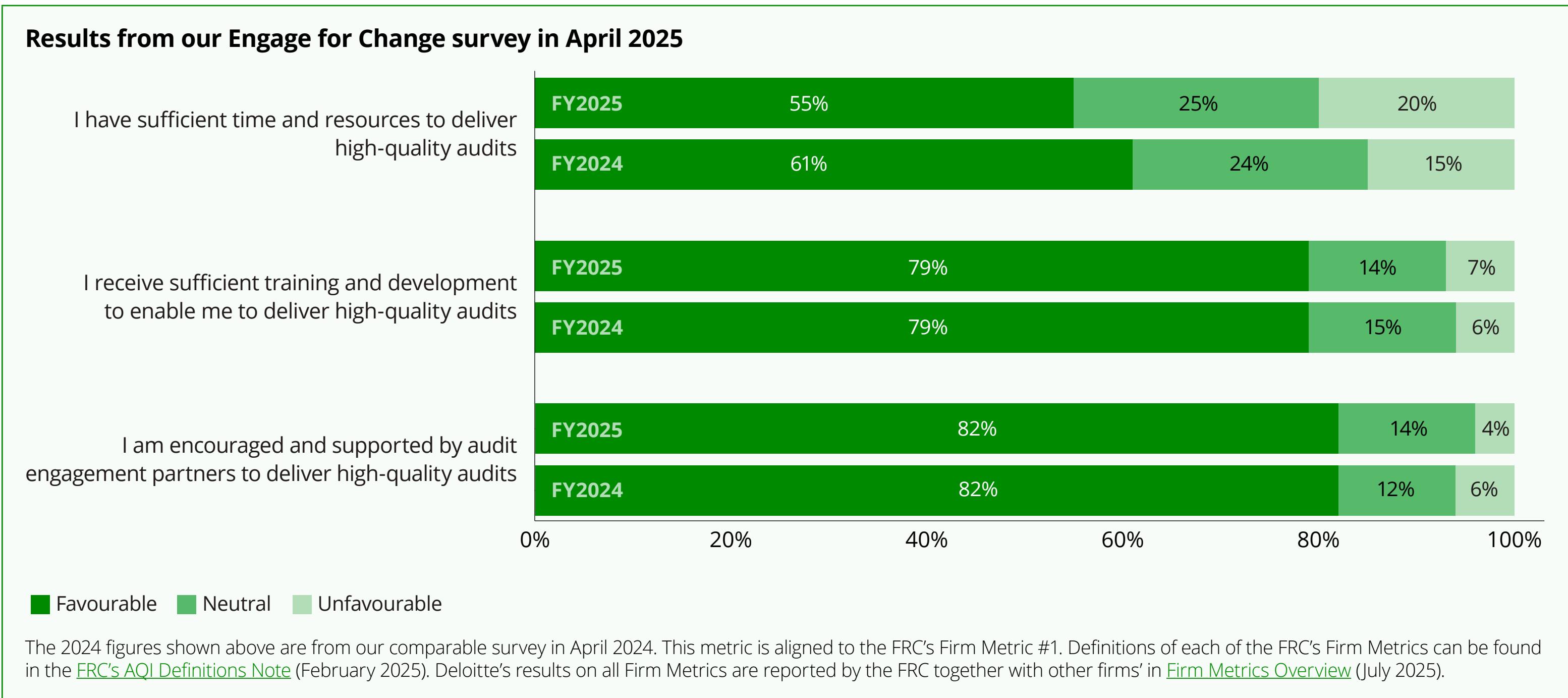
Our firmwide people experience survey, Engage for Change, allows us to understand what matters most to our people and take action to improve their experience. The survey includes an overall measure of effectiveness, the employee Net Promoter Score (eNPS). Our April 2025 eNPS was +14 for Audit & Assurance (up 5 points from +9 in November 2024, and +13 in April 2024); meaning our people are more likely to recommend Deloitte as a place to work than not. This metric has remained between +9 and +15 for Audit & Assurance since its introduction. Insights from our most recent survey in April 2025 indicate 85% of our people feel their work environment is respectful, supportive and inclusive (April 2024: 84%). 82% feel their choices around flexibility are respected, indicating they value our approach to hybrid working (April 2024: 80%).

Our people also value their people leaders in supporting their performance and development. 85% felt their people leader makes themselves available to meet (April 2024: 85%), and 81% say they can talk openly with them (April 2024: 82%).

As part of Engage for Change, we include a question to monitor whether our people feel they have sufficient time and resources to deliver high-quality audits. We take seriously that, as of April 2025, we noted an increase in our people feeling they do not have sufficient time and resources to deliver high-quality audits, despite the average hours worked by our people decreasing. In response, we looked into the data to understand where this feeling was coming from and identified two 'hot spots' across the business where particular strain on resources was felt. We then put plans in place to ensure there is adequate resource to address this area of feedback.

Appendix 5:

Audit and assurance quality



Performance and development, people and teams, and wellbeing have been consistently cited in the top themes referenced by our people when questioned on their "likelihood to recommend Deloitte as a great place to work" over the last year. This highlights our focus on enhancing a high-performance culture, making sure our people are receiving timely development feedback to succeed, while providing transparency and visibility of possible career progression pathways. We have continued to enhance our suite of wellbeing tools and resources and have held webinars on a range of topics in this area. Our aim is to create an environment where our people feel able to talk, seek support, and be mindful of others too.

Our people tell us that they are proud to work for Deloitte and be part of the audit and assurance profession



[It is our] professional reputation that makes you proud to work at Deloitte

A work-life balance is achieved with Deloitte which is rare in our profession

[We have] an abundance of support and resources...and plenty of opportunity for growth and progression

Deloitte provides ample opportunity for development and is led by competent individuals that understand the profession and help their teams excel while not compromising their health and free time

Collaborative working environment; ethical and professional

Appendix 5:

Audit and assurance quality

Our people

Recruitment

It is important to us to build a diverse workforce that reflects the society we live in and the companies with which we work. We are focused on ensuring our people are equipped with the right blend of skills to tackle emerging risk areas and deliver outstanding results for our audit and assurance engagements.

In FY2025, we welcomed 764 (FY2024: 720) graduates and BrightStarts into Audit & Assurance through our early careers programmes.

We also hired 77 (FY2024: 74) industrial placement and 162 (FY2024: 142) summer vacation students.

Our FY2026 hiring programme is well underway. This season our talent engagement team have designed a strategy focused on achieving our diversity ambitions, including: a TikTok campaign with Holly Hobbs, a social media influencer also known as “apprenticeship girl”; a girls’ school project focused on building relationships with girls-only schools in the UK; coaching partnerships for candidates from Black and low socio-economic backgrounds; and engagement events for women undergraduates.

Together with other financial services firms, we have launched a new partnership with Higherin, focused on improving the attractiveness of the audit profession, which has resulted in 71 direct offers (68% female and 17% Black).

We have developed enhancements in our recruitment process to help level the playing field, giving everyone the same access to support information and guidance, irrespective of their background or personal situation. This included improvements to the dedicated support website for candidates to inform and educate them on our recruitment process, provide an opportunity to practice our assessment modules and signpost support available to help people perform at their best.

We updated the guidance that supports our teams and assessors as they engage with potential Early Careers applicants. This includes focused messaging on the support provided to individuals while they are studying for their professional qualification, and sets out our Shared Values and our collaborative and inclusive culture.

We enhanced our digital assessments for robustness and integrity, adding an in-person final stage to ensure high-quality hires aligned with our global leadership, professional, and technical skills framework.

Appendix 5:

Audit and assurance quality

Leading people

The people leader is a key formal role and is a consistent point of contact for our people, helping them to thrive. The seven essential elements of their role are set out on the right.

The people leader plays an important role in supporting performance and development, prioritising wellbeing, and recognising and rewarding impact. Our people leaders continue to have access to a tailored training programme to give them the knowledge they need to fulfill this important role.

In FY2025, 134 Audit & Assurance colleagues participated in our People Leader Development Programme, accredited by the Institute of Leadership & Management (FY2024: 112). We have created a new page for people leaders on our learning and resources hub, ensuring all content to support them is held in one dedicated place. We also held webinars with this group throughout the year to provide them with relevant and timely information and support to guide them in their role.

Our recent Colleague Engagement Session (chaired by one of our Non-Executives) provided an opportunity to hear about our people leaders' experiences in this role. We are using the outputs from this session to adapt the learning and resources available to all Audit & Assurance people leaders.



Appendix 5:

Audit and assurance quality

Delivering our audits

The involvement in audits by grade metric measures the hours charged to the engagement by the senior engagement team. While such a measure is typically dependent on an individual engagement's degree of complexity, a higher proportion of senior engagement team may indicate the firm is involving the right team members in the audit for the benefit of audit quality.

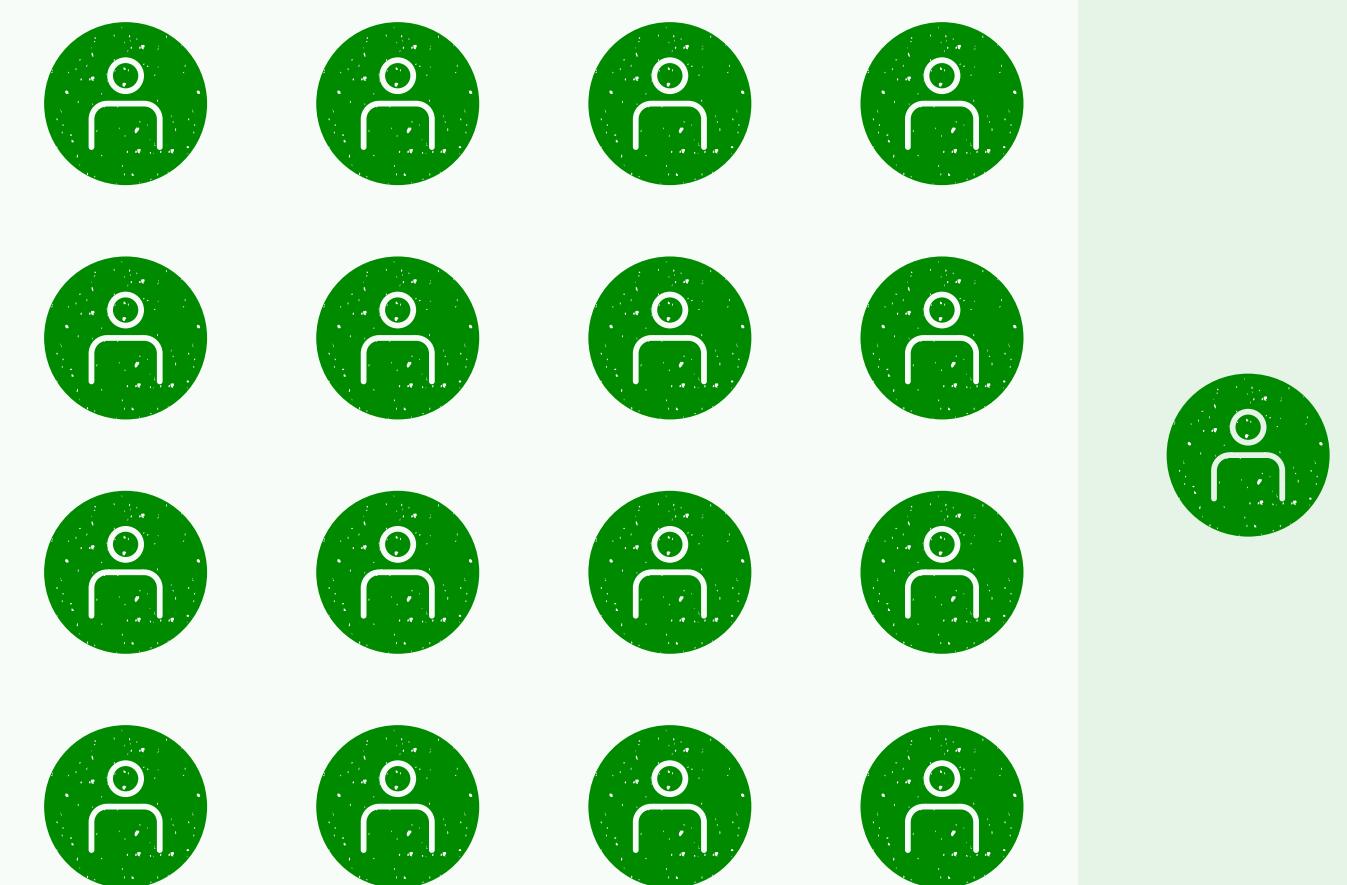
Involvement in audits by grade: time spent by engagement leadership		12 months to 30 April 2024 (restated)
	12 months to 30 April 2025	
PIE audits	4.8%	4.5%
All audits	4.4%	4.4%

This metric measures audit partner and director RI involvement in the engagement by capturing the hours charged to the engagement by audit partners and director RIs as a percentage of total audit hours charged. This metric is aligned to FRC Firm Metric #5.

We have restated the prior year comparative, and adjusted our reporting date for 2025, to present the 12 months to April, which is the period used for our reporting to the FRC.

Similarly, the ratio of staff to partners and Responsible Individuals (RIs) indicates the capacity of partners and RIs to supervise junior audit staff in the firm, and the level of professional support on which the senior engagement team can rely.

Staff to partners and RIs ratio



12 months to 30 April 2025 **16:01**
(12 months to 30 April 2024, restated: 16:01)

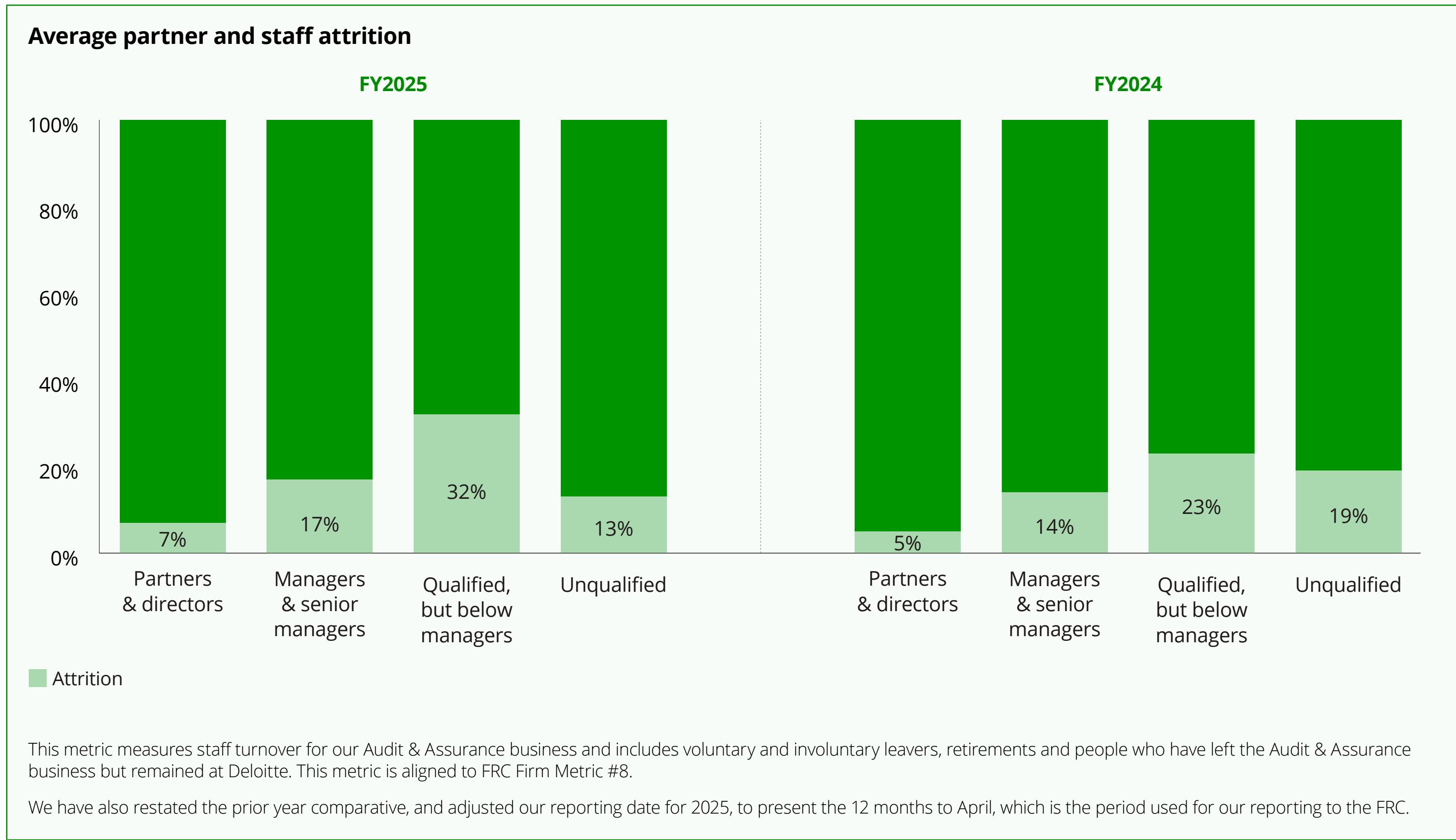
This metric measures the average headcount of audit staff compared with that of partners and RIs over the year. It only includes staff, partners and RIs within the ring-fenced Audit & Assurance business. This metric is aligned to FRC Firm Metric #6.

We have restated the prior year comparative, and adjusted our reporting date for 2025, to present the 12 months to April, which is the period used for our reporting to the FRC.

We consider the level of turnover as an indicator of the consistency of the firm's engagement teams. Consistent teams assist in improving audit quality and maintaining professional knowledge within the firm. We aim to maintain a balance between retaining staff and adding new staff to promote new and fresh ideas, ultimately improving and maintaining high audit quality.

Appendix 5:

Audit and assurance quality



Average hours worked as a percentage of contracted hours

	3 months		3 months	
	1 January to 30 April 2025		1 January to 30 April 2024	
	12 months to 30 April 2025	2025 to 31 March 2025	12 months to 30 April 2024	2024 to 31 March 2024
Partners & directors	118%	124%	119%	124%
Managers & senior managers	111%	118%	112%	117%
Qualified, but below managers	113%	120%	114%	121%
Unqualified	108%	116%	107%	114%

The majority of our Audit & Assurance partners and staff are contracted to a standard working week of 35 hours. This metric is aligned to FRC Firm Metric #7.

Appendix 5:

Audit and assurance quality

Responsible individual (RI) accreditation and monitoring

Audit and other reports may be signed by audit partners and certain audit directors who act as RIs. This is after demonstrating their personal readiness, completing the firm's due diligence process (which uses measures gathered throughout this year, such as compliance ratings, feedback for quality roles and the results of our internal quality reviews) and being granted permission by the ICAEW (our Recognised Supervisory Body). These individuals may also, as required and according to set parameters based on experience, gain additional signing permissions. These may include permissions from the FRC to sign PIE audit opinions, or from other relevant authorities for Local Public Audits, Air Travel Organisers' Licensing (ATOL) Reporting Accountant opinions, the Financial Conduct Authority's Client Assets Sourcebook (CASS) reports, and audit engagements involving market traded entities based in Jersey, Guernsey, and the Isle of Man.

A dedicated Supervisory Partner provides mentorship and consultation to each director RI, with mandatory regular meetings (quarterly in the first year, then twice yearly on an ongoing basis). These twice-yearly support meetings continue for two years following any promotion to partner. Director RIs have limitations on the types and scale of engagements they can lead, and their work undergoes enhanced review as part of our regular internal audit quality review process. Full Professional Standards Review (PSR) is completed on director RI audit engagements until the successful completion of a compliant archived file review in their first year of acting as an RI, after which the scope of the PSR review may be more limited.

As at 31 May 2025 we have:

337 RIs on the Register of Statutory Auditors, of which **110** are directors and **227** are partners

(FY2024: 334, 115, 219)

130 FRC PIE RIs on the PIE Auditor Register **(FY2024: 123)**

6 Key Audit Partners for Local Public Audit work on the Local Auditor Register

(FY2024: 9)

7 ATOL Licensed Practitioners

(FY2024: 7)

75 Jersey RIs, **44** Guernsey RIs and **7** Isle of Man RIs

(FY2024: 73, 44, 8)

36 specialists signing CASS reports

(FY2024: 38)

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Audit and assurance quality

Measuring and rewarding quality

Our reward strategy is designed with the aim of offering our people market-based reward matched to their progression and performance, centred around the following principles:

- Competitiveness
- Fairness
- Higher reward for our best performers
- Transparency
- Choice

Over the last few years, we have focused on providing greater transparency on reward, following feedback from our people. This has involved more detailed communications, where relevant, around our bonus plan, with the level of bonus that people can expect to receive being communicated to them at the start of the financial year, expressed as a percentage of annual salary. Forward guidance is also provided on pay progression as part of year-end reward communications.

The four main pillars against which Audit & Assurance partners and staff were assessed for FY2025, known as our Balanced Scorecard, are:



For FY2026, performance will be assessed against four quadrants: quality; growth and resilience; business innovation; and people and purpose.

For all our people

Our appraisal and promotions process is designed to ensure quality is at the core of practitioners review decisions, as a key pillar in our Balanced Scorecard. All our practitioners working on audit and assurance engagements set annual quality objectives, which are considered as part of their performance review discussions.

Engagement teams hold regular check-in meetings to encourage discussions around quality and the link to individuals' quality objectives. Individuals receive both 'snapshot' and written feedback throughout the year, with results discussed in their performance review.

We are committed to furthering our high-performance culture and commitment to excellence, which expects all our people to strive to demonstrate an outstanding contribution to quality. Partners and staff are not evaluated or remunerated on the selling of other services to the entities they audit.

For staff at assistant manager to salaried partner, we use the annual bonus scheme to recognise the demonstration of excellent audit and assurance quality.

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Managers and above

Each manager and above within Audit & Assurance receives a quarterly quality dashboard recording a variety of metrics covering their contributions to audit and assurance quality, including:

- Findings from internal and external engagement reviews, and corporate reporting reviews
- Timely completion of appraisal documentation, mandatory e-learning and compliance matters
- For partner and director RIs, any independence or other procedural matters
- Additional partner or director RI review role(s) they may fulfil, and participation in other roles that make a positive contribution to quality
- Individuals' own commentary (if relevant) on positive contributions to audit and assurance quality.

The audit and assurance quality dashboard is a key input into performance conversations, appraisal and the remuneration process for staff at manager level and above.

A detailed review is performed to identify any outliers, where the quality dashboard scores are particularly low or high, and do not correlate to the bonus proposed to ensure there is an appropriate justification for the reward decision. This ensures quality is at the forefront of all performance and reward decisions.

For RIs and partners

In addition to their quality dashboard, each RI receives an Audit Responsibility Rating, reflecting their roles on audit engagements. This is a key driver in their reward and promotion, and recognises the level of risk, complexity and public scrutiny they shoulder in their roles, including any Engagement Quality Review (EQR) roles.

If there are adverse findings from a quality review, we consider appropriate targeted actions for the engagement partner or director RI. The overriding aim of the actions is to improve audit quality and may include:

- Inclusion in the Monitoring and Remediation programme
- Additional coaching and learning for the partner or director RI
- Financial penalties in the form of bonus or unit reduction
- Removing the individual from our group of RIs.

For partners

Partners have an annual objective-setting process. The Balanced Scorecard is used to set objectives across the whole of a partner's contribution, and at the year-end process they are assessed on actual contribution against each quadrant. Quality is one of the areas included in the Balanced Scorecard and partners are required to ensure their quality objectives include actions to remediate any low scores in their quality dashboard. Where a partner has any operational responsibilities for an element of the firm's SQM, they are also required to set an objective linked to this role.

All recommendations go through a robust peering assessment regime, to ensure partners are treated equitably, including around responses to quality events.

The Audit Quality Remuneration Committee (AQRC) reviews any negative quality events and, depending on the results, a partner may:

- i. Be required over the year to reverse the situation by making a positive quality contribution and if, as we hope, that contribution is meaningful, the requirement will be removed at the end of a three-year period. If the situation is not reversed, further requirements (ii below) and a financial penalty will arise
- ii. Receive additional monitoring and coaching, financial penalties and/or removal from our group of RIs.

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Where such events are considered significant, or represent a recurring quality failure, after consideration by the AQRC, a further penalty or reduction of partner units may be recommended.

The AQRC comprises a small group of experienced partners, independent of the Audit & Assurance Executive, who are respected for their own quality contribution. A Non-Executive also attends AQRC meetings as part of their independent oversight of the audit partner remuneration process. The AQRC uses the audit quality dashboards and audit responsibility ratings as key tools in their evaluation of partners, and its recommendations are used by the Audit & Assurance Executive to make final decisions on audit partner reward and promotion, which are then reviewed by the firm's overall Executive.

Partners in our Audit & Assurance business who work solely on assurance engagements are not subject to review by the AQRC, but their remuneration remains aligned with the principles of quality. All Assurance partners are appraised within the ISQM (UK) 1 framework which includes a focus on quality and professional scepticism.

Audit & Assurance Quality Awards

Our quality awards recognise our people who bring to life our Cultural Ambition and behaviours and exemplify colleagues who are truly living our purpose.

Nominations are reviewed by a panel of Business Unit Quality leads and the Quality team, who determine the awardees. Our awardees span a wide range of grades, representing all business units, and are recognised for their commitment to producing high-quality outcomes.

Audit & Assurance Quality Awards



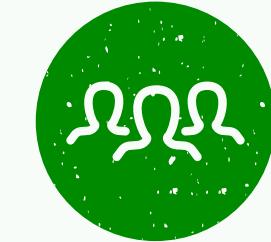
666

nominations were received this year (FY2024: 611), resulting in 561 awardees, made up of:



405

individual awards (FY2024: 388)

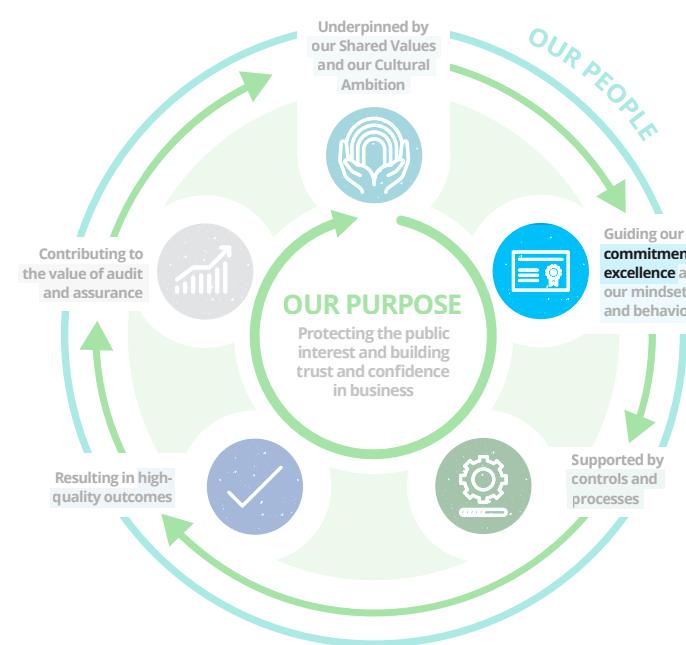


156

team awards (FY2024: 94).

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Commitment to excellence

Monitoring the risk landscape and responding to emerging issues

Our Emerging Issues Group (EIG) endeavours to identify potential risks that may significantly impact audit and assurance quality in the future by exploring various factors such as industry, political, economic, technology, regulatory or inspection-related issues. The EIG closely monitors multiple external data sources to detect indications of potential risks.

Over the course of the year, the EIG has focused its efforts on areas such as the UK macroeconomic outlook, including implications of UK fiscal events, geopolitical events and global trade uncertainty. The analysis conducted by the EIG is developed into guidance to enhance awareness among our practitioners and facilitate tailored discussions with engagement teams.

In the first half of calendar year 2025, the US announced a series of tariffs and trade measures, with implications for many entities we audit. We responded by providing information on the latest developments and analysis of the likely direct and indirect effects of the heightened trade uncertainty, as well as potential areas for audit teams to consider in response. Working closely with representatives from the relevant industry groups, we evaluated industry-specific tariff impacts and audit considerations. Additionally, we participated in a series of educational events, including webinars and "lunch and learn" sessions to raise awareness on tariff and trade issues.

Responding to increasing data complexity

Our audited entities and assurance clients face increasing complexity from evolving technologies, new business models and expanding data sets. This requires enhanced understanding, more responsive audit and assurance procedures, and greater professional judgement.

We recognise these challenges and aim to equip our engagement teams with the skills to understand and evaluate complexity, and use their professional judgement to design and execute high-quality audit and assurance engagements.

We are therefore investing in training and resources, including:

- E-learning on information and data
- New guidance on making appropriate judgements on information used as evidence
- A general IT controls (GITC) playbook to facilitate greater understanding and evaluation of general IT control deficiencies, and appropriate responses including mitigation strategies
- IT learning to reinforce key concepts, promote greater collaboration between IT specialists and audit teams, and enable more effective testing strategies
- Focused programmes and communications to respond to challenges in auditing complex data and models.

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Focus on sustainability and resilience, including climate risk

Climate considerations are an important aspect of audits, in response to the expectations of investors and regulators. Climate was once again emphasised by the FRC in both its Corporate Reporting Review and thematic review on climate-related financial disclosures. We therefore continue to embed climate considerations into our audit engagements, including consideration of how companies address climate risk in the context of other short-term economic and geopolitical risks and uncertainties that affect their business.

The rapidly evolving regulatory landscape for sustainability and climate-related reporting, combined with economic conditions and geopolitical trends, has created complex challenges for our clients and the entities we audit during this period. In the first half of the year, a key focus was to support entities to prepare for assurance under the Corporate Sustainability Reporting Directive (CSRD) and to upskill our people accordingly. The publication of the European Commission's Omnibus proposals to simplify and reduce reporting requirements in the EU marked a significant shift in focus.

In particular, the deferral of many entities coming into scope of the CSRD led to many UK companies reassessing their reporting approach, prioritising readiness for the forthcoming introduction of UK Sustainability Reporting Standards (UK SRS) and the continued adoption of the ISSB Standards around the world.

It has remained critical throughout this period to ensure our people have received training on new sustainability reporting requirements and are kept up to date on key developments. This year, we have delivered:

- Nine separate training sessions on CSRD, with three days of learning covering European Sustainability Reporting Standards and EU Taxonomy reporting requirements, and our specifically developed CSRD assurance methodology
- E-learning modules on current UK sustainability reporting requirements and future developments; and to explain the Omnibus proposals when they were published.

For the coming year, we are developing additional training, building on our ISSB Standards training modules, to address the expected UK SRS, with an initial focus on the uplift required from reporting under the Task Force on Climate-related Financial Disclosures.

We have kept our clients and the entities we audit up to date with the developments, through published guidance and events. This includes updating board directors and non-executive directors through our Deloitte Academy programme, hosting a wide range of events on topics such as integration of climate and sustainability into business strategy, transition to net zero, and regulatory updates on sustainability reporting requirements and developments. These included four dedicated events on the CSRD and the Omnibus proposals, and an overview of considerations for navigating the evolving landscape of sustainability reporting in light of the Omnibus proposals.

The development of a corporate reporting ecosystem that supports reporting of high-quality, trusted, sustainability-related information remains an over-arching priority. We support the adoption or use of the ISSB Standards to form a global baseline of consistent and comparable sustainability information, including in the UK. We also advocate for a policy and regulatory framework for the provision of assurance. We responded to the FRC's market study on the UK sustainability assurance market and to the subsequent government consultation, supporting the development of an oversight regime for assurance of sustainability-related financial disclosures. In this context, we also welcome the publication of the proposed UK version of the International Standard on Sustainability Assurance (ISSA) 5000, 'General Requirements for Sustainability Assurance Engagements' which is central to underpinning the delivery of consistent high-quality assurance in the UK.

Strengthening sustainability controls

Companies are reviewing and enhancing the controls put in place over sustainability-related risks. Our Corporate Reporting Insights survey – [Controls & Assurance: A focus on transparency & accountability](#) – highlighted that many companies are revisiting their disclosures on risk management and internal control, and how they are considering the sources of assurance provided to the board to give comfort that those systems are operating effectively.

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Corporate governance

This year a key focus for the Governance team has been raising awareness and sharing insights on the new material controls declaration introduced by Provision 29 of the 2024 Corporate Governance Code. This important update to the Code, which applies to financial periods commencing on or after 1 January 2026, aims to strengthen boardroom focus on internal control matters.

We believe all companies should focus on strong controls, as a foundation of good corporate governance, a key to fraud prevention and to accurate and reliable financial reporting. It is important that companies have a joined-up consideration of risk assessment, risk appetite and risk management, alongside a comprehensive understanding of assurance sources.

A proportionate approach

Deloitte's Governance team has used various platforms, including the Deloitte Academy and our guidance publications, to highlight key messaging from the FRC around developing a proportionate approach to the new declaration, focusing on the principal risks to an organisation and how those risks are managed. Our Deloitte Academy events have included two webinars for audit committee members with an average of almost 200 attendees at each; two in-person Audit Committee Forum events including a Q&A with the FRC CEO; and roundtables for the risk and assurance community and for audit committee chairs.

We have also communicated with our Audit & Assurance practitioners on the implications of the new Code Provision, sharing insights from the external engagement channels and we support the UK's Audit Committee Chairs' Independent Forum (ACCIF) through the seconded services of a senior director from our Governance team.

Celebrating integrated thinking in business

We showcased companies whose actions have changed the way their organisations work, leading towards more sustainable outcomes, through our collaboration with Accounting for Sustainability (A4S) and the ICAEW on the [Finance for the Future Awards](#). Examples from across a decade of the awards were featured as part of the A4S Summit 2024 and in a [new online resource](#) that shares the stories of five companies on their journey to embed integrated thinking into their finance functions.

Impacts of the UK's new 'failure to prevent fraud' offence

On 1 September 2025, legislation came into effect introducing a new criminal offence of failure to prevent fraud. It is applicable to all organisations defined as large (per the criteria within Section 201 of the Economic Crime and Corporate Transparency Act 2023) across all sectors and industries.

Under this new legislation, an organisation may be found liable where a person 'associated' with the organisation commits a fraud offence which is intended to benefit the organisation, and the organisation does not have in place 'reasonable fraud prevention procedures'. The offence is intended to encourage more companies to implement or improve fraud prevention procedures, driving a shift in corporate culture to help reduce fraud. In November 2024, the government published [non-statutory guidance](#) on what might constitute reasonable fraud prevention procedures to aid organisations in their preparations.

We have issued guidance and training on the new offence to support our audit practitioners in having informed conversations around fraud risks as they plan and conduct audits.

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Our mindset and behaviours

Learning and development

Our firm prioritises the growth of our partners and staff, and only by nurturing their talent and fostering a culture of continuous development can we empower our practitioners to deliver high-quality engagements. Relevant, focused training is tailored by grade and is delivered through mandatory technical curriculum and elective professional development programmes.

Our high-quality technical curriculum provides a blend of face-to-face classroom learning, e-learning, plenary and engagement team-based learning, providing our practitioners with the skills and opportunities needed to thrive in their professional careers.

We continue to deploy our flagship TechEx programme in communities, led by partners, directors and subject matter experts. TechEx content for 2025 focused on the areas of technology, relationships, inclusion and skills development, combined with updates on technical hot topics:



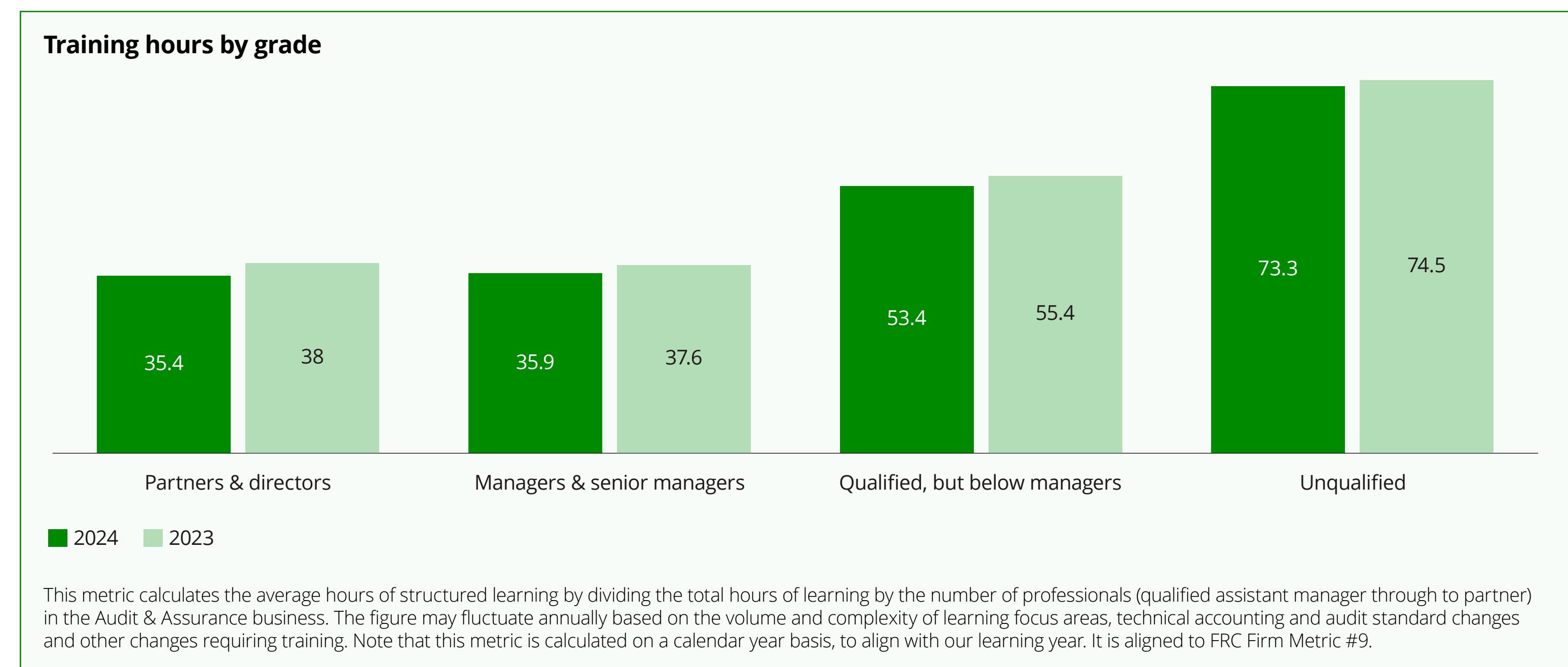
Appendix 5:

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Investment in training

Ongoing investment in the skill sets of our people is essential to delivering high-quality audit and assurance, and in supporting their professional development.

The following metrics reflect qualified and unqualified audit and assurance staff, and exclude audit specialists who have a tailored and bespoke learning curriculum based on their role. Additional industry-specific learning or personal, non-mandatory learning is also excluded.



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Structured learning includes:

- All classroom, e-learning and virtual classroom learning our Audit & Assurance professionals complete as part of their mandatory annual curriculum
- TechEx, mandatory for all qualified audit professionals
- Mandatory training for personnel accredited to work on PCAOB audit engagements
- Mandatory firmwide training, for example on financial crime, ethics and independence
- Additional learning events and e-learning, for example, for assurance practitioners and for internal-facing individuals within Audit & Assurance
- Formal engagement team-based learning
- Industry-related learning for audit personnel including seminars and masterclasses.

Additionally, all qualified staff are required to view regular technical webinars. These sessions, averaging one hour, provide updates on corporate and financial reporting, auditing and regulatory information to audit partners and staff in the UK. During FY2025, eight webinars (FY2024: 11) were broadcast to staff.

Completion rate of mandatory technical training by grade

Group of staff grade	% completion rate	
	2024	2023
Partners & directors	99.6%	99.7%
Managers & senior managers	99.3%	99.1%
Qualified, but below managers	99.2%	98.4%
Unqualified	99.6%	99.5%

Note that this metric is calculated on a calendar year basis, to align with our learning year. It is aligned to FRC Firm Metric #9.

We have seen a consistently high completion rate for mandatory technical training in the most recent learning year, with all four grade categories now exceeding 99%, reflecting our ongoing focus on the monitoring of outstanding learning throughout the year.

Continuing education of statutory auditors

Staff working on statutory audits receive training through the learning programmes detailed in this Report to maintain their knowledge, professional skills and values at a sufficiently high level. Entity-facing staff (and some others involved in preparing of presenting training material for entity-facing staff) are required to complete a CPD Annual Summary detailing the training they have completed throughout the year to acquire, develop and keep up to date, as necessary, professional competence to enable them to fulfil their roles.

Development programmes

Training curriculums exist for each major grade category to ensure our professional staff are equipped with the leadership and professional skills required for their position.

During FY2025 we focused on promoting the development opportunities provided through the programmes on offer to our staff. Highlights for the year include the opening of our training facility Deloitte University EMEA in Paris, and growth in the participation in our Assistant Manager and Management Development programmes.

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Deloitte University EMEA (DU EMEA)

Our focus on the growth and development of our people is further enhanced by our DU EMEA facility which opened in June 2024. DU EMEA stands as a testament to our investment in our people's future. It offers a dynamic, world-class learning environment, offering a programme focused on professional and leadership capabilities, industry-specific programmes and grade milestone events following promotion. In the period from opening of the facility to the end of FY2025, more than 780 places have been filled by UK Audit & Assurance colleagues across the curriculum programme.

Assistant Manager (AM) Growth Programme

The AM Growth programme supports development of early management skills such as reviewing, project management skills, professional scepticism, working with specialists and technical audit topics. Skill development needs are identified through conversations with the individual's engagement team and their people leader and facilitating the creation and monitoring of a tailored training plan. Assistant managers can select relevant skills training from the programme menu to suit their development needs.

In FY2025, 739 assistant managers actively engaged in the AM Growth Programme by completing a focused action plan (FY2024: 599). This accounted for 82% of the total AM population, a significant increase in participation compared to 60% in FY2024. Engagement with the programme is monitored by people leaders through the performance management process.

Management Development Programme (MDP)

The MDP was created to support the skill set enhancement of our managers and senior managers who play a pivotal role in managing and leading teams in Audit & Assurance. Training topics include: prioritisation & delegation, managing effective teams, becoming a coach, and authentic confidence.

We have seen a year-on-year increase in participation with over 500 colleagues (cumulatively) having attended at least one MDP module, 570 places filled in 2025 (up from 270 last year), and over 1,000 places delivered cumulatively in the three years since the programme launched.

Director and partner development

Development programmes exist to support those working towards promotion to director or partner, and involve self-reflection on the personal capabilities, attributes and shared values of leaders at Deloitte, and access to professional and leadership development programmes at DU EMEA. Transition labs also help directors 'Step up', 'Step back' and 'Step in' as they transition into partnership. The partner development programme involves a variety of curriculums focused on leadership, professional, commercial, industry and digital skills, and wellbeing, to support partners throughout different stages of their career.

Future Leaders Programme

FY2026 will be our fourth year of the Future Leaders Programme. The Programme provides tailored support for women and colleagues from ethnic minority backgrounds (of those who identify their ethnicity) through their progression and development journey at Deloitte.

To date, over 380 of our Audit & Assurance colleagues have benefited from this programme. The curriculum encompasses a range of topics, including authentic leadership, business acumen, career planning, shaping purpose and vision, and navigating difference. It also includes additional learning and support for people leaders and sponsors of participants, so individuals have the necessary support to advance their career at Deloitte.

Experienced Hire programme

On starting with Deloitte, colleagues receive a comprehensive induction experience, including training on the firm's businesses, Cultural Ambition and Shared Values, key software and tools, and audit approach manual and policies, including expectations on quality. The programme also gives new joiners opportunities to network and build relationships with colleagues, a vital support system as they settle in. All of our joiners are allocated a buddy, and our existing network of community-based Experienced Hire champions and Early Careers coaches are on hand to provide support. All AM experienced hires are immediately included on the AM Growth Programme to support their ongoing development.

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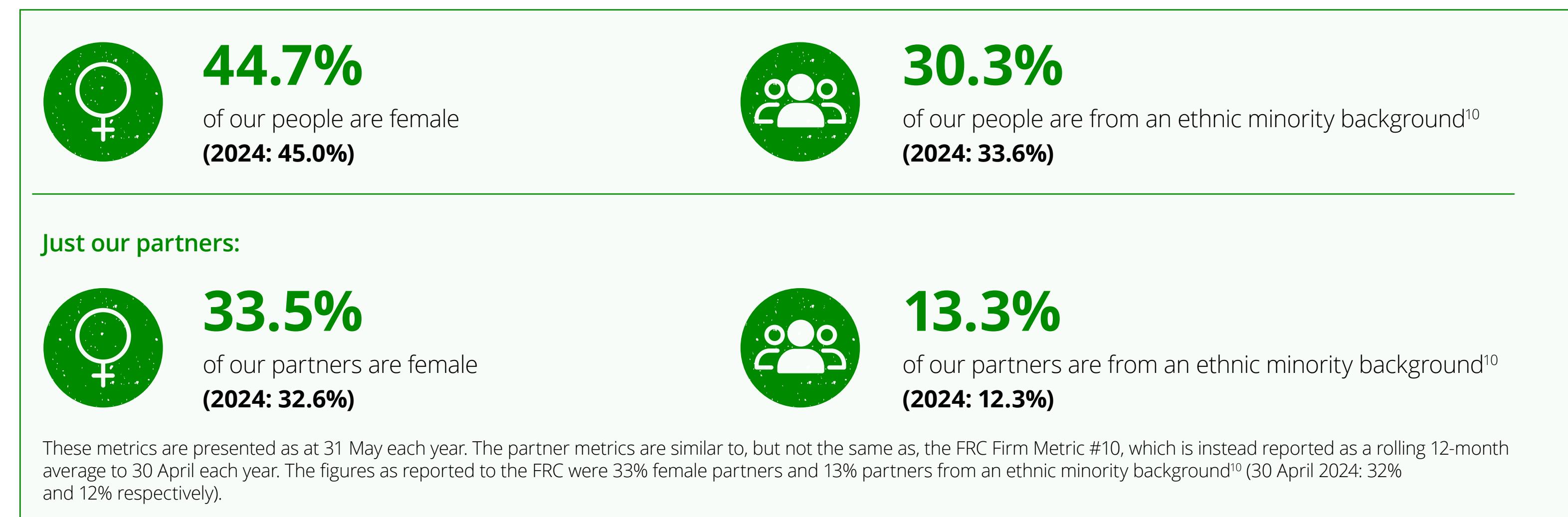
Audit and assurance quality

Diversity and inclusion

Achieving diversity means building a workforce and partnership with diversity of thought that represents society. Inclusion means all our people feel valued, comfortable to be themselves and supported to reach their full potential while delivering on our Cultural Ambition effectively.

Achieving diversity and inclusion enables us to make the best use of our people's range of skill sets and experiences to contribute to upholding and enhancing quality.

While we are proud of our progress in driving diversity to date, we acknowledge there is still much more to do:



We continue to do more to improve representation, particularly for Black partners; we currently have 1.4% (FY2024: 1.7%) Black partners across Audit & Assurance (1.1% firmwide (FY2024: 1.0%)). Over the last 12 months, we have remained focused on the development of Black directors and their progression to partner, with four colleagues attending an externally facilitated coaching programme, supporting their individual career development goals. To continue our progress in improving the diversity of our leadership we are focused on our director and partner pipeline for the next three years and the development needs of all individuals.

¹⁰ of those who identify their ethnicity.

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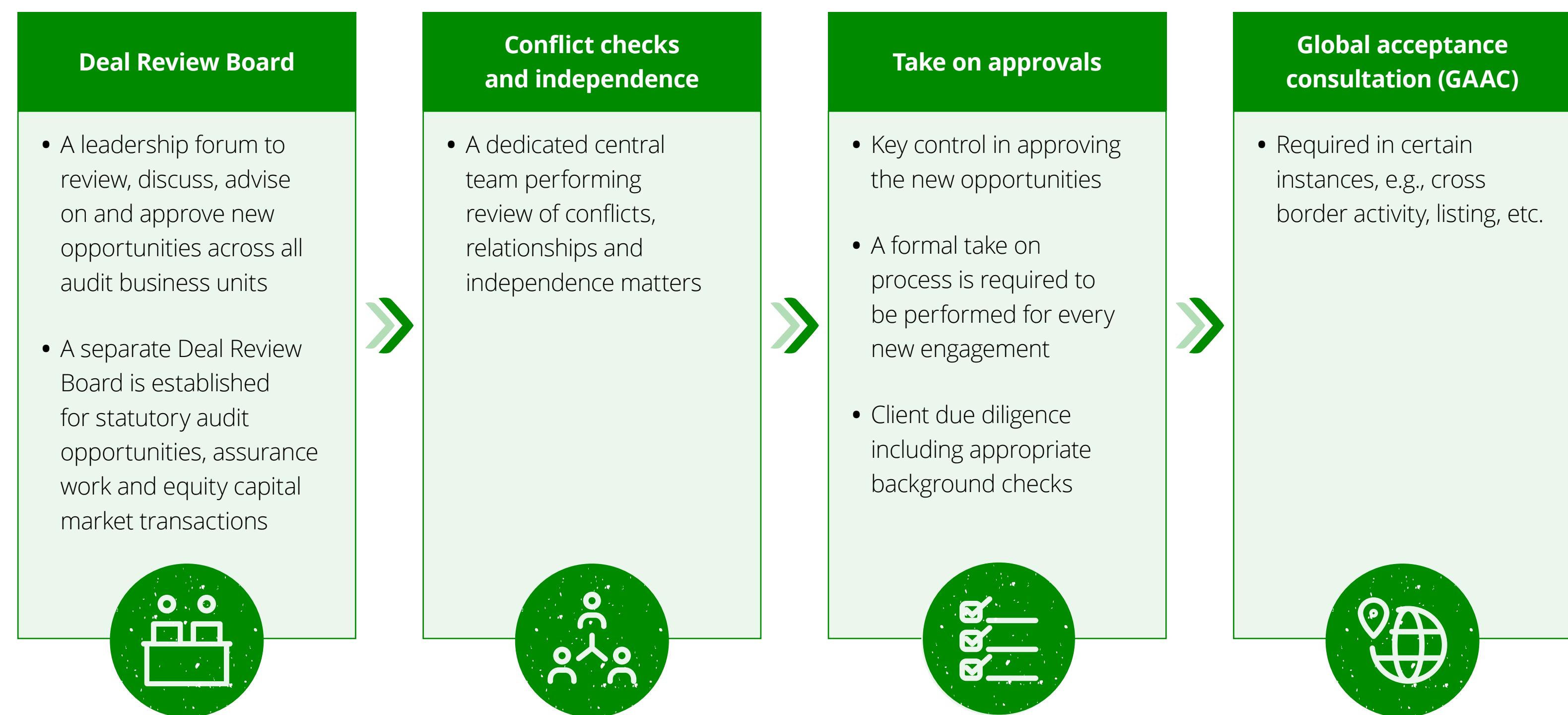
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Controls and processes

Acceptance and continuance

Our audit and assurance engagement acceptance and continuance processes are underpinned by our assessment of risk and our consideration of the public interest. Where the risk profile of an entity is not consistent with our expected risk appetite and in the public interest, we would not seek appointment or re-appointment as auditor. We consider both external factors and internal factors. Our UK policies are supplemented by the Global Audit & Assurance Acceptance Consultation (GAAC) process, for the largest and riskiest opportunities.



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Audit and assurance quality

Resignations

As an audit firm, we do not take the decision to resign lightly. We are very mindful of the impact caused when an auditor resigns, not just on the entity itself, but also on the users of the financial statements and the market as a whole. However, resignation is an important lever that auditors are obligated to consider, and which must be considered seriously, in certain circumstances, notwithstanding the potential impact.

We have a mature and well-established consultation process and we seek to address and resolve concerns through a variety of mechanisms prior to resigning, including our yellow card system which gives advance notice to entities where we have significant concerns which could impact on our ability to continue to act as auditor. We use this system to communicate with company's management and to the audit committee where there is a need for specific action and improvement. During FY2025 we issued 3 yellow cards (FY2024: 2 (restated¹¹)). Where we resign as auditors, this information is shared with the incoming auditor and disclosed publicly within our statement of reasons.

Group audits

We continued our extensive preparation for the implementation of the revised auditing standard for group audits (ISA (UK) 600), which was updated by the FRC for periods beginning on or after 15 December 2023, and introduced several new requirements including increased direction, supervision and review of component auditors and a revised approach to how we scope our group audits. In the past year, we have held a series of workshops, issued new templates and practical guides for audit teams as well as delivering a combination of live learning and e-learning focusing on the key changes. Our next step will be to perform a post-implementation review to assess the effectiveness of the training and materials.

¹¹ We have restated the figure for FY2024 to adjust for two yellow cards which were reported in FY2024 but issued just after the year end. These are now correctly reported in the FY2025 number.

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Audit and assurance quality

Extended delivery models (EDMs)

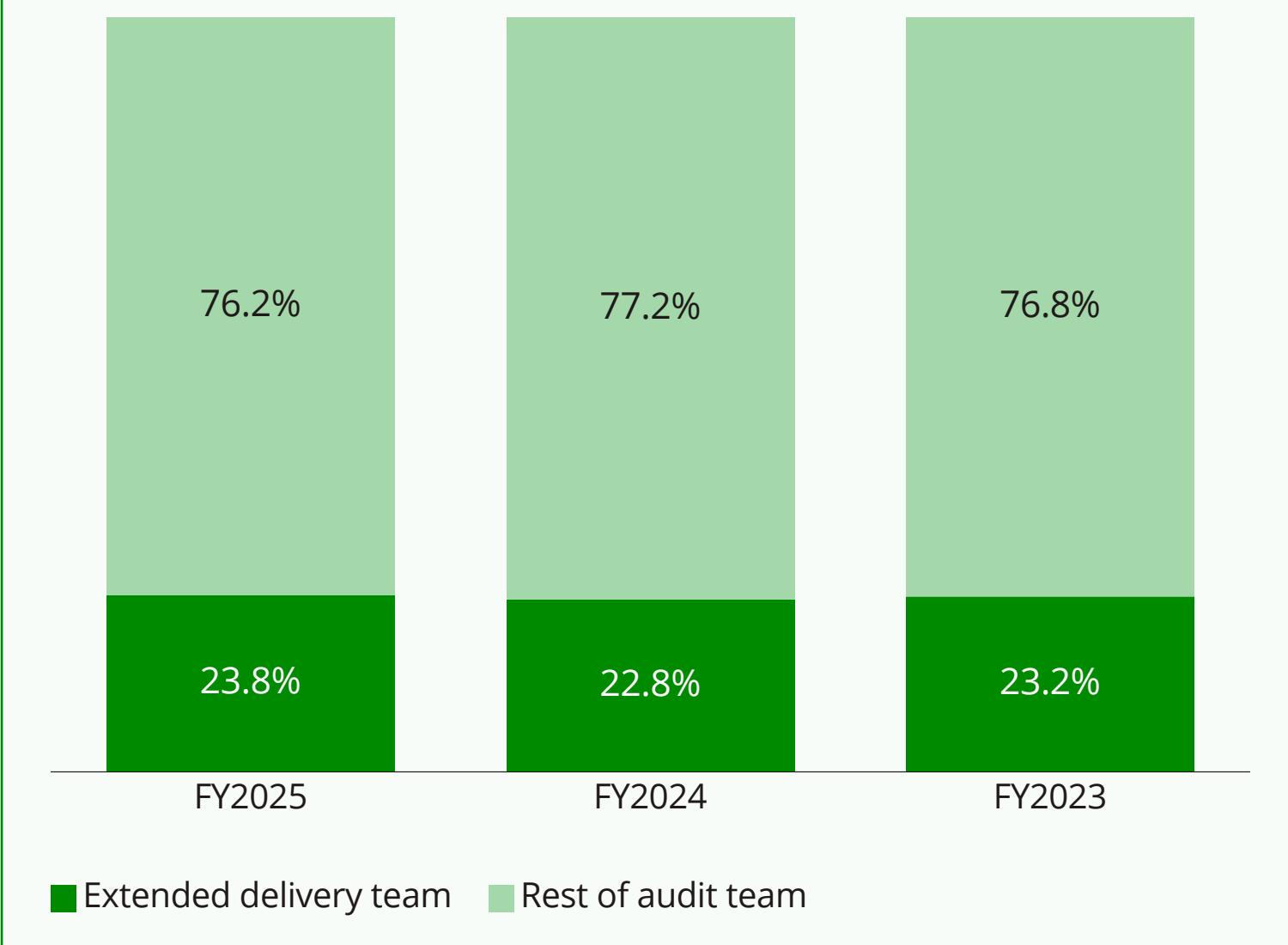
The continued leveraging of Extended Delivery Models (EDMs) remains a key component of our audit delivery strategy. These models are essential for consistent, high-quality audits—achieved through centralising specific functions, standardising processes and utilising specialist expertise.

We prioritise audit quality through robust central oversight across the EDMs. A dedicated UK EDM Chief Operating Officer (COO) ensures consistent application of UK standards and policies. This, along with a comprehensive SQM framework aligned with ISQM (UK) 1, and a dedicated UK EDM Quality and Risk lead, reinforces our commitment to the highest professional standards.

We maintain audit quality through comprehensive training programmes tailored to each professional group, and the individual's role, grade and function. All groups receive professional skills training and the following technical and audit quality curriculums:

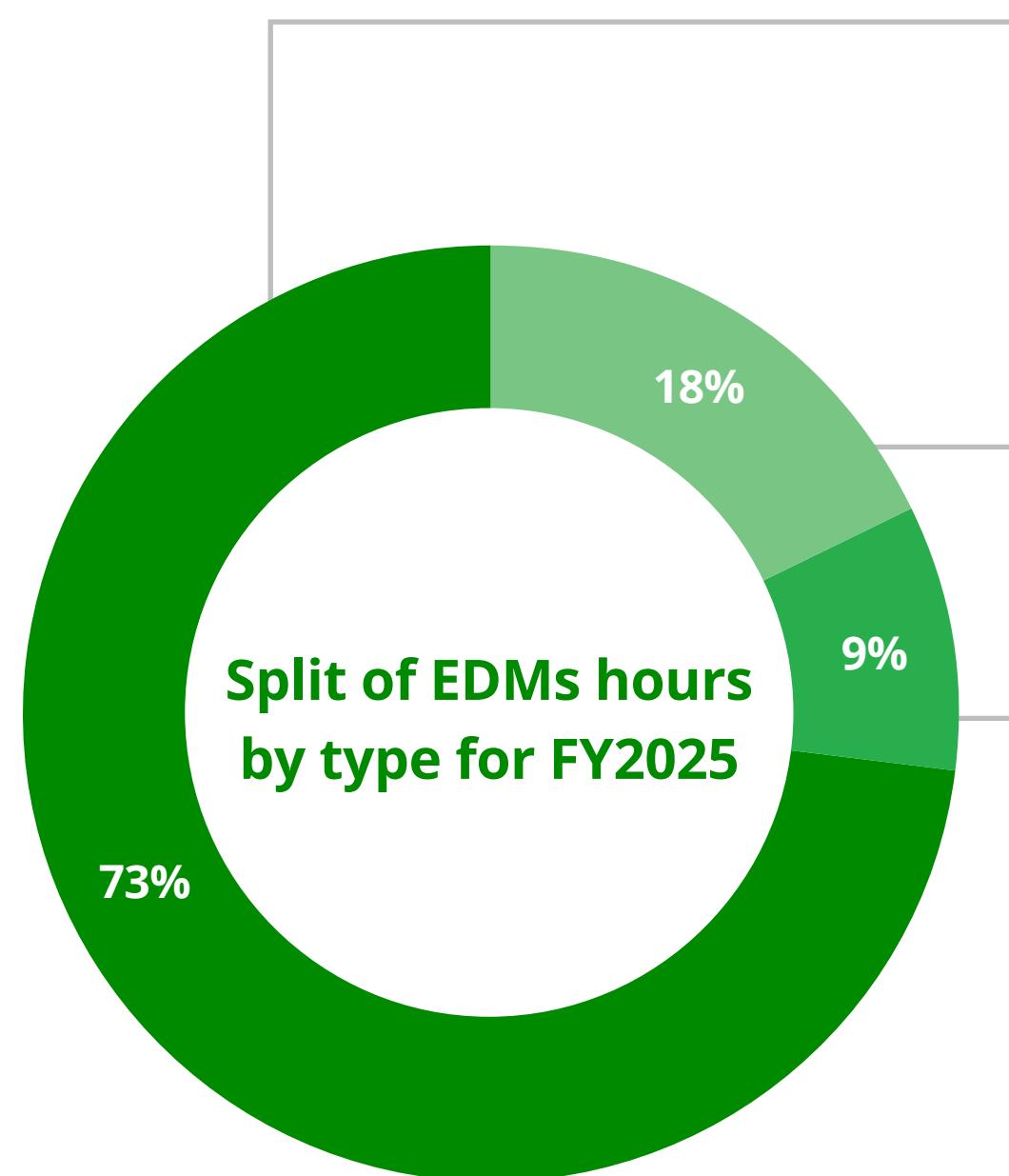
- The **Integrated Team Models** professionals are trained through the full audit learning curriculum, based on Deloitte Global Audit & Assurance standards, and receive engagement-specific training, where appropriate, alongside UK team members.
- Learning for individuals in our **Centres of Excellence** depends on the details of the role undertaken, with some required to follow the full UK audit curriculum (such as the EQR Centre of Excellence). Centre-specific training is provided for specialist roles, including annual refresher training on key audit topics, as appropriate. Each year we also assess changes in roles, scope of work, and changes in the UK regulatory environment which may affect the required learning for each centre.
- The **Regional Audit Delivery Centres** are trained through a tailored curriculum based on the Deloitte Global Audit & Assurance curriculum, with supplementary learning in UK-specific regulatory requirements. Additional training needs are derived from quality checks and feedback through a team working environment.

Extended delivery team hours as a percentage of total hours charged on audit engagements



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Integrated Team Models

Offshore audit professionals contributing to audits as extended team members working across diverse sections of audit files.

- Expand capacity for large, complex audits (including PCAOB) with skilled offshore professionals, ensuring high-quality delivery.



Technology

Our approach to technology, data analytics and automation in our audits is discussed in detail in [Appendix 7: Deloitte digital audit](#).

Centres of Excellence

Specialised expert teams supporting specific audit and assurance areas.

- Provide access to dedicated specialists, enhancing knowledge in specific audit areas for improved quality.
- Offer deep expertise, enhanced quality, and improved risk management.



Regional Audit Delivery Centres

Execute routine, low-risk procedures using standardised workflows.

- Improve consistency while driving efficiency, standardisation driving better quality, automation, change management, and expedite new technology deployment.
- Allow on-site teams to focus on high-risk areas.



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High-quality outcomes

Monitoring and measuring quality

To achieve our aim to be recognised as the standard of excellence for audit and assurance quality, we are focused on continuous improvement. We use the findings of internal and external reviews to swiftly put in place actions and measures to enhance our system of quality control.

We have formal governance around quality, including the [AGB](#), who hold leadership to account on how we perform high-quality audits in the public interest. We also have regular external inspections by the FRC AQR, the PCAOB, the ICAEW QAD and others, and an internal review programme. We develop an Audit Quality Plan (AQP) to monitor audit and assurance quality initiatives and the findings from these reviews.

Deloitte consistently reinforces the important role of auditors as independent evaluators who must maintain a mindset of professional scepticism and challenge throughout the conduct of our work. This approach to audit and assurance is reflected in Deloitte policies, methodology, guidance, procedures, and learning, and is reinforced through quality control and accountability measures. Two areas of importance to this are our consultation process and the engagement quality review (EQR).

A continued focus on quality is of paramount importance to the Deloitte brand. It is critical a Deloitte audit is consistently executed and of high quality, wherever in the world it is performed. We deliver this through our Global Monitoring & Remediation (M&R) programme.

System of quality management

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

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

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

Appendix 5:

Audit and assurance quality

The effective implementation of ISQM (UK) 1 has been, and remains, a key element of Deloitte's global audit and assurance quality strategy. As part of the implementation of ISQM (UK) 1, quality objectives, quality risks and responses were formalised and brought together in a globally consistent technology platform to facilitate the design and maintenance of the system, as well as the operation through tri-annual self-assessments by business process owners and reporting capabilities to support the required annual evaluation. We continue to work with leaders across the firm, as well as the broader network, to further enhance our proactive approach to managing the quality of engagements performed. Identifying and addressing risks to quality, and driving continued advancements in quality management processes, serves us well into the future, as the environment in which we operate evolves and becomes increasingly complex.

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

We completed our annual evaluation of the SQM as at 31 May 2025 and concluded with two deficiencies identified (neither of which were pervasive or severe) which did not have an impact on the evaluation of the SQM (FY2024: one deficiency, not pervasive or severe, with no impact on the evaluation of the SQM). At the date of this report, one

of the deficiencies is fully remediated and remediation of the second is well progressed. Working with the Monitoring & Remediation (M&R) and root cause analysis (RCA) teams, we consider the wider aggregation of all findings and deficiencies identified, regardless of source, in making this conclusion.

We encourage all people with an operational responsibility of our SQM to identify on an ongoing basis (predominantly through tri-annual self-assessments) any areas for improvement so that they can implement timely remedial actions and so that we can get ahead of potential future issues proactively. We use the assessment of these areas, with the support of an independent moderation panel, to assist us in determining whether we have any deficiencies in the SQM identified by the first line.

Regulators and standard setters in the UK and globally are also focused on the effectiveness and continued improvements in firms' SQMs. We comply with ISQM (UK) 1 which requires annual evaluation of the SQM. The FRC have inspected a number of areas of our SQM in FY2025, and have published their findings in their [public report](#). We assessed these areas, with support from the independent moderation panel, to assist us in determining whether we have any deficiencies in the SQM identified by the FRC.

We are currently implementing the PCAOB's standard on a Firm's System of Quality Control (QC 1000) that is effective on 15 December 2026 and believe this is a positive addition which supports and strengthens the firm's SQM.

Conclusion on the effectiveness of the SQM

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

The objectives are:

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

Deloitte UK conducted its evaluation in accordance with the ISQM (UK) 1.

Deloitte UK concluded that the SQM provides the firm with reasonable assurance that objectives of the SQM are being achieved as of 31 May 2025.

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

Appendix 5:

Audit and assurance quality

Engagement Quality Review (EQR)

EQR, and PSR for EQR-exempt engagements, remain a key aspect of our commitment to audit and assurance quality and our policies and internal controls continue to evolve to respond to ISQM (UK) 1, ISQM (UK) 2 and any internal and external inspection findings.

We remain focused on the skills and experience needed to ensure the specialisms within the team support individual engagement needs.

Our EQR and PSR team are supported by various communication and discussion channels, such as EQR webcasts and PSR 'community chat' sessions focused on topical matters. The central EQR leadership team continues to monitor and enhance the controls we have previously embedded as part of our SQM.

In-process engagement reviews

In-process engagement reviews (previously referred to as 'inflight' reviews) have been embedded in the quality monitoring function for several years and are a fundamental pillar in our monitoring efforts. They are performed in a similar way to a review of an archived file, but are performed on a live engagement, with reviews taking place at the key stages throughout the audit focusing on particular areas of the file as required.

As part of our efforts to continually improve the quality of our audit files, the firm refreshed the way we approach our in-process reviews programme, moving away from these being performed purely as a monitoring tool to focus more on the risk management benefits these reviews can bring. Through the tailoring of the in-process review offering to each engagement identified, the firm can effectively target the support to teams where they need it most to achieve a high-quality audit.

In addition to the EQR/PSR reviews and in-process reviews, the firm continues to perform several other in-process activities. These activities include various consultations, including with centres of excellence (for example, in relation to impairment and group audits), central quality-focused reviews (Quality Corporate Reporting (QCR), climate reviews), risk management programmes (for example, the Much Greater Than Normal (MGTN) Risk and the National Risk Partner (NRP) programme) and challenge panels.

Appendix 5:

Audit and assurance quality

Quality reviews

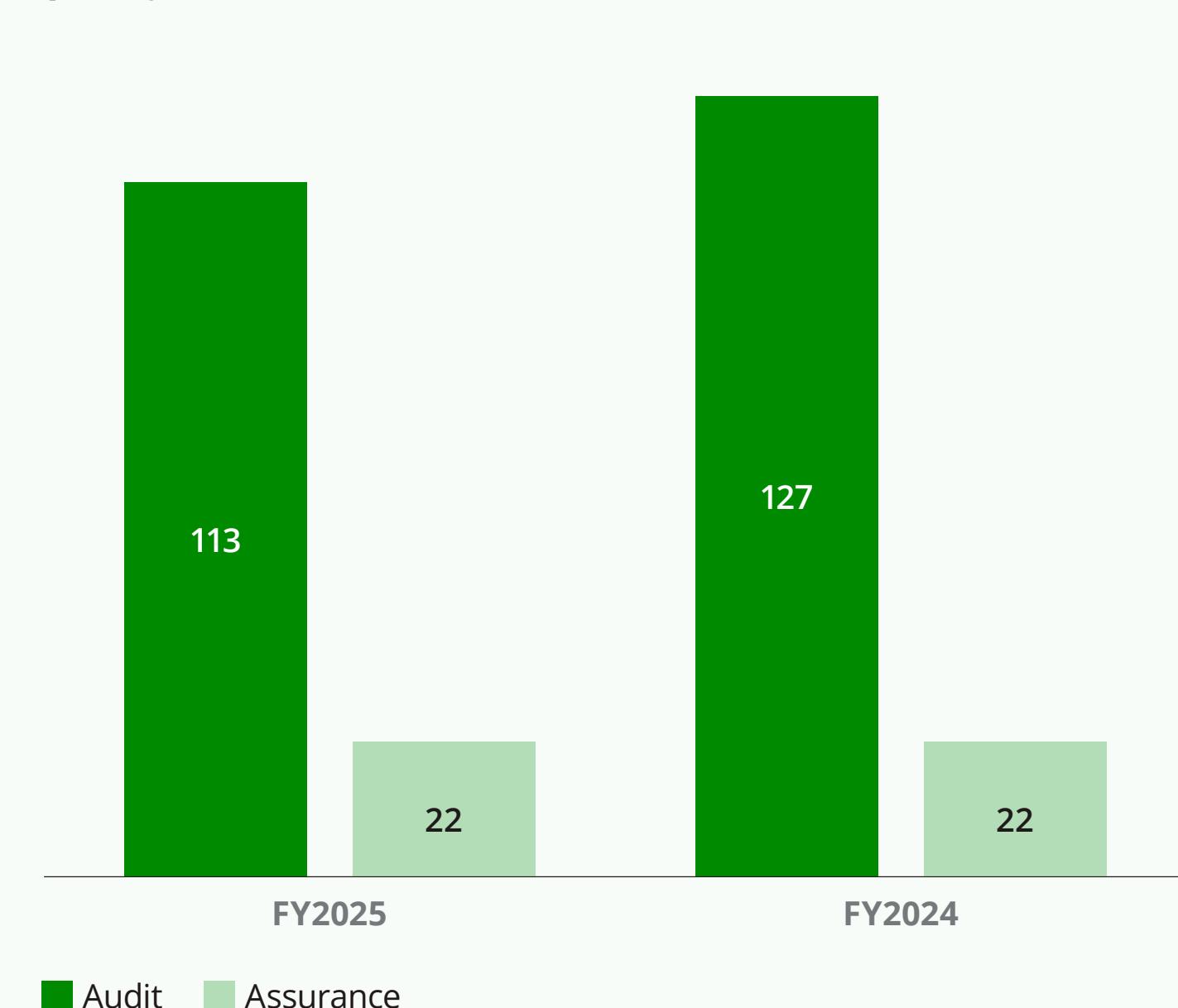
Results of firm's internal quality reviews

Both the current year and comparative data includes the UK and Gibraltar, but excludes Switzerland. Quality reviews are completed on audits and on non-audit engagements within the Audit & Assurance business. The non-audit engagements reviewed, which are referred to by the firm as assurance engagements, include tripartite and standards-based assurance, bilateral assurance and other work in the public interest. Any comparison of results year-on-year should recognise that we continually seek to refine our approach to internal engagement monitoring and to make the reviews appropriately challenging and robust.

The firm performs retrospective remediation of all high and medium findings for an improvement required or non-compliant rated engagement, and prospective remediation on all findings, regardless of the engagement rating, in the subsequent year's engagement.

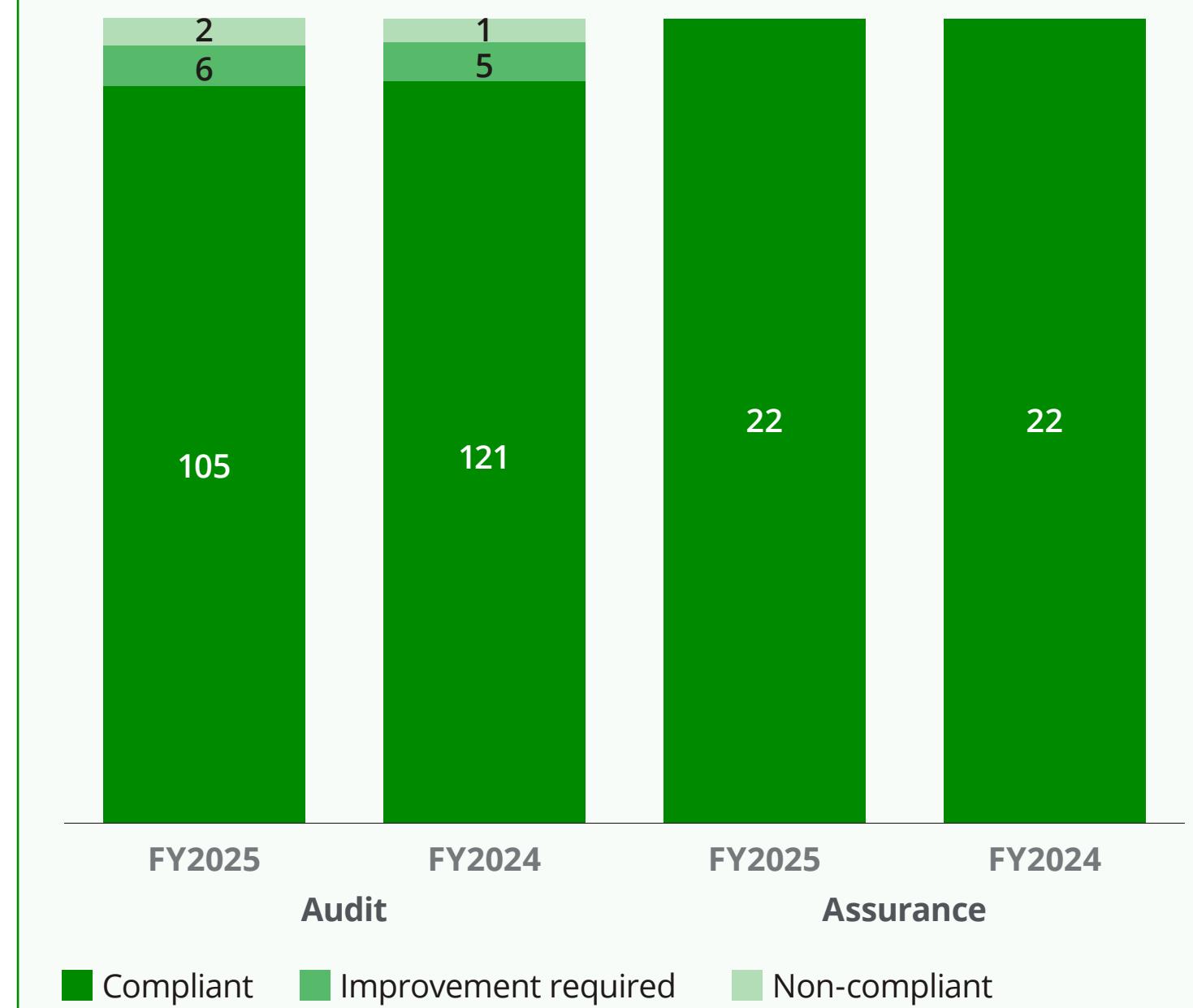
Metrics on internal quality reviews

Number of engagements reviewed in our internal quality reviews



Note: Comparative data for FY2024 has been restated, as our internal reporting date has been moved to 15 June 2025 to align with the overall self-assessment cycle.

Results from our internal quality reviews



Note: Comparative data for FY2024 has been restated, as our internal reporting date has been moved to 15 June 2025 to align with the overall self-assessment cycle. This metric is aligned to FRC Firm Metric #3.

Appendix 5:

Audit and assurance quality

Annualised % of Responsible Individuals (RIs) subject to firm's internal audit quality reviews

FY2025	FY2024 (restated)
34%	35%

Note: Comparative data for FY2024 has been restated, as our internal reporting date has been moved to 15 June 2025 to align with the overall self-assessment cycle. This metric is aligned to FRC Firm Metric #2.

Our approach to internal audit practice review selection is such that each RI will normally be subject to review at a minimum every three years, in line with regulatory requirements. Signing individuals who lead assurance work are also subject to the firm's internal quality reviews, and engagement selections follow a risk-based approach.

System of Quality Management (SQM) monitoring

Internal metrics on the SQM

Total number of risks/statements in the SQM	Risks fully mitigated	Compliant rate
307 (FY2024 – 330)	300 (FY2024 – 329)	98% (FY2024 – 99%)

In FY2025, our M&R SQM monitoring approach placed focus on the responses addressing key risks within the business processes through performing detailed testing of relevant controls. This involved addressing quality statements and significant quality risks, along with rotationally testing relevant controls addressing higher and not higher rated quality risks. The review activities are performed by the M&R SQM Monitoring Team and involve the following actions:

- Challenge completeness of responses provided by process owners to each quality risk/statement reviewed
- Perform design and implementation control testing

- Assess operating effectiveness of the controls concluded to be designed and implemented appropriately
- Capture interdependencies with other business processes and assess the impact of observations, including aggregation risk, on other business processes
- Test operating effectiveness of prior year remedial actions
- Identify good practices.

All observations are evaluated by an independent moderation panel to consider if they constitute a finding or deficiency, in line with the International Auditing and Assurance Standards Board (IAASB) guidance.

Action plans are required to address all findings and deficiencies raised during M&R SQM monitoring. Responsibility for developing and delivering the actions against the findings and deficiencies arising from SQM activities lies with the owner of the relevant business process.

All responses with actions are subject to operating effectiveness testing during the subsequent SQM review to confirm both implementation and effectiveness.

Appendix 5:

Audit and assurance quality

In FY2025, we identified 16 findings and two deficiencies. The two deficiencies were evaluated as neither severe nor pervasive. Of these, the M&R SQM Monitoring Team identified 16 findings (FY2024: ten) and one deficiency (FY2024: one). The second deficiency was identified as a result of Audit & Assurance leadership encouraging those with operational responsibility for areas of the SQM to identify areas for improvement on an ongoing basis. One deficiency was fully remediated by the date of this report, and remediation of the second is well progressed.

Although the total number of findings has increased, we have observed a shift in the nature of identified issues, with findings moving from being design-related to being operational, suggesting a maturing quality management system and highlighting the continuous improvement mindset adopted by process owners.

We also perform collective analysis on findings arising from internal and external inspections that individually may not indicate a thematic issue, but collectively may identify areas of weakness not previously identified. Irrespective of the source of the initial finding, these areas are considered in aggregate to determine if they constitute additional deficiencies. In FY2025, this did not result in any additional deficiencies (FY2024: none).

Of the ten findings reported in FY2024, nine were fully addressed by process owners and determined to be fully remediated by the M&R SQM Monitoring Team. The single deficiency reported in FY2024 was also fully remediated in FY2025. The reduction in the number of repeat findings from three to one in FY2025 is a testament to the firm's ongoing efforts to improve our quality management system and our unwavering commitment to continuous improvement.

Root cause analysis (RCA)

We take pride in our proactive approach to audit quality, leveraging root cause analysis (RCA) as a cornerstone of continuous improvement. RCA provides valuable insights into factors that influence audit outcomes, enabling us to identify potential enhancements to our SQM. By understanding the underlying causes of both challenges and successes, we develop targeted actions to prevent recurring issues and proactively address any areas where there may be emerging quality concerns, ensuring they don't become widespread.

Our RCA process encompasses internal and external inspection findings, restatements, SQM observations and other relevant quality events. We also analyse positive inspection outcomes to identify and share leading practices that elevate audit quality across the firm.

Insights derived from RCA are shared with Audit & Assurance leadership, practitioners, and SQM process owners. Action plans are collaboratively developed through the Actions Development Group (ADG), integrated into the Audit Quality Plan (AQP), and monitored for completion. Actions are reviewed by the Continuous Improvement Group (CIG), the firm's Monitoring & Remediation leader, and the AGB.

RCA has enabled us to proactively identify and address emerging areas of focus, so we maintain the highest standards of quality for audit and assurance. During FY2025, key initiatives for Audit & Assurance have included enhanced training programs, communication of leading practices and common pitfalls, and the provision of practical guidance, tools and templates to support our teams. We have also continued to prioritise on-the-job coaching and refine our policies and procedures to ensure continuous improvement and high-quality work.

In FY2026, we are looking to develop further our use of analytical tools in the RCA process to support the identification of emerging trends that could impact the quality of our audit and assurance work.

Our efforts to communicate and encourage positive behaviours, coupled with actions taken on thematic findings, has led to our results continuing to be positive over the past three years for both internal and external inspections.

Appendix 5:

Audit and assurance quality

External inspection results

AQR and QAD

We are proud of our consistently high-quality results from our FRC inspections. Of our public interest audits 95% (2024: 94%) were rated as 'good or limited improvements' and 90% (2024: 100%) of our audits reviewed by the ICAEW's QAD were assessed as good or generally acceptable.

Over the last five years, our AQR results have shown a sustained upwards trend. This reflects our commitment to excellence, our mindset, behaviours, controls and processes. These are all critical to our achieving high-quality outcomes in the public interest.

We value the observations raised by the FRC Supervision teams and the QAD, both in identifying areas for improvement and also the ongoing focus on sharing good practice.

Results of external inspections of the audit firm

- AQR of the FRC

	2025 (All)	2025 (FTSE 350)	2024 (All)	2024 (FTSE 350)
Good or limited improvements	95.0%	91.0%	94.1%	100%
Improvements required	5.0%	9.0%	0.0%	0.0%
Significant improvements required	0.0%	0.0%	5.9%	0.0%

This metric is aligned to FRC Firm Metric #4.

Results of external inspections of the audit firm - QAD

	2025	2024
Good or generally acceptable	90.0%	100.0%
Improvement required	0.0%	0.0%
Significant improvement required	10.0%	0.0%

This metric is aligned to FRC Firm Metric #4.

PCAOB

Results of external inspections of the audit firm - PCAOB

The most recent triennial inspection report on Deloitte UK was published by the PCAOB on 12 September 2024 which did not result in any Part 1A¹² references.

The full report can be found at: [2022 Inspection Deloitte LLP: PCAOB Release No. 104-2024-138](#)

Reviews by the PCAOB of audit work performed for SEC Issuers are only undertaken on a triennial basis, with the latest results published over a year after the related audit work was performed, so this may not be considered a current indication of quality. In 2022, the PCAOB conducted their most recent inspection of Deloitte UK, which involved a review of three audit files and an evaluation of elements of our firm's quality management system. The PCAOB report confirmed in their report that they did not identify any deficiencies in relation to the work performed to support our audit opinions or in relation to our SQM. We look forward to welcoming the PCAOB this autumn for our next inspection.

¹² Part 1A references have been introduced since our previous inspection. If identified by the PCAOB they are deficiencies of such significance they believe the firm at the time it issued its audit report(s) had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or internal control over financial reporting (ICFR), or where the firm was not the principal auditor had not obtained sufficient appropriate audit evidence to fulfil the objectives of its role in the audit.

Appendix 5:

Audit and assurance quality

External investigations

Metrics on external investigations: audit

During the year to 31 May 2025, we did not reach a final outcome on any of our announced and current FRC investigations, and thus there were no findings against our RIs/the firm, nor were any matters settled (FY2024: 0).

As at 31 May 2025 there were three ongoing FRC investigations (pursuant to the Audit Enforcement Procedure) announced by the FRC and yet to be concluded, which are therefore excluded from the FY2025 total for cases concluded:

- One ongoing investigation which was announced in March 2021 concerning the firm's audit work on Lookers plc's 2017 and 2018 financial statements
- One ongoing investigation which was announced in April 2022 concerning the firm's audit work on Go-Ahead Group plc's financial statements for FY2016 to FY2021, inclusive
- One ongoing investigation which was announced in May 2023 concerning the firm's audit work on Joules Group plc for the year ended 30 May 2021.

Additionally, since 31 May 2025 two further FRC investigations (pursuant to the Audit Enforcement Procedure) have been announced by the FRC:

- One ongoing investigation which was announced in July 2025 concerning the firm's audit work on the FY2023 financial statements of Stenn Assets UK Limited and Stenn International Limited
- One ongoing investigation which was announced in July 2025 concerning the firm's audit work on the financial statements of Glencore plc and Glencore Energy UK Limited for the financial years ended 31 December 2013 to 31 December 2020, inclusive.

During the year to 31 May 2025, there were no cases in which the disciplinary committee of any other regulatory body found against the firm or one of its members (FY2024: 0).

Metrics on external investigations: non-audit

During the year to 31 May 2025, there were no settlements of matters with the FRC and therefore no cases in which the FRC found against the firm or one of its members (FY2024: 0).

During the year to 31 May 2025, there were no cases in which the disciplinary committee of any other regulatory body found against the firm or one of its members (FY2024: 0).

Continuous improvement

Consistent with our culture of continuous improvement, we are not complacent and recognise there is always more we can do. We put a significant level of investment, resource and effort into taking real-time actions throughout the year to address findings and to enhance our SQM.

Continuous Improvement Group (CIG)

The CIG is an internal group that is integrated with many of the firm's teams focusing on enhancement of audit quality. Examples include reviewing and challenging audit quality actions considered and agreed by the ADG, reviewing progress made in respect of actions taken in response to the FRC's Annual Supervisor Letter and actions associated with non-financial sanctions, as well as review and challenge of key thematic findings from internal and external inspections.

CIG has carried out a broad scope of challenge of audit quality actions this year, including regular reviews of the SQP and underlying documentation, as well as deep dives on key areas such as our Revenue Centre of Excellence and long-term contracts. In addition, CIG's regular participation in other meetings, including with the Actions Development Group, the Audit & Assurance Quality Board and members of the Audit Executive, enables CIG to contribute and respond on a live basis to matters as they arise and are discussed. Through this broad interaction across the firm's quality framework, CIG is able to be agile and forward-looking as the environment changes.

Appendix 5:

Audit and assurance quality

Positive feedback was received following the last review of CIG's effectiveness completed by our specialists, and plans are in place for a further review to be completed in 2025.

Archiving - improving our processes

One of our focus areas to enhance audit quality was to shorten the time taken to assemble and archive the audit file after the date of the auditor's report. Having a shorter time for archive ensures that all audit work is documented contemporaneously, enhancing its clarity, and that less time is spent on administrative tasks after the audit has been completed.

Over the last two years, we have implemented measures to shift the mindset of teams to faster assembly and archiving of engagement files, including the use of our new audit platforms, Omnia and Levvia, and enhancing our monitoring activities.

As a result, over this period we have been able to significantly reduce the average time taken to assemble and archive an audit file by 34%. We are continuing to monitor archive periods and patterns and recognise that there are opportunities for further improvement to timeliness of our archiving process.

Centres of Excellence in Revenue and Impairment

We have several Centres of Excellence - specialised expert teams supporting specific audit and assurance areas.

Over the course of the past year the Revenue Centre of Excellence has continued to support engagement teams in their audit of revenue, both through coaching activities and the production and launch of industry-specific revenue playbooks. The playbooks, which are tailored to each of the main industries we audit, have sought to gather key learnings, regulatory findings and best practice to act as an important reference point for engagement teams as they approach their testing of revenue. We have shared the relevant materials within each industry group with associated communications from the industry quality leads, to ensure our people have timely guidance on the areas that are relevant to them.

Our Impairment Centre of Excellence continues to support engagement teams where complex accounting standards interact. Our impairment specialists, a group of senior managers and directors within Audit & Assurance specialising in this area, provide independent challenge to engagement teams on their approach and conclusions.

Our other Centres of Excellence, including pensions, modified audit opinions, corporate reporting and project management, also continue to support audit teams in their specific areas.

Value of audit and assurance

We have outlined in this appendix our focus on getting every element of our framework working effectively to help us to continue to raise the bar on quality.

Over the last year we have signed 200 PIE audit opinions (FY2024: 216), and required adjustments to the financial statements prepared by the company were identified in 76% (FY2024: 78%) of our FTSE 350 audits, as a result of our challenge.

We have also issued 400 (FY2024: 440 (restated¹³)) assurance opinions, including 34 sustainability assurance opinions.

Our role as audit and assurance professionals requires us to solve complex problems and apply independent judgement and technical expertise to big issues that businesses - and our society in general - are facing. The audit process often highlights areas needing improvement in companies, which can result in greater accountability and promote high-quality financial reporting, controls and governance. Our aim is to ensure all our work supports our purpose to protect the public interest and build trust and confidence in business. In doing so we hope to demonstrate the value that audit and assurance provides to the economy and wider society, and uphold the pride we have in the work that we do.

¹³ The FY2024 figure has been restated to correct for group referral audit work erroneously included last year.

Appendix 6:

Our Cultural Ambition

Annual measurement is integral to embedding our Cultural Ambition. It allows us to see the progression of where we have been, where we are now and where we want to be going, as we build our business for the future.

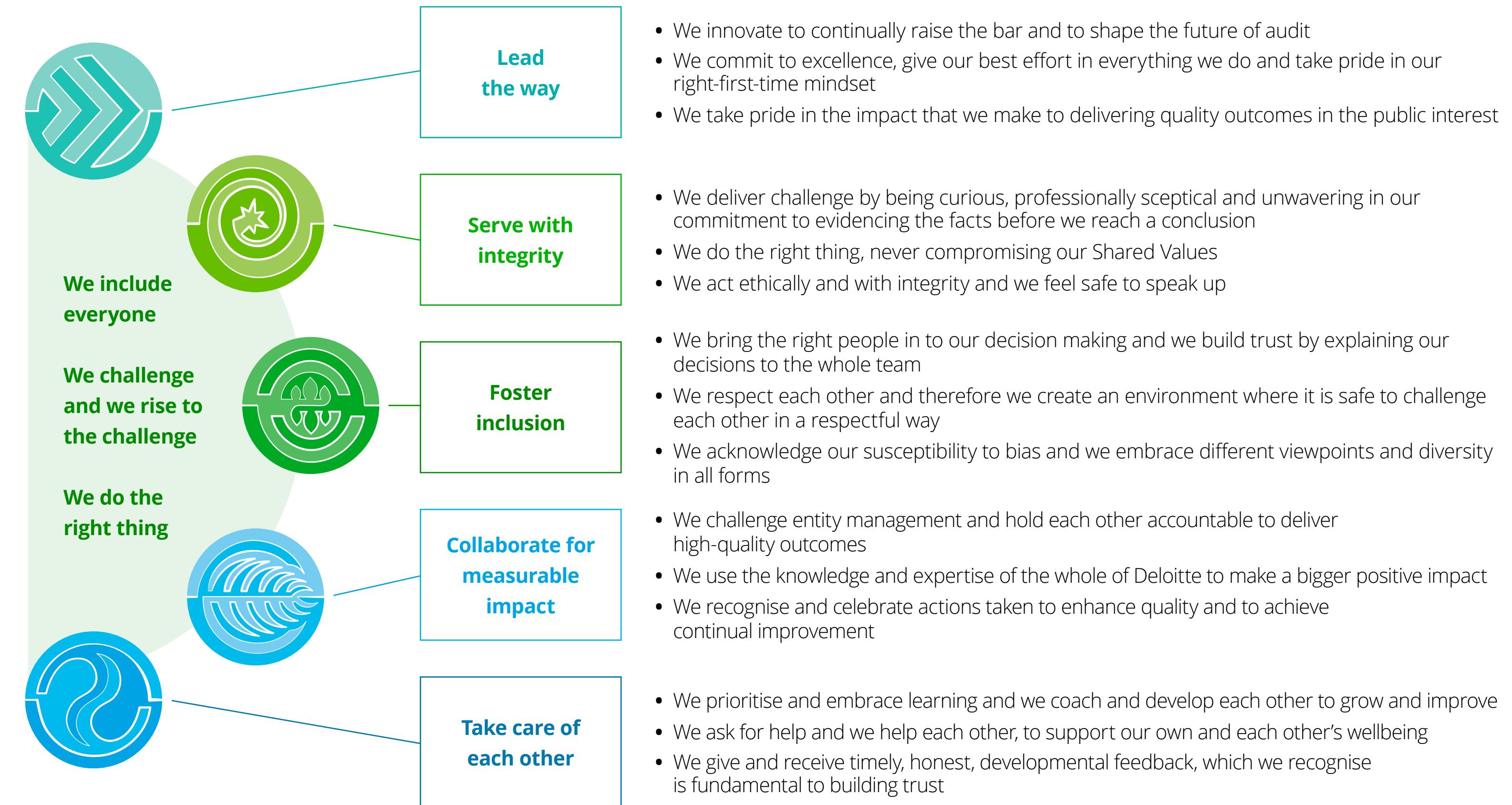
In a year where we have been embedding our Cultural Ambition across our business and seeking to differentiate ourselves through our purpose-led culture, we are pleased that we can see stability or improvement in many of the metrics we have measured.

Basis of preparation

We continue to identify KPIs that measure sentiment, behaviours and outcomes. The data is separated into five sections, aligned to our five Global Shared Values, as well as our Audit & Assurance behaviours.

In the current year, and aligned to the development of a firmwide dashboard, we have continued to develop the KPIs available for measurement. New data sources include, for example, D360 - the upward feedback tool launched in FY2025 that allows our people to provide feedback on our partner and director group. There are 49 KPIs in the current year report, drawn from 18 data sources (FY2024: 41 KPIs, 16 data sources).

Our shared sense of purpose guides all that we do....



.... and we are proud that what we do matters

Appendix 6:

Our Cultural Ambition

The following overview considers measurement through the lens of our Cultural Ambition: "We Include Everyone. We Challenge and We Rise to the Challenge. We Do the Right Thing". We also consider any further themes emerging from the detailed measurement data, including an update on prior year themes identified.

Overview

We Include Everyone:

- More people tell us this year that their work environment is respectful, supportive and inclusive.
- Of our partner promotions in 2025, 40% are female (FY2024: 33%), 27% from ethnic minority backgrounds (of those who identify their ethnicity) (FY2024: 22%), and 7% are Black (FY2024: 0%). Our Future Leaders programme, which is aimed at accelerating development of groups currently underrepresented in senior leadership, has continued, with over 380 of our colleagues having benefitted from this programme to date.
- We continue to do more to improve representation. Our 'Business and People Performance' FY2026-31 strategic priority will remain attracting, developing and retaining our talent, accelerating tangible change in inclusion with a focus on decision making.

We Challenge:

- Quality is at the heart of all we do, and that continues to be reflected in our [internal and external inspection results](#).
- The sentiment of our people shows stability year-on-year in "I am encouraged and supported by audit engagement partners to deliver high quality audits".
- In the most recent Engage for Change survey, 74% of colleagues tell us they feel their work is meaningful and makes an impact that matters (FY2024: 74%). The challenge remains in helping more of our people see the impact their day-to-day actions have on our purpose, to showcase to them the pride they should feel in the difference that each of us makes. A community-led Purpose Charter has been designed and is being delivered in FY2026 to help create that link more consistently.

We Rise to the Challenge:

- Our 'Delivering the Future Now' FY2025 strategic priority was designed to amplify our focus here, as we move at pace through a changing environment, and the increased need for our partners and people to shape and lead through change.
- Our people are excited about adopting an innovative mindset and influencing the future of our profession. Use of AI has risen substantially, with over 4,500 regular users of our in-house GenAI tool per month in Audit & Assurance. Interest is growing, with strong attendance at the Innovation Roadshows we rolled out in May 2025.

As part of our 'Tech' FY2026-31 strategic priority, all partners and directors will set an objective to embrace technology, understanding it and exploring new opportunities, thus empowering their teams to innovate.

- Our 'Working and Winning Together' FY2025 strategic priority increased the focus on firmwide collaboration and our 'Relationships' FY2026-31 strategic priority will continue to capitalise on this momentum.

We Do the Right Thing:

- Feedback from the annual Ethics survey shows that our people feel safe to speak up and that Deloitte is an ethical place to work. This is corroborated by the D360 feedback that "leaders act with integrity in doing the right thing, even if it's the harder path".
- In June 2025 we launched the Culture Catalyst programme to amplify and accelerate psychological safety. Our partners and directors are participating in externally-led sessions during Q1 FY2026 before roll-out to those at senior manager level and below from Q2 FY2026 onwards.
- While we are proud that [over 99%](#) of our people complete mandatory training courses on time, we see lower timely completion of other firmwide compliance activities. We will focus on translating the positive behaviour seen across training to this area.

Appendix 6:

Our Cultural Ambition

Two-way contracting with our people was identified last year as an area of focus and was a key workstream within our 'Culture as our Competitive Advantage' FY2025 strategic priority.

The improvement in behaviours observed around feedback are pleasing, and we have continued activity through [TechEx 2025](#) to embed the giving and receiving of feedback.

Greater investment in learning has been made this year through the introduction of [Deloitte University EMEA](#) and the refresh of many of our core learning courses. Despite this investment, feedback from our people in this area remains stable, showing there continues to be more to do around the awareness and impact of our learning curriculum and development opportunities.

Our 'Business and People Performance' FY2026-31 strategic priority will continue to focus on this critical area of people owning their own development journey, to ensure we achieve the high performance we expect from all.

Reaching our people consistently was a further area for focus identified in the prior year and we still see areas for improvement in this year's data, including a fall in sentiment around senior leaders being "inspiring, trusted and transparent". The launch of D360 for our partners and directors allows us to understand how our leadership is observed by others. To continue to progress here, every partner and director will set an objective focused on personal development, including behavioural change.

Leading through change. We recognise that our people are feeling the burden of change. There is declining sentiment in how people feel their contribution is "valued and recognised". This could indicate that our people are feeling overwhelmed by the high degree of change in the business and the asks of them outside their chargeable engagements.

This is insightful feedback and, as we continue to lead through change, we need to ensure we do so through the lens of our Global Shared Values and Audit & Assurance behaviours, and that we are transparent with our partners and people. The importance of this rises given the accelerating pace of change.

We want our people to feel that they have a voice and can contribute to transformation across our business. Our recent Engage for Change participation was 63% (FY2024: 66%, and November 2024: 51%). We are investing in change management capability to help manage the burden of change and improve people's experience of contributing to and leading through change.

We are proud of the progress made this year in establishing 'Culture as our Competitive Advantage' as an FY2025 strategic priority. This initiative has led to the identification of numerous actions and the development of several programmes designed to solidify market differentiation through our purpose-led culture.

We must now ensure that our Cultural Ambition remains embedded and at the forefront of what we do each day, allowing us to continue to demonstrate our Global Shared Values and the Audit & Assurance behaviours we expect from all our people.

As we transform, we are using our Cultural Ambition as a strategic change framework to ensure we continue to bring to life our shared purpose in all that we do.

Appendix 6:

Our Cultural Ambition

FY2025 measurement results



15 KPIs
trending upwards



12 KPIs
trending downwards

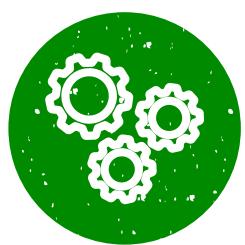
Results breakdown for each of our Shared Values			
Value	#of KPIs	Trending upwards	Trending downwards
 Lead the way	11	3	3
 Serve with integrity	9	3	3
 Take care of each other	14	5	3
 Foster inclusion	8	2	1
 Collaborate for measurable impact	7	2	2
Total	49	15	12

Appendix 7:

Deloitte digital audit

83% of our audit hours in the UK (FY2024: 29%) are delivered through our consistent Global audit platforms: Omnia for large and complex audits and Levvia for less complex audits. They provide our practitioners with real-time access to an end-to-end digital audit that seamlessly evolves as we embed new cutting-edge technologies. As our proprietary digital audit platforms, they integrate cognitive technologies, AI, customised workflows, and advanced data analytics to enable better outcomes.

Benefits of a digital audit



Higher audit quality

- One globally consistent audit, enabled by real-time access to the same information and processes for all business components
- Analytics over complete populations allowing engagement teams to focus on outliers and more perceptive risk assessments
- Cutting-edge technology, including GenAI, placed in the hands of audit practitioners to enhance existing capabilities

Greater audit effectiveness

- Integrated technology platform allowing a direct and effective flow of data throughout the audit
- Consistent, repeatable, and automated processes speeding up the delivery of audit services and reducing manual effort for audited entities and the engagement team
- Machine learning and GenAI to improve the audit experience

Deeper insights

- Harnessing the power of data to generate deeper analysis and visualisations that deliver meaningful insights
- AI-driven analysis accelerating the audit process to deliver real-time insight to audited entities
- Highly skilled engagement teams bringing relevant industry experience and a deep understanding of the audited entity's business, bolstered by subject matter and data analytics specialists

Appendix 7:

Deloitte digital audit

Progress on enhancing our digital audit

During the year, we have significantly advanced our use of technology, automation and AI in the delivery of our audit and assurance services.

Our investment in tools and technologies balances the need to continue to drive improvements in quality, maximise efficiency in how we deliver our services, and provide valuable insights to the entities we work with.

Over the past year, we have:

- Increased the use of our proprietary GenAI tool, PairD, with 4,649 active users leveraging its capabilities
- Fully deployed Smart Review, our in-house GenAI-based audit review tool embedded into our Omnia platform, to drive consistency and quality in our testing of internal controls
- Enhanced our use of document information retrieval tools, coupling almost 1,900 active users of DataSnipper extraction tools with a pilot of our DocumentAI optical character recognition tool
- Deployed our automated impairment modelling technologies across our largest audits, automating the recalculation and sensitivity analyses of impairment cash flow models

- Launched Research Assistant, a Deloitte AI-powered chatbot made specifically for audit research, that accelerates the way our practitioners find answers to audit-related questions across our international content
- Continued to deliver customised analytics and modelling solutions to provider greater assurance on the most complex data sets and transaction records.

Case studies:

Automation in audits of consumer businesses – We deployed automated impairment modelling across ten consumer entities and identified several calculation inaccuracies in their impairment models. Having this data automatically to hand helped our people in their discussions with entity management and allowed them to focus attention on audit procedures in judgemental areas.

“The AI impairment tool was really powerful as it allowed us to efficiently risk assess the assumptions used within management’s modelling, enabling us to pinpoint our audit work to those assumptions that really mattered.”

– Audit manager

GenAI impact for practitioners – We have been accelerating the use of our own GenAI chatbot, PairD, both for audit and assurance quality as well as to help educate our people in the possibility of technology, which drives more innovation.

Over 75% of our colleagues within Audit & Assurance use PairD, primarily as an intelligent digital assistant to support them in the delivery of engagements, with around two million PairD prompts created over the last year.

PairD supports our people to rapidly analyse, summarise, explain, and translate confidential data, all within its secure digital ecosystem. Practitioners then apply professional judgement to patterns and anomalies identified by the tool, accelerating and deepening their analyses, and ultimately enhancing the insights audit and assurance engagements can bring. The use of AI tools such as PairD, particularly for large portions of previously manual data entry, saves time—allowing our people to focus on more value-added, and often more interesting, tasks.

“I feel excited to be riding this wave of innovation at the firm. These GenAI capabilities will allow our team to harness more sophisticated data analysis, and by combining these insights with our professional expertise, it will be able to inform more effective and efficient decision-making.”

– Associate director in Algorithm & AI Assurance

Appendix 7:

Deloitte digital audit

Fostering innovation – Over the year, we have observed a trend of prompts being used in PairD becoming more sophisticated. Practitioners are not just using the technology to find out answers to simple questions, but are now programming it further by developing more complex prompts to assist them in their day-to-day roles.

In November 2024, the Audit & Assurance business held a PairD ‘promptathon’; an internal competition to encourage new, innovative ways to use the GenAI tool. The winner used PairD as a coaching tool, programming it with Deloitte’s own training manuals to set it up as a coach to support more junior colleagues with instant answers. We have since updated our prompt library so that all colleagues can benefit from this innovation.

“For me, the source of excitement lies in the opportunity to pioneer the way we will complete tasks in the future.”

– Audit & Assurance associate and AI champion

Future evolution

We are accelerating the pace of change across our business, led by our Audit & Assurance Innovation Hub, to deliver market-leading audit technologies. Over the course of the next year, we will:

- Deploy open banking capabilities, enabling audit teams to receive a direct feed of bank transaction data for an audited entity, which will drive greater analytics and the wider use of cash-matching audit procedures on 100% of transaction populations
- Embed GenAI in the assessment of financial statement disclosures across relevant accounting frameworks to accelerate and improve our challenge of external reporting
- Automate a series of audit procedures on company financial statements, including the reconciliation to underlying accounting records, tie-through of financial statement disclosures and accuracy checks
- Enhance our testing of internal controls through GenAI-enabled walkthroughs, automatically producing and analysing process and control documentation
- Broaden our application of existing automated modelling techniques, currently applied for impairment analysis, to include going concern, viability and other forward-looking judgements
- Create new GenAI capabilities in areas such as complex contract and document reading, technical accounting analysis, and agentic AI capabilities to automate routine, lower risk audit procedures.

As always, technology requires new skills and new ways of working.

We are seeing this with GenAI in our firm and across the wider profession—all our FTSE audits now have access to Smart Review, enabling teams to use AI alongside human decision making and judgement. We’re using AI in our audits to run larger data sets than ever before, helping spot anomalies and freeing up time for our auditors to focus on the highest-impact areas where human judgement is most needed.

All our new tools in these and other areas are subject to robust quality assessment before deployment, as part of our system of quality management. We find this process enhances the quality of the deployed tool as well as providing feedback to the Innovation Hub on potential future technology developments.

Our vision for the future of Audit & Assurance is built around key shifts, which reflect some of the big changes likely to shape our profession and redefine our industry. We are focused on our engagement delivery in the context of this future landscape, including the skills, knowledge and training we need to equip our practitioners with to thrive. This enhanced, aligned skill set will allow us to adapt our vision to our stakeholders’ rapidly changing external environment, while using cutting-edge technology and data-driven audit techniques - all amplified by the power of AI.

Appendix 8:

UK sustainability reporting and assurance

The government has committed to pursuing its ambition for the UK to become a global leader in sustainability finance. This stems from the growing recognition of the critical role non-financial information plays for investors, stakeholders, and the long-term resilience and success of businesses.

Modernising the UK corporate reporting framework

Building on the existing non-financial reporting framework, the UK government is implementing a phased approach to enhance sustainability-related financial disclosures. This forms part of the government's wider review of the UK corporate reporting framework under the Companies Act 2006. The overall goal is to create a more streamlined, coherent, and cost-effective regulatory framework that supports long-term economic growth.

As part of this review, in 2025 the UK government issued consultations on a framework for sustainability assurance, transition plans, and exposure drafts for two UK Sustainability Reporting Standards (UK SRS), which are based on ISSB Standards IFRS S1 and IFRS S2. At the heart of the UK standards is the aim to achieve an integrated narrative forming part of the annual report and facilitating connectivity with financial information. This connectivity has been highlighted by investors as a prerequisite to help reduce the risk of greenwashing. Endorsing UK SRS will establish a clear and consistent baseline for sustainability-related disclosures, underscoring the government's commitment to creating a robust and reliable reporting framework.

In addition to the sustainability reporting standards, several related consultations are expected over the next six months. These include consultations on non-financial reporting and the future of corporate reporting.

As the government takes forward plans to modernise the corporate reporting framework, there is an opportunity for the UK to develop a cohesive, integrated and harmonised ecosystem for sustainability reporting and assurance.

Endorsement of UK SRS will be a major milestone, adding much called-for consistency, clarity and comparability, both for users and preparers of sustainability information, while contributing to efforts to develop a global baseline in sustainability reporting.

It will be important to ensure a joined-up approach, with any plans to bring UK SRS into the UK reporting framework made in the context of the government's wider non-financial reporting reform project.

Future-proofing the assurance framework

Ensuring high-quality assurance is also key, helping to build trust that sustainability information disclosed by companies is reliable and of a high quality. The government's consultation on the assurance of sustainability reporting is an important step towards the development of a supervisory framework for assurance providers, helping establish a baseline in quality for sustainability assurance and supporting the provision of high-quality sustainability information.

To ensure long-term effectiveness, this framework must be designed for scalability and adaptability, future-proofing the system and allowing for expansion into emerging areas like wider climate and sustainability, and AI assurance. This proactive approach will help avoid the need for future piecemeal adjustments, ensuring the framework remains fit for purpose and fosters broader trust in the reliability of non-financial reporting.

Appendix 9:

Principal risks, uncertainties and mitigations

The principal risks and uncertainties of the UK firm are set out and managed through the Enterprise Risk Framework (ERF). This sets out the UK Executive's assessment of the risks facing the UK firm; specifically, those that could impact on the ability of the UK firm to meet its public interest obligations and deliver its strategy, and those that could impact upon its reputation and resilience.

How we manage our principal risks

In considering the risks, specific attention has been paid to operational separation and those risks that could impact the sustainability of the UK Audit & Assurance business. In particular: audit quality; regulatory compliance and engagement; people and purpose; the restructuring of the audit market and the attractiveness of the audit profession; operational excellence and financial viability, particularly recognising the backdrop of heightened geopolitical and economic uncertainty; and rapid and constantly evolving technological changes.

In line with the firm's FY2025 planning process, the UK Executive undertook a refresh of the ERF to: identify any new enterprise risks; remove, if appropriate, any of the existing risks no longer considered significant; validate or update the risk definitions; and consider any changes to risk owners.

In FY2025 the firm continued to utilise a process for updating the ERF that is timely, responsive to changes in the internal and external environment, and able to support decision making by risk owners and the Executive. The principal feature of this process is an ongoing dialogue between the Enterprise Risk Management (ERM) team, who facilitate the operation of the ERF, and risk owner teams to ensure early identification and escalation of any matters requiring consideration by the risk owner and the firm's Chief Risk Officer (CRO). This is complemented by meetings, particularly for the firm's most significant risks, between the CRO, the ERM team, and each risk owner at which the exposure to each risk including operating effectiveness of controls is assessed, emerging issues are discussed and additional mitigating actions, if required, are agreed. This process ensures that the firm maintains an up-to-date view of the status of its principal risks and is better able to respond to emerging risks.

The CRO reports on the ERF to the UK Executive twice yearly so that the Executive can satisfy itself that the risk profile accurately reflects risk exposures and that appropriate mitigating actions are in place. The ERF dashboard assesses the firm's enterprise risks over a 12-18 month time horizon based on the strategic choices the firm is making as well as the external factors driving risk. In this way the discussion of risk is more directly framed in the context of the firm's risk appetite and more clearly focused on the complex and challenging matters impacting the firm and those risks with a higher residual exposure.

Risk management processes, controls, monitoring and reporting, consistent with the requirements of ISQM (UK) 1, operate as business as usual and demonstrate the effectiveness of our quality management system.

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The governance measures we have in place

The results of the ERF updates are discussed with the UKOB, which provides a further challenge to the UK Executive's assessments. The UKOB discussed in detail and challenged the Executive's assessment of the firm's enterprise risks including, for each, their rating of residual risk exposure, trending and the status of further actions, if any.

In particular, this focused on the risks related to audit quality and the future of audit, public interest, conduct, culture, people matters, cyber, and IT risk management, as well as the mitigating controls in place against these risks.

Changes to the firm's risk profile in FY2025

In FY2025, particular emphasis has been placed on assessing the impact of, and responding to risks associated with, an unpredictable and uncertain external geopolitical and economic environment, regulatory change and the impact of rapid technological developments, including generative AI, on the firm's operating and delivery models and cyber and data security. To respond to the nature, scale and interconnectedness of the risks, the firm has developed proactive and robust mitigations across several key areas, including:

- Establishing an agile and globally aligned approach to the adoption and use of GenAI
- Working to respond to regulatory change and ensure regulatory alignment (e.g., in relation to the EU Network and Information Systems Directive 2 (NIS2) and Digital Operational Resilience Act (DORA))
- Further enhancing the firm's strong defensive confidentiality, privacy and security posture, including in relation to augmented data security controls to protect data confidentiality, integrity and availability
- Prioritising the ongoing upskilling and development of practitioners (e.g., in relation to AI fluency and adoption initiatives)
- Strengthening service resilience to reinforce its operating model.

This multifaceted approach seeks to ensure that the firm remains agile, resilient, and focused on delivering in line with the firm's Shared Values, in the face of these significant challenges.

How we are preparing for the future

Looking to FY2026, the themes and risk drivers mentioned above continue, with the scale of impact expected to remain high. Other key priority areas for the firm include fraud risk, where we have brought together our controls in a framework in line with the failure to prevent fraud legislation and guidance under the Economic Crime and Corporate Transparency Act 2023. In addition, given recent geopolitical volatility, the firm is further enhancing its crisis and resilience planning ensuring readiness to react to external events. It is also further maturing its risk and control environment relevant to the use of its global delivery network.

Appendix 9:

Principal risks, uncertainties and mitigations

The table below sets out the enterprise risks and related key mitigations that, at 31 May 2025, the UK Executive and the UKOB considered to have the most potential significant impact on Deloitte's ability to realise its strategy, and protect the firm and the public interest, should they materialise.

Priority risks							
 Audit quality	Despite ongoing economic and geopolitical uncertainties, as well as high levels of scrutiny of the audit profession, particularly in relation to public interest and independence, the Audit Quality risk continues to remain stable. The annual ISQM (UK) 1 assessment process continues to demonstrate the effectiveness of our quality management system.	Risk exposure and trend at 31 May					
		Residual risk		Very High			
		FY20	FY21	FY22	FY23	FY24	FY25
							
Threat narrative		Mitigations					
<ul style="list-style-type: none"> Significant and/or systemic audit quality management issues Unsatisfactory regulatory inspection results Acting without appropriate regard to the public interest Inadequate or inappropriate response to emerging and shifting client and industry risks in the portfolio of audited entities, including sanctions compliance The firm and/or its people failing to comply with audit independence rules Addressing the challenges of the current economic and geopolitical uncertainty to audit quality and delivery, and potential corporate failures (e.g., impacts of tariffs announcements in the US) Stakeholder expectations of auditors with respect to fraud identification, viability statements and ESG reporting Increased scrutiny of the profession arising from regulatory investigations in the sector Ability to successfully implement QC1000 		<ul style="list-style-type: none"> System of Quality Management (ISQM (UK) 1) assessment of processes and controls to drive audit quality Mature central team supporting with ongoing ISQM (UK) 1 activities and implementation of QC1000 Individual engagement reviews to assess compliance with the audit approach manual Response to audit quality observations raised by the FRC's AQR, the ICAEW's QAD team or the PCAOB, including root cause investigation of each finding, along with improvements to internal quality review procedures Audit Professional Standards Review (PSR) Audit Quality Indicators (AQIs) monitor audit quality Processes to capture significant economic, geopolitical and industry risks which have an impact on audit quality Audit Centres of Excellence Firm and personal independence systems and monitoring Annual certification of compliance with independence policies and procedures Consultation requirements, including threats to objectivity Ongoing communications to keep quality, risk management and professional scepticism top of mind; provision of specific guidance about increased risks Embedded reward strategy Deloitte Future of Work programme Targeted learning and development programmes to address skills gaps Measuring our Values programme to track progress against our Cultural Ambition 					

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks								
 Confidentiality, privacy & security	Risk exposure and trend at 31 May							
	Residual risk		Very High					
	FY20	FY21	FY22	FY23	FY24	FY25		
<p>Cybersecurity risks have been amplified by the profitability of cybercrime including ransomware-as-a-service, the increasing scale and sophistication of attacks by threat actors, and geopolitical instability. At the same time, our firm's increased focus on technology services, together with rapid growth in our use of new tools and platforms, are increasing our attack surface. This environment is in turn driving greater client requirements for assurance, partly as a response to new regulatory requirements that focus on the end-to-end supply chain. The firm continues to maintain a strong defensive posture, with our current and planned cyber security initiatives actively mitigating the risks.</p>								
<p>Threat narrative</p> <ul style="list-style-type: none"> Geopolitical tensions, coupled with the profitability of cybercrime, are fuelling the proliferation of sophisticated, well-funded threat actors Attackers are using new techniques and approaches (e.g., ransomware-as-a-service, hyper-personalized social engineering, AI deepfakes), all of which present increased risk to the confidentiality, integrity and availability of Deloitte or client data The firm's growth strategy requires greater focus on technology services, platforms and solutions, all of which increase our attack surface There is regulatory pressure on clients to improve supply chain assurance in response to the targeting of supply chains by threat actors. This includes geopolitical risk around particular suppliers and technologies This wider environment drives higher client expectations for assurance around Deloitte processes and controls, and the firm's compliance with contractual, legal and regulatory requirements both in the UK and in the EU We face similar pressures in respect of our own supply chain, especially software vendors and cloud service providers, requiring rigorous implementation of security policies and configurations to secure data The value of data may potentially increase the threat of data misuse by insiders, potentially with external threat actor sponsorship 	<p>Mitigations</p> <ul style="list-style-type: none"> A centralised second line of defence security function in the form of the Deloitte Business Security group with defined confidentiality, privacy and security responsibilities Defined confidentiality, security and privacy strategy, supported by policies & procedures and clear roles and responsibilities across Cyber Risk, Data Privacy (including Healthcare Data), Insider Threat, Governance Risk & Compliance, Personnel Security, Resilience, Protective Security, Travel Risk, Confidentiality & Data Risk and Government & Public Services Enhanced data security controls to protect data confidentiality, integrity and availability IT technical solutions including, but not limited to, encryption, data leakage protection, privileged access management, event monitoring & incident management, patch & vulnerability management and penetration testing Framework for risk assessing third parties to ensure the firm meets regulatory and client requirements Physical security controls covering premises access and working areas Personnel security and vetting controls Regulatory transformation programme to comply with new requirements, including NIS2, DORA and the UK Cyber Security & Resilience Bill Confidentiality, Privacy & Security training and awareness programme, including e-learning and ongoing phishing drill training Recertification to ISO 27001:2022 Information Security Management, ISO22301:2019 Business Continuity Management and Cyber Essentials Plus certification Completion of internal and external audits, supported by a 2LoD Cyber Assurance Programme Appointment of a Data Privacy Officer, mandatory training to all partners and staff and processes to enable compliance with applicable data privacy regulation Communication of specific guidance about increased risks due to flexible working arrangements, including use of approved collaboration tools 							

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 Generative AI	Risk exposure and trend at 31 May					
	Residual risk		Very High			
	FY20	FY21	FY22	FY23	FY24	FY25
Threat narrative <ul style="list-style-type: none"> The necessity to understand, and quickly respond to, how GenAI is likely to impact our markets, clients, industries and services Volume and quantum of change including programme sequencing and capacity to meet demand Risk of disintermediation if we do not modernise our services at the right speed Scarcity of relevant skills when looking to attract and retain talent, and the ability to upskill our current workforce and make it AI fluent The need for robust data management and governance policies and processes Instilling the behavioural change required for widespread adoption of GenAI in service delivery and internal processes and strict adherence to the firm's principles for the ethical use of technology Our ability to invest sufficiently and at scale Evolving commercial and contractual challenges, e.g., the use and re-use of data value-based billing models, as we look to embed GenAI into our engagement delivery processes Adapting existing, and forming new, technology alliance relationships Public interest, societal and ethical concerns regarding the use GenAI, including the impact on workforce as well as climate change and sustainability Responding to emerging regulatory requirements, e.g., the EU AI Act 	—	—	—	—	NEW 	
Mitigations <ul style="list-style-type: none"> Globally aligned approach to the adoption and use of GenAI leveraging both global and local capabilities Ongoing work to understand AI landscape and respond to the implications to our services, delivery and how we run the business Introduced AI & Client Service Transformation Executive-level leadership to target GenAI opportunities and threats in conjunction with UK firm Executive Programme management designed to drive the right GenAI ambition, prioritise relevant initiatives, mobilise and scale effective tooling, and establish governance for swift action GenAI use-case governance including risk thresholding, triage and clearing house processes Globally consistent Trustworthy AI framework and guidance embedded in the firm's global technology operating model Global programme to support the build and ongoing evolution of a framework for regulatory compliance Design and implementation of ongoing AI fluency and adoption initiatives, with bespoke training plans differentiating between the needs of different user groups Mobilising a programme of work to fully implement the Deloitte NSE AI Policy which clearly defines roles and requirements for the UK firm in relation to the ideation, design, deployment, maintenance and usage of AI Planning exercise underway to understand and proactively address cumulative implications of changing workforce demands 						

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks								
Our reputation, role and future public interest impact		Risk exposure and trend at 31 May						
		Residual risk		Very High				
		FY20	FY21	FY22	FY23			
	 Our reputation, role and future public interest impact	<p>In the context of ongoing public, government, and regulatory scrutiny across our businesses, the Big Four, and the broader professional services sector, our risk exposure remains very high, while trending stable over the year. We remain focused on managing the risks arising in this area, including those that arise from anticipated policy and regulatory changes in audit and (increasingly) non-audit services, significant geopolitical uncertainty, and the evolving scrutiny of technology.</p>						
Threat narrative	<ul style="list-style-type: none"> Geopolitical uncertainty and its impact on global and regional business Ability to anticipate, respond and adapt to changes in policy, legislation and regulation Uncertainty around the status of and timing of audit reform Increasing focus on the role of business, auditors and advisers, and their public interest responsibilities Speed of evolution of technology (including GenAI) and its regulation Increasing breadth and depth of non-audit offerings (including Operate) and associated regulatory focus Reputational matters elsewhere in the Deloitte network or professional services sector negatively impact the firm and/or lead to significant regulatory intervention Failure to be agile to societal sentiment, including on climate change, use of data and AI Failure to keep pace with or appropriately navigate evolving rules and sentiment around political influence and interaction Increased government focus on the reputation and role and public sector use of professional services organisations 							
Mitigations	<ul style="list-style-type: none"> Stakeholder engagement to deliver public policy priorities Tone from the top including Executive and Board engagement with leaders of Public Policy, Ethics and Quality & Risk, and People & Purpose Culture Council leadership of culture programmes The UKOB's role specifically includes overseeing regulatory and public interest matters (and it provides oversight of the Public Interest Review Group) Separate AGB chaired by an Audit Non-Executive, with clear terms of reference and oversight of audit quality Four Independent Non-Executives (INEs) on the UKOB; they also meet privately – with no Executive or other Board members present as a standalone Non-Exec Committee A Public Interest Review Group to assess the public interest risks of potential engagements A Tax Review Panel to consider the reputational issues associated with complex tax engagements Process and best practice guidance to identify and respond to public policy and regulatory consultations Proactive communication with stakeholders (regulators, audit committees, public investors, media, etc.) on the profession and more broadly the public interest Constructive, engaged role in the audit reform debate Horizon scanning, regulatory tracking and consultation tracking processes with regular internal reporting of themes, trends and issues Internal consultation channels, guardrails and guidance; monitoring of evolving laws, regulations and broader societal trends and expectations 							

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks					
 Economic, political & competitor shifts	Risk exposure and trend at 31 May				
	Residual risk		Very High		
	FY20	FY21	FY22	FY23	FY24
Toughening markets, geopolitical instability, and rapid competitive shifts continue to drive a very high-risk exposure but trending is stable. We are actively developing, updating, and refining mitigation strategies to address economic, political, and competitive risks and opportunities, including those presented by generative AI and its impact on talent and clients. Sustained effort continues to be applied to seek to optimise our Multi-Disciplinary Model (MDM) and delivery model for improved agility, profitability and market differentiation.	—	—	↑	—	↑
Threat narrative					
<ul style="list-style-type: none"> Ability to adapt the strategy and business model to capitalise on emerging long-term societal and commercial trends Ability to anticipate and respond to economic and political uncertainty Ability to adapt and respond swiftly to new market entrants and competitor moves Ability to keep up with the fast-changing technological developments (including GenAI) Geopolitical risks potentially effecting our ability to serve global clients 	Mitigations <ul style="list-style-type: none"> UK firm '2030' strategy finalised and shared with UK firm partners and people, reflecting chosen firmwide priorities for long-term success Ongoing market reviews assessing the macro trends driving our markets focusing on the near-and medium terms but with consideration also given to a longer-term "5-year view" AI & Client Service Transformation Executive-level leadership tasked with targeting GenAI opportunities and threats Strategic actions designed to build greater agility, differentiation and profitability into the operating model to enable us to respond to external trends more effectively Refocus of clients and markets activities to be closer to clients and market-making partners and teams Economic and geopolitical scenario modelling, including down-turn planning, underpinning the firm's Executive decision-making Competitor trend monitoring Planning exercise underway to understand and proactively address cumulative implications of changing workforce demands 				

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 Conduct & Ethics	Risk exposure and trend at 31 May					
	Residual risk		Very High			
	FY20	FY21	FY22	FY23	FY24	FY25
<p>The risk exposure related to conduct, behaviour and ethical matters remains very high, but it is trending stable, with continued external focus on the profession. The firm continues to adapt its response to the ongoing challenges in a proportionate way, recognising the need for continuous improvement in an environment of increased commercial pressures and the use of technology, greater cross-border working and a multi-generational workforce. The emphasis we place on values is an important part of our response and key area of focus for the Culture Council.</p> <p>Threat narrative</p> <ul style="list-style-type: none"> Insufficient tone from the top around ethics, integrity and the Global Code of Conduct Failure to motivate ethical behaviour Lack of knowledge of, and confidence in, reporting channels and fear of retaliation Continued hybrid working model may contribute to a lack of informal education and awareness building around ethical behaviour Heightened sensitivity and social activism regarding business practice and our values, the role of business in society and equality Implications of failure to use AI in accordance with relevant guidance (internally or in the context of client engagements) Partners and staff prioritising self interest 3rd parties' adherence to Deloitte standards and culture Staffing capacity pressures leading to poor behaviours Inappropriate behaviour by staff in relation to course taking integrity Confidentiality and privacy implications of increased transparency around our internal communication Inadequate reporting to professional bodies, regulators and other third parties Increasing complexity of cases, including multi-jurisdictional Perceived lack of sanctioning for ethical breaches <p>Mitigations</p> <ul style="list-style-type: none"> Mature ethics programme provides our people with guidance and support including whistle-blowing and speak up line processes and reporting channels We promote the Ethics Code, our Shared Values and the firm's values and ethical principles Ethics roadshows encouraging a 'speak-up' culture Diversity networks; Black action plan and supporting sensing activities; respect and inclusion advisors and mental health champions demonstrate our inclusive culture Culture Council leadership of culture, conduct and ethics programmes – collaboration cross-function Public Interest Review Group, Tax Review Panel and client and engagement acceptance procedures Onboarding training in ethics for all new joiners including early years, experienced hires and lateral hire partners Communication and refreshed training for partners, staff and contractors, including course taking integrity training Mandatory completion of Annual Return which incorporates awareness and compliance with key policies including ethics Enhanced controls to prevent multiple trainings being run concurrently Annual ethics survey, to understand employee perspectives and experience, any emerging areas of concern by Business area and actions taken accordingly Horizon scanning to monitor external trends and events, and identify implications for the firm's ethical culture Globally consistent Trustworthy AI framework and guidance embedded in the firm's global technology operating model Design and roll-out of ongoing AI fluency initiatives, including in relation to Trustworthy AI Dedicated independent ethics team A non-retaliation policy and retaliation monitoring conducted Structured protocols for reporting including regulatory reporting Increased transparency internally on ethical matters considered and action taken Active and regular engagement with Business Risk Leaders Ethics partner meeting privately with the UKOB at least once a year and with the INEs twice a year 	—	—	—	↑	↑	—

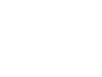
Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks					
Risk exposure and trend at 31 May					
Residual risk		High			
FY20	FY21	FY22	FY23	FY24	FY25
 Delivery risk of complex and large-scale services					
<p>The residual risk remains stable, recognising significant progress has been made over the past 12 months in developing and implementing mitigations for large, complex, cross-border MDM technology and business transformation engagements, alongside the scaling of offerings such as generative AI, operate, and sustainability. However, rapid technological advancements and the inherent risks associated with the firm's ambitious delivery goals, introduce risk. Maintaining consistently high service quality across both established and emerging services remains crucial and necessitates controlled growth, coupled with ongoing investment in skills and capabilities.</p>					
Threat narrative	Mitigations				
<ul style="list-style-type: none"> Inadequate understanding of, and the delivery, quality and risk management responses needed to address, the risks of new services (including GenAI), alternative delivery models, and large-scale complex engagements to attain high levels of quality Increasing number of complex cross-border projects Alignment of the contracting operating model to the market opportunity for evolving services and clients' requirements for more complex deal structures and commercial models Increased collaboration with ecosystem and alliance partners and other third parties increases challenges such as quality assurance, independence, security and contracting Availability of appropriately qualified and experienced talent, with the need to develop and retain talent in specialised areas Disruptive technologies leading to the risk of falling behind in the market as well as in the firm's own internal transformation journey Ineffective mobilisation of, and collaboration between, our clients and engagements teams at the start and then throughout delivery of the largest and most complex projects 	<ul style="list-style-type: none"> Risk management programme placing greater emphasis on accountability in the first line of defence; empowered with enhanced portfolio risk analysis and insight tools GenAI related mitigations Firmwide Quality, Risk & Security community led and staffed by dedicated experts, including for contracting and commercial negotiations Established quality policies, processes and procedures on specific regulatory, legal, ethical and professional requirements Evolving Quality, Risk & Security processes, systems and training in response to changing nature of services delivered, including those involving GenAI Evolved governance processes for Technology and Transformation business deals in accordance with certain threshold requirements. These include: Qualify to Win, Risk Clinics, Commercial Clinics, Solution Review Boards, and Deal Approval Clinics/Boards. These both qualify deals early but also rigorously assess the risks, commercials and deliverability in order to respond to opportunities appropriately Delivery Excellence and other quality programmes managing risk across the programme lifecycle Asset-enabled offering certification Monitoring of delivery centre risk registers and mitigating actions Practice and portfolio reviews of engagements and clients Continual monitoring and management of pipeline and capacity and the repurposing of resources as necessary Communications to keep quality, risk management and professional scepticism top of mind as part of flexible working arrangements; provision of specific guidance about increased risks Increased quality assurance reviews of higher risk engagements Increased contract management capabilities 				

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 People & Culture	Risk exposure and trend at 31 May					
	Residual risk		High			
	FY20	FY21	FY22	FY23	FY24	FY25
In FY2025 there has been heightened focus on values and upskilling our people in the use of new technologies (particularly AI), in addition to the ongoing delivery and evolution of existing mitigations. Despite ongoing challenges to our people from the macroeconomic and geopolitical environment and regulatory change, overall risk exposure remains stable. The firm continues to actively implement specific priorities around talent acquisition and retention challenges, enhancing HR technology, and promoting an inclusive culture.						
Threat narrative						
<ul style="list-style-type: none"> Ability to attract, hire and retain the right talent Detimental impact to brand and reputation of not having a culture aligned to our Shared Values Challenging geopolitical environment and regulatory change (e.g., immigration legislation changes and potential changes to Apprenticeship levy) Ability to support learning and development of our people in a hybrid environment Ability to meet diversity targets and ambition Failure to foster and promote an inclusive culture, supported by effective leaders Failure to maintain a robust and diverse leadership succession plan Inability to support colleagues' wellbeing within the context of external influences such as rising cost of living Increasing focus from regulators on wider firm culture Ineffective implementation of organisational change Not adopting and adapting to new technologies (including GenAI) and the associated learning and development needs 	Mitigations <ul style="list-style-type: none"> The UKOB specifically oversees public interest, ethics and culture Robust HR policies including Equal Opportunities, Respect, Inclusion & Diversity and Flexible Working & Hybrid working External hiring approach embeds considerations relating to, for example, diversity and integrity Ongoing communications regarding Shared Values A firmwide culture plan led by the UK Culture Council and sponsored by the UK Executive Firmwide reward reviews and industry benchmarking High performance culture supported by a reminder of the foundations of working in our firm, guided by our purpose and our Shared Values Performance management approach with supporting technology Continuing to evolve and further embed the Ways of Working Framework and our suite of wellbeing resources and support Career development focus with programmes including our People Leader Development Programme and Future Leaders Programme Firmwide succession planning process Planning exercise underway to understand and proactively address cumulative implications of changing workforce demands Integrity Steering Committee to support the identification and promotion of course taking integrity Design and implementation of ongoing AI fluency and adoption initiatives, with bespoke training plans differentiating between the needs of different user groups 					

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 Purpose	Risk exposure and trend at 31 May					
	Residual risk		High			
	FY20	FY21	FY22	FY23	FY24	FY25
<p>FY2025 has seen diverging views on the role of business in society, with increasing polarisation in specific markets. At the same time, external stakeholders continue to expect the firm to be socially responsible. The firm has continued to embed Purpose and its values into all aspects of the firm's strategy, from culture and people processes, to client delivery, with the residual risk remaining stable as a result. As we move to further embed the firm's Purpose commitments, ownership for this is moving from the central Purpose team to the Businesses which allows for greater tailoring. Our FY2026 priorities are primarily focused on driving Purpose at the heart of client delivery, supporting the businesses to embed the Purpose Commitments, and Ethical/Sustainable GenAI, thereby encouraging GenAI behaviours which are in line with our Purpose and Shared Values.</p>	—	↑	↑	—	—	—
<p>Threat narrative</p> <ul style="list-style-type: none"> Activities across three pillars of Purpose (People/Clients/Society) are inconsistent and undermine each other Our people feel disengaged and our clients do not see us as an enhancement to their value chain because we have not clearly connected the work we deliver with our Purpose Client engagements/propositions which on some level may cause harm to people, planet or society due to blind spots Reputation is at risk from the 'company we choose to keep' and the projects we choose to deliver Failure to change behaviours across the firm to meet societal impact & sustainability targets, and support clients in meeting their targets too Our people are experiencing a disconnect from Purpose and do not trust that leadership make decisions with purpose in mind Ineffective communication of our Purpose to our people, clients and society Falling behind our competitors in responding to needs of clients with respect to purpose and responsible business Increased external scrutiny and media attention, particularly on unethical behaviour in the profession Divergent views on the role of business in society, with increasing polarisation in specific markets and divergent expectations from clients and employees (e.g., US and UK) Purpose is an afterthought for new focus areas, e.g., GenAI 	<p>Mitigations</p> <ul style="list-style-type: none"> Established Purpose roles & governance 5 Purpose Commitments to help our people and leaders understand what Purpose means and embed in their day-to-day activities: Creating broader value for people, clients and society, "Company we choose to keep", Shared Values, DEI targets, Climate and Social Impact Assessment of the firm's Purpose and action plan and ongoing monitoring of progress, including regular engagement with local business leadership Work with key SMEs such as People & Purpose (P&P) Business Chiefs of Staff, Social Impact and WorldClimate teams to drive Purpose Commitments and embed them firmwide Supporting our four businesses and Enabling Functions to consider how they embed the Purpose Commitments in their strategies and planning Engaging leadership to understand that Purpose is key to client delivery and providing ongoing support to embed in their approach and support teams to develop and showcase propositions which consider Purpose at the core UK social value model for Government & Public Sector engagements as well as working to build the eminence of the other industries in this space External brand campaigns which highlight the impact we make as a firm and the positive value it brings for people, clients and society Connecting our people to our Purpose through storytelling, performance experience and meaningful work Delivering and reporting on our social impact and WorldClass and WorldClimate initiatives Exploring what capabilities our future talent will need to develop to keep in line with evolving expectations of our clients regarding social and environmental impact Embed considerations of Ethical/Sustainable GenAI to ensure it is used in line with expectations and Shared Values (e.g., in learning, communications approach, P&P) 	High				

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 Climate change & sustainability	Risk exposure and trend at 31 May					
	Residual risk		High			
	FY20	FY21	FY22	FY23	FY24	FY25
<p>The firm is implementing steps to progress towards its ambitious Net Zero 2040 target. We continue to review our greenhouse gas emissions reporting methodology, with the objective of improving data quality and completeness, and a reduction in our use of estimates. As such we will continue to invest in supporting the systems, processes and controls in our emissions reporting as part of our ongoing improvements to the quality of our emissions reporting. In addition, we continue to embed sustainability in our transformation/functional area strategies, work with our businesses to reduce our travel emissions, and empower our colleagues to play a role in climate action.</p> <p>The overall risk is stable.</p>	—	—				
Threat narrative	Mitigations					
<ul style="list-style-type: none"> Reputation diminished with stakeholders (including clients and our people) by not exhibiting, or not being seen to exhibit, leading practices and levels of demonstrable progress on climate change and sustainability Concerns over transparency and accuracy in our environmental reporting Additional and more stringent disclosure requirements around climate; increased scrutiny on our governance, strategy, processes and data Balancing need for travel to support client engagements and tackling emissions impact Our people need further support and upskilling to embrace and champion change Supply chain engagement must continue to accelerate to address significant source of emissions outside of direct control 	<ul style="list-style-type: none"> Published a revised Net Zero 2040 ambition and targets that are aligned across the Deloitte network High-level decarbonisation activities mapped in our maturity matrix, with detailed transition planning underway relating to buildings, travel and technology to identify specific priorities, responsibilities and investment required Climate governance streamlined through the Climate Steering Committee to oversee ESG reporting and progress against our Net Zero goals Environmental and greenhouse gas emissions data undergoes external limited assurance External reporting against established ESG frameworks published in our annual report Mandatory climate performance goals for all staff to drive engagement and action Updated sustainable delivery framework and tools that support emissions reduction on client engagements Continued push to engage strategic suppliers to set science-based carbon reduction targets Revised Responsible Procurement Policy to help our firm transparently communicate our ESG minimum requirements and additional criteria for current and prospective suppliers 					

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 Achieving the market potential of the Multidisciplinary Model (MDM)		Risk exposure and trend at 31 May				
	The firm's strategic focus on integrated, multidisciplinary solutions, including large-scale projects and alliances, has yielded progress but also introduced commercial and independence risks. Despite these risks, the overall risk profile remains stable, though geopolitical instability poses a potential future threat.	Residual risk		High		
		FY20	FY21	FY22	FY23	FY24
		—	↑	—	—	—
Threat narrative		Mitigations				
<ul style="list-style-type: none">Internal silos limit the exploitation of MDM capabilities, resulting in missed opportunitiesThere are challenges in aligning the organisation to market needs, activating commercial collaboration, and navigating independence constraints related to Operate deals and alliancesRegulatory scrutiny and geopolitical instability further compound these risks		<ul style="list-style-type: none">Regular sector strategy refreshesStrengthened firmwide independence systems and monitoringImplementation of a globally aligned client portfolio management processRegular meetings to focus on market trends and opportunitiesProactive management of ecosystem and alliance relationshipsSetting up the Consultative Forum (across SR&T-A and T&T)				

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks					
 Client Portfolio	Risk exposure and trend at 31 May				
	Residual risk		High		
	FY20	FY21	FY22	FY23	FY24
Despite the increasing influence of generative AI and the firm's focus on MDM growth, including large-scale engagements, residual risk remains stable. This stability reflects ongoing efforts to improve the timeliness and robustness of new service approvals, pipeline management, and client acceptance procedures, particularly within a challenging economic climate. The firm's careful selection of engagements ("company we choose to keep") also plays a significant role in managing this risk.	—	↑	—	—	—
Threat narrative					
<ul style="list-style-type: none"> High concentration in specific sectors Difficulty exiting or modifying unfavourable client relationships Challenges in adapting services to market changes (including integrating new technologies like GenAI) Pressure to balance diversification with growth in high-demand areas Reputational risks associated with client selection Potential service delivery failures also exist 	Mitigations <ul style="list-style-type: none"> Implementation of a robust client portfolio strategy aligned with market demands Enhanced pipeline management and client acceptance processes Established Public Interest Review Group Strengthened the Lead Client Service Partner programme Regular portfolio risk reviews and key performance indicator (KPI) monitoring Managing the appropriate balance of FTSE 100 and priority audit and advisory clients through a strict EPM process with oversight from the Executive and the AGB Strengthening the quality of our industry programmes and leadership Continuing to follow a rigorous Deal Review Board process 				

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
Resilience of the financial & operating model to future shocks		Risk exposure and trend at 31 May				
Threat narrative	Mitigations	Residual risk		Medium		
		FY20	FY21	FY22	FY23	FY24
The risk remains stable in light of the firm's strong liquidity position and robust governance processes. Progress against strategic, financial and operational plans and initiatives is closely monitored in the context of market conditions. The firm continues to focus on remaining agile and resilient, transforming in response to evolving market influences and conditions as well as responding to emerging issues and uncertainties.	     					
Threat narrative <ul style="list-style-type: none"> Volatility of economic and geopolitical landscape and our ability to anticipate and respond Insufficient financial discipline and management of the cost base in the event of a prolonged economic downturn Challenges to leverage the benefits of operating model and delivery transformation changes to improve business performance and profitability 	Mitigations <ul style="list-style-type: none"> Five-year strategy, aligned to Deloitte globally, with annual planning and defined priorities addressing emerging risks and challenges to performance targets Economic and geopolitical scenario modelling, including down-turn planning, underpinning firm executive decision-making Strategic and operational targets embedded within the business Strategic program of work with dedicated resource and funding to deliver priority delivery model changes Enabling area transformation and digitalisation of the business Cost control reviews Regular monitoring of financial discipline through firm's Chief Financial Officer controls and Chief Operating Officer network Lender and banking facility reviews Property strategy and future-of-work programme to adapt to ways of working Contingency and business continuity planning and ISO22301: Business Continuity Management certification 					

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks						
 Transformation and delivering future change	Risk exposure and trend at 31 May					
	Residual risk		Medium			
	FY20	FY21	FY22	FY23	FY24	FY25
Transformation remains a challenging area with a continued complex internal landscape and market pressures. However, appropriate plans are in place to manage the risk of not being able to transform and deliver future change. Going forward, it is important that we continue to refine our approach to managing our portfolio of transformation initiatives, and to mitigate relevant risks through effective adaptation to technological advancements and change.	—	—	—	—	↑	↑
Threat narrative						
<ul style="list-style-type: none"> • Economic and geopolitical landscape, as well as disruption in the market increases external risk exposure • Interdependent operational ecosystems with Deloitte Global and Deloitte NSE increases complexity • Constrained capacity for complex change within governance and operating model 	Mitigations <ul style="list-style-type: none"> • Established Transformation Portfolio Office that governs central investment portfolio activity and maintains a streamlined portfolio • Focused attention on GenAI to build the right capability to respond to market demand and leverage the technology to improve business outcomes (including efficiencies) • Proactive engagement with Global and NSE stakeholders • Strong portfolio governance processes in place, including the Strategic Projects Review Board (SPRB) forum which approves demand and provides direction over the portfolio • Transformation projects led by relevant experts • Robust monitoring and reporting of benefits realisation against business case • Continuous planning around capacity 					

Appendix 9:

Principal risks, uncertainties and mitigations

Priority risks					
 Operational Separation	The risk remains stable as controls and reporting processes operate within business as usual. Annual attestations to the FRC confirm ongoing compliance with the FRC Operational Separation principles.	Risk exposure and trend at 31 May			
		Residual risk	Medium		
		FY20	FY21	FY22	FY23
		—	↓	↓	↓
				—	—
Threat narrative		Mitigations			
<ul style="list-style-type: none"> Operational Separation at odds with FRC principles and expectations Failure to govern the ring-fenced business effectively Inaccurate financial information reporting of the ring-fenced business Services required from outside the ring-fence to deliver the audit product of the future are not appropriately considered Insufficient focus on assurance services in a ring-fenced environment Ring-fence pricing concerns Unclear reporting arrangements Key performance indicators not timely or accurate Retention of senior talent 		<ul style="list-style-type: none"> Robust controls around ring-fence operations are mapped to each FRC principle and embedded within the ISQM (UK) 1 framework to formalise testing and monitoring Governance bodies including the AGB and UKOB operate with clear Terms of Reference AGB has the authority to commission reviews from Internal Audit to support their oversight role Financial information has appropriate governance and review Scope of services assessment embedded within engagement take-on process Training around permissibility of services within ring-fence delivered to staff Regular monitoring and reporting of scope of services and revenue split Arm's Length Pricing Policy and guidance in place including monitoring of compliance Collaboration principles and behaviours developed for working across the MDM to maximise benefit for whole firm Leadership roles policy in place for Audit and Assurance partners Remuneration policies and practices for audit partners designed to reward good audit practice-related behaviours 			

Appendix 10:

Confidentiality, privacy and security

In today's business landscape, data is increasingly valuable. Organisations operate within intricate ecosystems, of which Deloitte is a part, as both suppliers and consumers of IT and data processing services. As AI and data mining amplify the value of data, our clients are rightly demanding fuller assurance over the use and safety of their data. Robust data security and governance are not just best practice, but essential components of our obligations as a professional services firm. The responsible custodianship of data is integral to our professional identity and a cornerstone of our commitment to maintaining the trust of our clients, entities we audit and our regulator.

Executive oversight

Our investment in quality and security is evident in the oversight provided by the UK CRO, who is a member of the firm's UK Executive Group. Confidentiality, privacy & security is discussed regularly by the firm's Security Executive, at the UK Executive Group, and at the UK Oversight Board.

Adapting to change

Technological developments, such as the increasing dependence on and use of AI, are driving rapid change. Simultaneously, cyber threats are escalating as attackers develop advanced and highly adaptive attack methods. Within this evolving landscape we recognise the paramount importance of maintaining the integrity, confidentiality, and availability both of our internal systems and those of our clients and the entities we audit. We are tailoring our response based on current threat intelligence and integrating these principles into our processes both within the Audit & Assurance business as well as in firmwide activities.

Shifting regulatory landscape

The regulatory landscape continues to evolve, reflecting growing concern from public authorities about the operational resilience of critical IT systems and national infrastructure. Over the past year we have prepared extensively for the forthcoming changes in regulations impacting operational resilience and cyber, data use, access and governance, the failure to prevent fraud offence, and the EU AI act. We are closely monitoring developments around the UK Cyber Security and Resilience Bill and are confident that we will be in a strong position to meet obligations when it becomes law. Following last year's NIS2/ DORA scoping exercise we have been implementing service changes and closing gaps, both at a local level and via an NSE-wide programme. Pending an extensive transformation programme over the coming year, a recurring annual rescoping and updated Cyber Assessment Framework (CAF) assessment will take place. We will continue to ensure regular and timely engagement with clients, the entities we audit and regulators for support, guidance, and reporting, as we have done over the past year.

Robust controls and assurance

In such a complex environment our clients and the entities we audit need to know that their data is being used and protected appropriately. To help them get that assurance we fulfil client security requirements through a multi-faceted approach, encompassing questionnaires, security audits and thematic reviews. In the past year, the firm achieved re-certification across several key standards, including Information Security (ISO 27001:2022), Business Continuity (ISO 22301), and Cyber Essentials Plus. The controls we have developed to meet these requirements underpin our compliance with the ISQM (UK) 1 standard. These controls will be subject to ongoing updates and enhancements to ensure compliance with the PCAOB QC1000 standard. To ensure we continue to protect UK government information, assets and estates, the firm has enhanced its people risk solutions to meet UK government security expectations over the past year.

Appendix 10:

Confidentiality, privacy and security

Planning and responding to incidents

Deloitte did not experience a major cybersecurity breach in FY2025, although certain threat actors publicly claimed to have compromised our systems. These claims, though ultimately unsubstantiated, required us to move quickly both to investigate the allegations and to reassure our clients and the entities we audit. This has provided valuable learnings and reinforced the critical importance of maintaining a robust and resilient security strategy to mitigate future risk. This year we have continued to conduct crisis management exercises as part of our wider resilience programme, and have run a firmwide security control assessment of our internal security maturity. Externally, across our supply chain, our Third-Party Risk Management (TPRM) Framework has facilitated systematic assessment of inherent risk and criticality, enabling proactive identification and mitigation of risks associated with our supply chain.

Enhancing our security culture

Through our firmwide confidentiality, privacy and security culture programme, we continue to strengthen the security awareness and behaviour of all our people, including partners and new joiners. Our commitment is reflected in our investment in bespoke, high-quality and innovative learning solutions, including mandatory digital training, multiple awareness campaigns on high and emerging risk topics, and regular phishing drills reflecting the latest, sophisticated tactics. We are further investing in a Cyber Champions network, to raise greater awareness, increase engagement and measure our success through key metrics. Furthermore, we leverage incident findings to develop and deliver a range of digital and in-person communications to remind our practitioners how to safeguard data, whether it is that of our clients, the entities we audit, or our own.

Appendix 11:

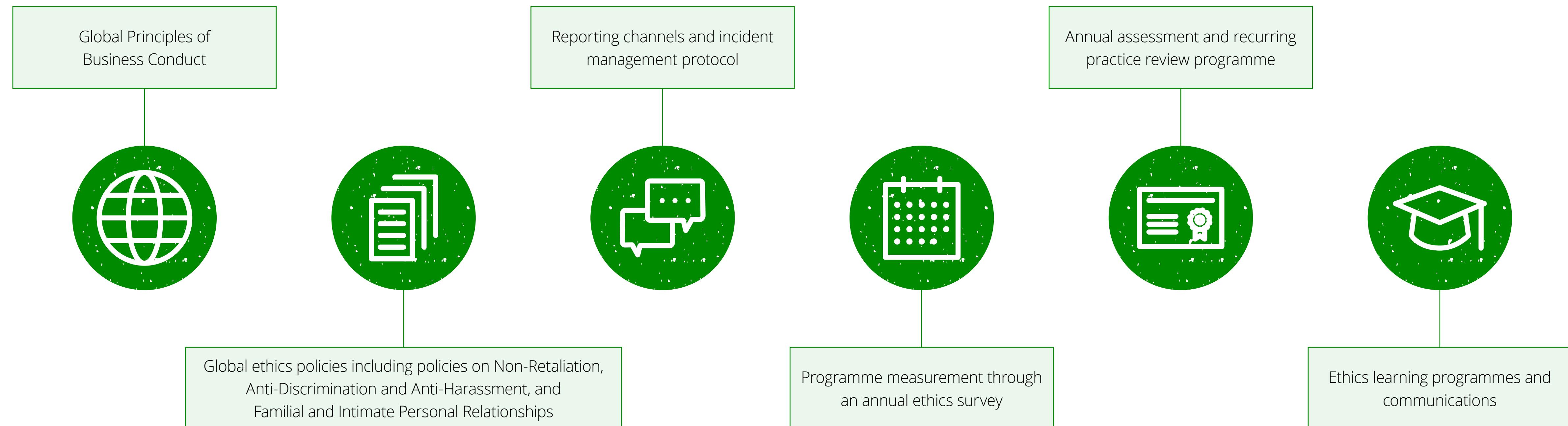
Ethics, independence and conflicts governance

Ethics, independence and conflicts are network-wide responsibilities, so we have a global framework in place set by Deloitte Global teams.

The role of Deloitte Global Ethics

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

Deloitte's Global Principles of Business Conduct (Global Code) outlines Deloitte's ethical commitments as a network and expectations for Deloitte's approximately 460,000 people, giving a strong, principled foundation. The foundations of the network's ethics programme are comprised of the following elements:



Appendix 11:

Ethics, independence and conflicts governance

The role of Deloitte Global Independence



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



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

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



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

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



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

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

Our global and local leadership teams reinforce the importance of compliance with independence and related local and international quality management standards, thereby setting the appropriate tone and instilling their importance into the professional values and culture of the firm. Strategies and procedures to communicate the importance of independence to partners, other practitioners, and support staff are continuously evolving; they emphasise each individual's responsibility to understand and meet independence requirements.

The Independence Partner is responsible for overseeing independence matters and maintaining regulatory compliance within Deloitte UK, including the design, implementation, operation, monitoring, and continuous enhancement of the SQM related to independence. Deloitte Global also provides us with technical independence expertise and global insights, supporting overall regulatory compliance and assisting in ongoing SQM monitoring activities.

Our UK Ethics, Independence and Conflicts teams collaborate with many other teams throughout our global network in a coordinated and multi-faceted approach to protect the quality of our services. They do not report to the business lines but rather to firm leadership directly; partners have both formal and informal channels of communication to the firm's risk committees and regularly engage with its members. Regular reporting to governing committees is further supplemented by an annual report of the independence and ethics teams' activities, results, challenges and ambitions to the UKOB and on occasion the AGB.

These open and independent channels set a strong overall tone, actively encouraging and supporting independence in both thought and action.

Appendix 11:

Ethics, independence and conflicts governance

Systems, policies and practices

At Deloitte, we have adopted global and national systems to enable our professionals to use several systems, platforms and tools to address ethical and independence concerns. These, alongside a continued emphasis on consultation and collaboration, ensure we adopt appropriate behaviours and fulfil our values, and that our processes and practices are supported and executed effectively.



Appendix 12:

Deloitte UK governance and legal structure

UK legal structure

Deloitte LLP is a limited liability partnership wholly owned by its members (the UK and Swiss equity partners, NSE LLP and a holding entity within the Deloitte NSE group). The firm provides audit and assurance; strategy, risk and transactions advisory; tax and legal; and technology and transformation services in the UK, Channel Islands and Isle of Man and through its subsidiaries in Switzerland and Gibraltar. The firm also has interests in Germany, India, Romania and Spain that do not contract with clients to provide services.

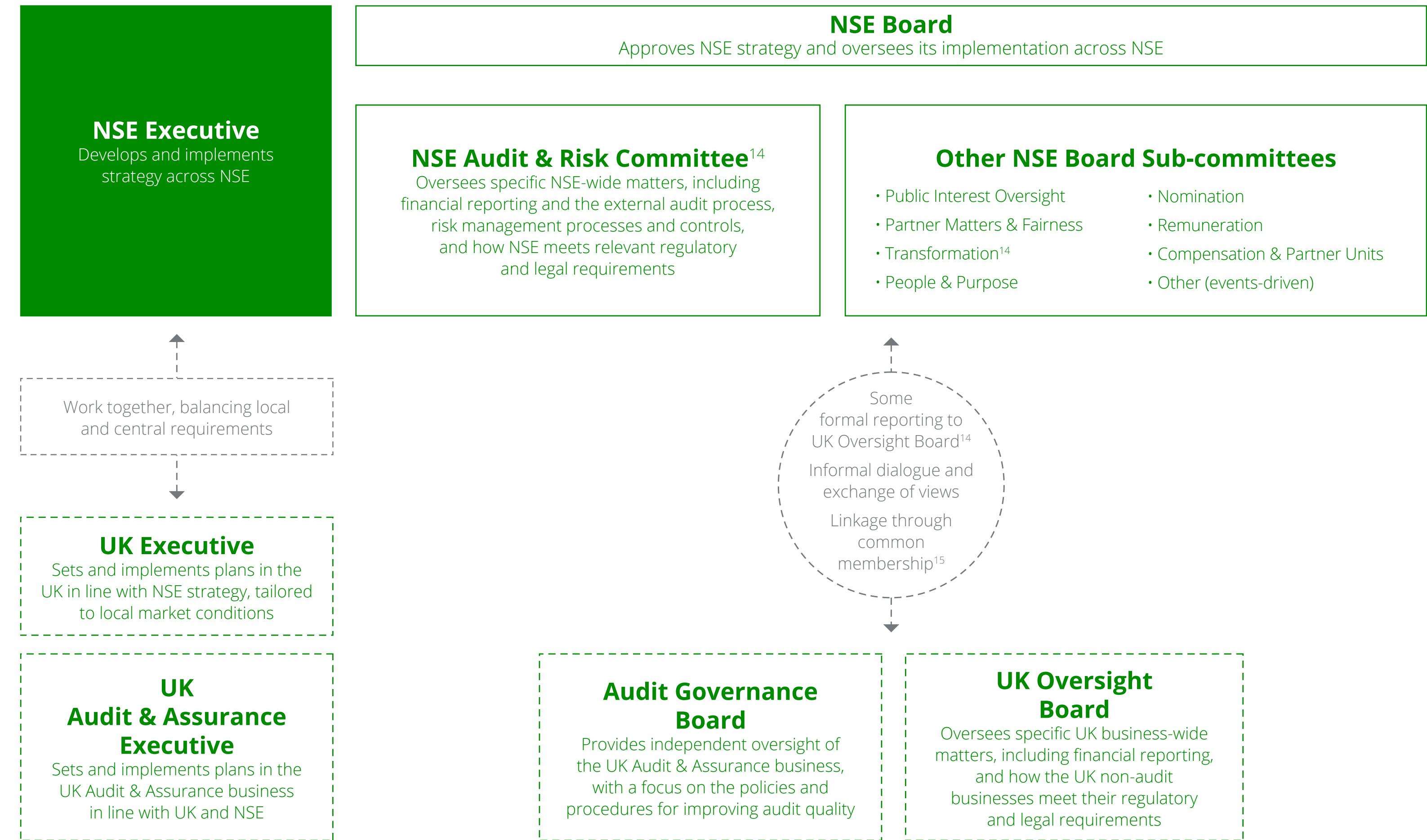
Deloitte LLP is the UK affiliate of Deloitte NSE LLP, a member firm of the Deloitte network, and its governance arrangements are set out in this appendix.

Governance structure

Biographical details of members of the firm's governance structure and management team, along with details of their meeting attendance, are provided in [Appendix 1](#).

¹⁴ The Chairs of the NSE Audit & Risk Committee and Transformation Sub-Committee report to the UK Oversight Board at each meeting.

¹⁵ The elected partner members of UKOB and AGB are also members of the NSE Board. Three are also members of the NSE Audit and Risk Committee. Two of the Non-Executives (Elisabeth Stheeman and Sir Hugh Robertson) are also Independent Non-Executive members of the NSE Board and Elisabeth is also a member of the NSE Audit and Risk Committee.



Appendix 12:

Deloitte UK governance and legal structure

NSE Audit & Risk Committee

The NSE Audit & Risk Committee (ARC) is a standing sub-committee of the NSE Board and meets bi-monthly. It comprises a selection of NSE Board members from across the NSE geographies, including Elisabeth Stheeman (UK Non-Executive), and three partner members from the UK, who are also members of the UKOB and one of whom is also a member of the AGB. The common membership between these bodies helps ensure an appropriate flow of information between the NSE ARC, UKOB and AGB. There is also a formal reporting mechanism between the NSE ARC and UKOB.

The key elements of the role of the NSE ARC are to:

- Provide oversight and support to the NSE geographies in their delivery of audit quality and their compliance with local legal and regulatory requirements
- Oversee the level of acceptable risk for each business area across NSE
- Oversee the appointment of internal and external auditors for the NSE Member Firm and the preparation of the statutory accounts of Deloitte NSE LLP (including any associated financial year-end processes).

Non-Executive Committee (NEC)

The NEC plays an important role in supporting the Non-Executives' governance responsibilities. It provides a forum for the Non-Executives to undertake deeper dives into particular areas, applying a public interest

perspective, and to privately share information between themselves on matters of relevance to their remit, without management present. As a proxy for the sub-committee of the AGB required by the FRC's Principles for Operational Separation, the NEC receives the final recommendations on audit partner remuneration and promotions.

Partnership Council

The Partnership Council plays an important role in ensuring fairness and equity between partners across the UK and Switzerland, and fairness in the implementation of Deloitte NSE policies and strategies. It is also the body that undertakes soundings to assist in the selection of UK/Swiss candidates for election to the NSE Board and for appointment to the roles of UK CEO and Swiss CEO. One of the Non-Executives attends the meetings of the Partnership Council as an observer.

The role of the Senior Partner and Chief Executive

The appointment of the UK Senior Partner and Chief Executive is subject to confirmation by a resolution of the UK equity partners, for a term not exceeding four years. Richard Houston began his second term as UK Senior Partner and Chief Executive on 1 June 2023. Richard has full executive authority for the management of the UK business and is also Senior Partner and Chief Executive of Deloitte NSE, and a member of the Deloitte Global Executive. In keeping with our client service focus, he continues to spend a significant proportion of his time actively engaging with a broad cross-section of clients.

Richard communicates regularly with the partner group, and with all our people, in person and through a series of town halls, 'Ask the CEO' webcasts, voicemails and email alerts. He is also a member of the UKOB.

Non-Executives

Duties

The regulatory requirements for Non-Executive duties are set out in the FRC's Principles for Operational Separation and in the Audit Firm Governance Code. The Non-Executives are members of, and participate fully in, the activities of the AGB and the UKOB (where appropriate) as set out in the report on the work of those bodies. This positioning enables the Non-Executives to bring effective challenge to the considerations of UKOB and AGB.

The Non-Executives also meet privately as the Non-Executive Committee and invite members of the management team to attend, as appropriate, to discuss matters relevant to their remit. Additionally, the Non-Executives participate in other activities of the firm, consistent with their role and experience, to enable them to fully discharge their duties under the Audit Firm Governance Code and for the purposes of good governance.

Shirley Garrood's role as the 'Doubly Independent ANE' is to provide oversight of the UK Audit & Assurance business only. She is a member of the AGB but not of the UKOB.

Appendix 12:

Deloitte UK governance and legal structure

Support from the firm

To assist the Non-Executives in discharging their duties, the firm provides them with:

- A detailed induction programme to provide them with insight into the firm's governance structure, management and activities
- A Chief of Staff
- Access to any information they require about any aspect of the firm's business (subject to individual client confidentiality and audit independence rules) which is provided in a timely manner
- Access to relevant personnel as is reasonably necessary to discharge their duties
- Secretarial support
- Access to independent professional advice at the firm's expense where judged necessary to discharge their duties
- Any other support agreed upon from time-to-time.

Other directorships and business interests

The Non-Executives have various business interests in addition to those of the firm. By drawing on their external roles and experiences, they bring diverse perspectives and appropriate challenge to management.

The Non-Executives declared their pre-existing assignments (including any appointments, directorships or posts) and any potential conflicts of interest apparent at the time of appointment and declare any changes to those interests at each AGB and UKOB meeting. The Non-Executives are required to consult with the UKOB Chair and obtain their consent prior to accepting further assignments with any third party. The Non-Executives are required to disclose to the UKOB Chair any actual or potential conflict of interest or any threat to the firm's independence as soon as it becomes apparent.

Independence

In assessing the independence of the Non-Executives, we:

- Consider their (and their immediate family members') substantial shareholdings and business, family and employment relationships entered into and notified to the firm
- Apply the Code's principles and comply with its provisions on INEs without placing them in the chain of command
- Consider the independence requirements of the UK and US regulators, as well as those of the International Federation of Accountants.

Non-Executives are not permitted to have a directorship or other leadership role with a restricted entity (i.e., any entity audited by a Deloitte network firm, affiliates of entities audited by a Deloitte network firm and other assurance relationships for which the firm has to maintain its independence), nor can they (or their immediate family members) be a substantial shareholder of a restricted entity.

Appointment

The firm undertakes a thorough selection process prior to appointing Non-Executives, including external agency screening and interviews and meetings with the UKOB Chair, UK CEO and the existing Non-Executives.

Each Non-Executive has a letter of appointment which sets out their rights and duties. Non-Executives are, subject to earlier termination, appointed for a period of three years. Non-Executives may serve for two further three-year terms up to a maximum tenure of nine years in aggregate.

Appropriate indemnity insurance is in place in respect of any legal action arising against a Non-Executive. Each Non-Executive must go through a thorough independence check and clearance process prior to appointment (as set out above under 'Other directorships and business interests' and 'Independence').

Appendix 12:

Deloitte UK governance and legal structure

Termination of appointment

In the event an appointment is not renewed at the end of the three-year term, the Non-Executive shall cease to be a Non-Executive of the firm.

The appointment may be terminated at any time, by either the Non-Executive or by the firm, with three months' written notice.

The appointment may also be terminated by the firm with immediate effect should any situation arise which amounts to a professional conflict of interest or breach of independence rules.

Remuneration

The Non-Executives are paid a fixed annual fee for their work as members of the AGB and the UKOB (where appropriate), and for other responsibilities they undertake for the UK business, based on an individually agreed number of days' service per annum.

In the year to 31 May 2025, this amounted to:

	Total remuneration £'000	First appointed
Jim Coyle	231	January 2019
Almira Delibegovic-Broome KC	231	March 2020
Shirley Garrood	300	May 2020
Rt Hon Sir Hugh Robertson	210	February 2024
Elisabeth Stheeman	210	May 2024

Other matters

The Non-Executives have a right to report any fundamental disagreement regarding the UK business to the UK Executive and, if that does not bring a resolution, to raise such matters directly with the Chair and/or CEO of Deloitte NSE LLP. The Non-Executives also have the opportunity to discuss any matter with the FRC as part of their normal regular engagement.

The basis for the Deloitte UK Executive's remuneration

The performance and contribution of the UK Executive are assessed against the same criteria as all equity partners. Similarly, the value of their profit share is based upon a comprehensive evaluation of their individual and team contribution to achieving the firm's strategic objectives. The UK Chief Executive, the Chair of the NSE Board, and the Chair of the Partnership Council (who also represents the NSE Compensation & Partner Units Subcommittee) are involved in this process. Outcomes are then subject to NSE Board review and approval alongside all other equity partner outcomes.

Appendix 12:

Deloitte UK governance and legal structure

Equity partner appraisal and remuneration

The equity partners are the owners of the firm and, therefore, share in its profits. The value of each individual's share is based upon a comprehensive evaluation of their individual and team contribution to the achievement of the firm's strategic objectives, including upholding quality. All equity partners (including those in a governance or management role) are assigned to an equity group, which is reviewed annually and describes the skills, attributes and broad performance expected of them. Profit-sharing across NSE begins with the NSE Board's approval of the profit-sharing strategy proposed by the NSE Senior Partner and Chief Executive and concludes with the NSE Board's review and approval of the profit allocation and equity group recommended by the local CEOs for each individual partner in their respective geographies. An NSE Board sub-committee of partners oversees the process with a focus on consistent and equitable treatment. Additional procedures for the remuneration of Audit & Assurance partners, and in particular its linkage to audit quality, are discussed in [Appendix 5: Audit and assurance quality](#).

Drawings and the contribution and repayment of partners' capital

UK and Swiss equity partners contribute the entire capital of Deloitte LLP. Each equity partner's capital contribution is linked to their share of profit and is repaid in full on ceasing to be an equity partner. The rate of capital contribution is determined from time to time depending on the financing requirements of the business. In the UK, equity partners draw a proportion of their profit share in 12 monthly on-account instalments during the financial year in which the profit is made, with the balance of their profit, net of a tax deduction and other costs, paid in instalments in the subsequent financial year. All payments are made subject to the cash requirements of the business. Tax retentions are paid to HM Revenue & Customs on behalf of equity partners, with any excess being released to equity partners as appropriate.

Appendix 13:

The Deloitte network

The Deloitte network (also known as the Deloitte organization) includes a globally connected network of DTTL member firms and their respective related entities operating in more than 150 countries and territories across the world.

These separate and independent member firms operate under a common brand, connected by:

-  **Shared Values**
-  **Commitment to audit quality**
-  **Adherence to professional standards**
-  **Deloitte methodologies**
-  **Common technologies/platforms**

Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)¹⁶

Deloitte Touche Tohmatsu Limited is a private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their respective related

entities and establishes policies and protocols with the objective of promoting a consistently high level of quality, professional conduct, and service across the Deloitte network. DTTL does not provide services to clients and does not direct, manage, or control any member firm or any of their respective related entities.

Network governance

The Deloitte Global Executive Committee

The Deloitte Global Executive Committee, currently composed of 20 senior leaders from Deloitte Global and select Deloitte firms, is responsible for operating Deloitte Global, as well as embedding Deloitte's Purpose and advancing its strategic business priorities. The Executive Committee also sets policies and champions initiatives that help Deloitte make an impact that matters for Deloitte clients, Deloitte people, communities and other stakeholders.

Deloitte Global Chief Executive Officer Joe Ucuzoglu, who began serving in the role on 1 January 2023, leads the Executive Committee.

The Deloitte Global Operating Committee

The Deloitte Global Operating Committee provides a vital link between strategy and execution that helps Deloitte perform effectively and efficiently. Deloitte Global Chief Operating Officer Donna Ward leads the Operating Committee. Members include chief operating officers of select DTTL member firms, Deloitte Global business chief operating officers, shared services leaders and the Deloitte Global Transformation Leader.

The Deloitte Global Board of Directors

The Deloitte Global Board of Directors addresses Deloitte Global's most important governance matters, including approval of the global strategy, annual budget and investment plan, major policies, major transactions and the selection of the Deloitte Global CEO and Deloitte Global Chair. In addition, the Deloitte Global Board provides oversight of, and support for, the operation and performance of management.

The Deloitte Global Board includes representation from the majority of Deloitte member firms and reflects the geographic reach of Deloitte's operations. The Deloitte Global Board has 17 members. Anna Marks, Chair of the Deloitte Global Board of Directors, began her tenure on 1 June 2023. The elected term is for four years.

¹⁶ 'Deloitte' is the brand under which approximately 460,000 dedicated professionals and practitioners in independent member firms (or their respective related entities) throughout the world collaborate to provide leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. These member firms are members of DTTL. DTTL, these member firms and each of their respective related entities form the Deloitte organization. Each DTTL member firm and/or its related entities provides services in particular geographic areas and is subject to the laws and professional regulations of the country or countries in which it operates. Each DTTL member firm is structured in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its respective territories through related entities. Not every DTTL member firm or its related entities provides all services, and certain services may not be available to audit and assurance clients under the rules and regulations applicable to audit firms. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent, cannot obligate or bind any other, and are liable only for their own acts and omissions, and not those of any other. The Deloitte organization is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

Appendix 14:

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 Niederösterreich Wirtschaftsprüfungs GmbH
	Deloitte Oberösterreich Wirtschaftsprüfungs GmbH
	Deloitte Salzburg Wirtschaftsprüfungs GmbH
	Deloitte Tirol Wirtschaftsprüfungs GmbH
	Deloitte Wirtschaftsprüfung Styria GmbH
Belgium	Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Bulgaria	Deloitte Audit OOD
Croatia	Deloitte d.o.o. za usluge revizije
Cyprus	Deloitte Limited
Czech Republic	Deloitte Audit s.r.o.
	Deloitte Assurance s.r.o.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	AS Deloitte Audit Eesti
Finland	Deloitte Oy

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
France	Deloitte & Associés
	Deloitte Marque & Gendrot
	Deloitte Audit Holding
	BEAS
	Constantin Associés
	Pierre-Henri Scacchi et Associés
	Revi Conseil
Germany	Deloitte GmbH Wirtschaftsprüfungsgesellschaft
	Deutsche Baurevision GmbH Wirtschaftsprüfungsgesellschaft
	SüdTreu Süddeutsche Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Deloitte Certified Public Accountants S.A.
Hungary	Deloitte Könyvvizsgáló és Tanácsadó Kft.
Iceland	Deloitte ehf.
Ireland	Deloitte Ireland LLP
Italy	Deloitte & Touche S.p.A.

Appendix 14:

EU/EEA audit firms

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	UAB Deloitte Lietuva
Luxembourg	Deloitte Audit
Malta	Deloitte Audit Limited
Netherlands	Deloitte Accountants B.V.
Norway	Deloitte AS
Poland	Deloitte Audyt spółka z ograniczoną odpowiedzialnością spółka komandytowa Deloitte Audyt spółka z ograniczoną odpowiedzialnością Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością

EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte Auditores, S.L.
Sweden	Deloitte AB

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: €2.2 billion¹⁷

¹⁷ 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 endeavoured 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 2025, except for a limited number of instances where a Deloitte audit firm has different financial year-end or has not finalized its reporting for such period. In these cases, turnover amounts are for the relevant financial year or preceding financial year. Where currency other than the Euro is used in the member state, the amount in Euros was translated using an average exchange rate in effect for the period 1 June 2024 to 31 May 2025.

Appendix 15:

Public interest entities

Disclosure in accordance with Article 13(2) (b)(ii)-(iv) of the EU Audit Regulation.

Regulatory context

The following lists set out the entities that meet all the following conditions:

1. The entity is incorporated:
 - a) in the UK and is a Public Interest Entity as defined in UK law where the audit is a statutory audit as set out in s1210 Companies Act 2006¹⁸
 - b) anywhere and has securities admitted to trading on an EEA regulated market¹⁹
 - c) in Jersey, Guernsey or the Isle of Man and is a market traded Company
2. Deloitte LLP signed an audit report on the entity's annual financial statements in the period from 1 June 2024 - 31 May 2025.

UK PIE definition

As set out in UK law the definition of a PIE includes:

1. UK incorporated companies with transferable securities listed on a UK regulated market
2. UK credit institutions (broadly banks and building societies)
3. UK Solvency II insurance undertakings

Market traded companies

The laws of Jersey, Guernsey and the Isle of Man define market traded companies as those incorporated in the relevant jurisdiction with (a) equity or (b) retail debt securities admitted to trading on a UK or EEA regulated market, excluding certain investment funds.

UK PIEs

Entity name

A.G. Barr PLC

Admiral Group PLC

Admiral Insurance Co. Ltd

Aigrette Financing (Issuer) PLC

Airtel Africa PLC

Aldermore Bank PLC

Alpha Bank London Ltd

Anglian Water (Osprey) Financing PLC

Anglian Water Services Financing PLC

Annington Funding PLC

Antofagasta PLC

Assurant General Insurance Ltd

Assured Guaranty UK Ltd

Avon Insurance PLC

Babcock International Group PLC

¹⁸ This list is required by Article 13(2) (f) of the EU Audit Regulation as assimilated into UK law.

¹⁹ This list is required by Article 13(2) (f) of the EU Audit Regulation as applicable to Deloitte LLP as a third country auditor registered in Ireland, the Netherlands, Germany, Sweden and Luxembourg.

Appendix 15:

Public interest entities

BAE Systems PLC	Caledonian Environmental Services PLC	Dowlais Group PLC
Bakethin Finance PLC	Cardiff Auto Receivables Securitisation 2022-1 PLC	Dunedin Income Growth Investment Trust PLC
Bank of London and The Middle East PLC	Carnival PLC	Eastern Power Networks PLC
Bank of Scotland PLC	Castle Trust Capital PLC	Elementis PLC
Barratt Redrow PLC	Catalina Worthing Insurance Ltd	EnQuest PLC
BlackRock American Income Trust PLC	Centrica PLC	Equitas Insurance Ltd
BlackRock Energy and Resources Income Trust PLC	Charter Court Financial Services Ltd	Equitas Ltd
BlackRock Life Ltd	Chesnara PLC	Equitas Reinsurance Ltd
BOS (Shared Appreciation Mortgages) No. 1 PLC	CMC Markets PLC	Erm Funding PLC
BOS (Shared Appreciation Mortgages) No. 2 PLC	CMF 2023-1 PLC	Esure Insurance Ltd
BOS (Shared Appreciation Mortgages) No. 3 PLC	ConvaTec Group PLC	Europe Arab Bank PLC
BOS (Shared Appreciation Mortgages) No. 4 PLC	Countrywide Assured PLC	Eversholt Funding PLC
BP Capital Markets PLC	CT UK High Income Trust PLC	Family Assurance Friendly Society Ltd
BP PLC	Cumberland Building Society	Finsbury Growth & Income Trust PLC
Britannia Steam Ship Insurance Association Ltd (The)	Custodian Property Income Reit PLC	Foresight Enterprise VCT PLC
British Gas Insurance Ltd	Deliveroo PLC	Foresight Technology VCT PLC
Britvic Ltd	DF Capital Bank Ltd	Foresight VCT PLC
Bruntwood Bond 2 PLC	Domestic & General Insurance PLC	Future PLC
Cadent Finance PLC	Dominion Insurance Co. Ltd	Genus PLC

Appendix 15:

Public interest entities

Ghana International Bank PLC

Glaxosmithkline Capital PLC

GSK PLC

Hampden & Co PLC

HBL Bank UK Ltd

HBOS PLC

Helios Towers PLC

High Speed Rail Finance (1) PLC

Hilton Food Group PLC

Home Group Ltd

Hunting PLC

Ibstock PLC

ICBC (London) PLC

ICBC Standard Bank PLC

IMI PLC

Inchcape PLC

Ithaca Energy PLC

JD Sports Fashion PLC

Kexim Bank (UK) Ltd

Kingfisher PLC

Law Debenture Corporation PLC (The)

Law Debenture Finance PLC

Life Science Reit PLC

Lloyds Bank Corporate Markets PLC

Lloyds Bank General Insurance Ltd

Lloyds Bank PLC

Lloyds Banking Group PLC

London General Insurance Company Ltd

London Power Networks PLC

London Steam Ship Owners' Mutual Insurance Association Ltd (The)

London Stock Exchange Group PLC

LondonMetric Property PLC

Lsega Financing PLC

Macfarlane Group PLC

Manchester and London Investment Trust PLC

Marks and Spencer Group PLC

Marks and Spencer PLC

Marsden Building Society

Marshalls PLC

Metlife UK Ltd

Mitsubishi HC Capital UK PLC

Mobico Group PLC

Morgan Advanced Materials PLC

National Bank of Egypt (UK) Ltd

National Bank of Kuwait (International) PLC

National Farmers Union Mutual Insurance Society Ltd (The)

National Gas Transmission PLC

National Grid Electricity Distribution (East Midlands) PLC

National Grid Electricity Distribution (South Wales) PLC

National Grid Electricity Distribution (South West) PLC

National Grid Electricity Distribution (West Midlands) PLC

National Grid Electricity Distribution PLC

National Grid Electricity Transmission PLC

National Grid PLC

National House-Building Council

Newbury Building Society

Newcastle Building Society

Appendix 15:

Public interest entities

NGG Finance PLC

Northern Gas Networks Finance PLC

Northumbrian Water Finance PLC

Oban Cards 2021-1 PLC

Ocado Group PLC

Omnilife Insurance Co. Ltd

OneSavings Bank PLC

OSB Group PLC

Oxford Nanopore Technologies PLC

Penarth Master Issuer PLC

Pensionbee Group PLC

Performer Funding 1 PLC

Permanent Master Issuer PLC

Pets at Home Group PLC

Primary Health Properties PLC

Principality Building Society

PRS Finance PLC

Quadgas Finance PLC

RAC Insurance Ltd

Rathbones Group PLC

Rathbones Investment Management Ltd

Riverstone Insurance (UK) Ltd

RM PLC

RS Group PLC

Safestore Holdings PLC

Saltaire Finance PLC

Schroder Japan Trust PLC

Scottish Widows Ltd

Secure Trust Bank PLC

Severn Trent PLC

Severn Trent Utilities Finance PLC

Simplyhealth Access

Smith & Nephew PLC

Smithson Investment Trust PLC

South Eastern Power Networks PLC

Spectris PLC

Spirax Group PLC

Spirent Communications PLC

St Andrew's Insurance PLC

STV Group PLC

Suffolk Life Annuities Ltd

SW (Finance) I PLC

Tesco Corporate Treasury Services PLC

Tesco PLC

Tesco Underwriting Ltd

Tower Bridge Funding 2021-1 PLC

Tower Bridge Funding 2021-2 PLC

Tower Bridge Funding 2022-1 PLC

Tower Bridge Funding 2023-1 PLC

Tower Bridge Funding 2024-1 PLC

Tower Bridge Funding 2024-2 PLC

TP Icap Finance PLC

TransRe London Ltd

Trent Insurance Co. Ltd

TT Club Mutual Insurance Ltd

TT Electronics PLC

Unite Group PLC (The)

Appendix 15:

Public interest entities

United Kingdom Mutual Steam Ship Assurance Association Ltd (The)

Unity Trust Bank PLC

University of Oxford (The)

US Solar Fund PLC

Vanquis Bank Ltd

Vanquis Banking Group PLC

Vida Bank Ltd

Vitality Life Ltd

Wellcome Trust Finance PLC

Whitbread Group PLC

Whitbread PLC

Wilmington Cards 2021-1 PLC

Yorkshire Water Finance PLC

Yorkshire Water Services Finance Ltd

Appendix 15:

Public interest entities

Entities with securities admitted to trading on an EEA regulated market

Entity name		
Canterbury Finance No.2 PLC	Ferguson Finance PLC	Precise Mortgage Funding 2020-1B PLC
Canterbury Finance No.3 PLC	Ferrari Group PLC	RAC Bond Co PLC
Canterbury Finance No.4 PLC	Friary No.6 PLC	Series D Euro-DM Securities Limited
Canterbury Finance No.5 PLC	Friary No.7 PLC	Tesco Property Finance 1 PLC
Castell 2021-1 PLC	Glencore Finance (Europe) Ltd	Tesco Property Finance 2 PLC
Castell 2022-1 PLC	Global Switch Holdings Ltd	Tesco Property Finance 3 PLC
Castell 2023-1 PLC	Greene King Finance PLC	Tesco Property Finance 4 PLC
Castell 2023-2 PLC	Grosvenor Square RMBS 2023-1 PLC	Tesco Property Finance 5 PLC
CPUK Finance Ltd	Hercules (Eclipse 2006-4) PLC	Tesco Property Finance 6 PLC
CRH Finance (U.K.) PLC	ICBC Standard Bank PLC	Wellcome Trust (The)
CVC Capital Partners PLC	Morgan Stanley & Co. International PLC	
Delamare Finance PLC	Oak No.4 PLC	
Durham Mortgages A PLC	OTE PLC	
Durham Mortgages B PLC	PHP Finance (Jersey No 2) Ltd	
DWR Cymru (Financing) UK PLC	Polaris 2021-1 PLC	
Equinox (Eclipse 2006-1) PLC	Polaris 2022-1 PLC	
	Polaris 2022-2 PLC	
	Polaris 2023-1 PLC	
	Polaris 2023-2 PLC	

Appendix 15:

Public interest entities

Market traded companies

Entity name

3i Infrastructure PLC

abrdn Property Income Trust Ltd

Chenavari Toro Income Fund Ltd

CVC Capital Partners PLC

Glencore PLC

ICG-Longbow Senior Secured UK Property Debt Investments Ltd

India Capital Growth Fund Ltd

Macau Property Opportunities Fund Ltd

Man Group PLC

Real Estate Credit Investments Ltd

Renewables Infrastructure Group Ltd (The)

Ruffer Investment Company Limited

SLF Realisation Fund Ltd

Syncona Ltd

Taylor Maritime Ltd

Volta Finance Ltd

Additional non-regulatory disclosure

In addition, the following entity audited by Deloitte LLP has transferable securities listed on a UK regulated market but does not meet the definition of a UK PIE or Market Traded Company (due to being incorporated in countries outside the UK, Channel Islands, Isle of Man and the EEA). The revenue derived from the audit work carried out by Deloitte LLP in respect of this entity is included within the revenue for non-PIEs in the table in [Appendix 2](#).

Entity name

Trafford Centre Finance Limited

Appendix 16:

Audit Firm Governance Code

We cross-reference in the table below to where and how Deloitte LLP complies with the principles and provisions of the Audit Firm Governance Code published in April 2022.

A Leadership	
Principles	
A. A firm's Management and governance structures should promote the long-term sustainability of the firm. To this end, the Management of a firm should be accountable to the firm's owners.	See: Leadership message ; Audit Governance Board and UK Oversight Board report ; our website
B. A firm's governance arrangements should provide checks and balances on individual power and support effective challenge of Management. There should be a clear division of responsibilities between a firm's governance structures and its Management. No one individual or small group of individuals should have unfettered powers of decision.	See: Message from the Non-Executives ; Audit Governance Board and UK Oversight Board report ; Appendix 5: Audit and assurance quality - Controls and processes ; Appendix 12: Deloitte UK governance and legal structure ; our website
C. A firm's Management should demonstrate its commitment to the public interest through their pursuit of the purpose of this Code and regular dialogue with the INEs. Management should embrace the input and challenge from the INEs (and ANEs).	See: Message from the Non-Executives ; Audit Governance Board and UK Oversight Board report ; our website
D. The members of a firm's Management and governance structures should have appropriate experience, knowledge, influence and authority within the firm, and sufficient time, to fulfil their assigned responsibilities.	See: Appendix 1: Biographies - Executive and governance boards ; Appendix 12: Deloitte UK governance and legal structure ; our website
E. The Management of a firm should ensure that members of its governance structures, including owners, INEs and ANEs, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties.	See: Message from the Non-Executives ; Audit Governance Board and UK Oversight Board report ; our website

Appendix 16:

Audit Firm Governance Code

Provisions	
1. A firm should establish a Board or equivalent governance structure to oversee the activities of Management.	See: Appendix 12: Deloitte UK governance and legal structure ; our website
2. At least half a firm's Board should be selected from among partners who do not have significant management responsibilities within the firm.	See: Appendix 1: Biographies - Executive and governance boards ; Appendix 12: Deloitte UK governance and legal structure ; our website
3. The chair of the Board should not also chair parts of the Management structure or be the managing partner.	See: Appendix 1: Biographies - Executive and governance boards ; our website
4. A firm's Management and Board should have a clear understanding of their authority, accountabilities and responsibilities. The Board should have clearly defined terms of reference, with matters specifically reserved for its decision, detailing in particular its role in relation to firm strategy, risk, culture and other matters relating to the purpose of this Code. Management should have terms of reference that include clear authority over the whole firm and matters relating to the purpose of this Code. Terms of reference should be disclosed on the firm's website. Terms of reference for international management and governance structures taking decisions that apply to the UK should be disclosed on the UK firm's website in the same way as for UK-based structures.	See: Appendix 12: Deloitte UK governance and legal structure ; our website ; the roles and responsibilities of the relevant NSE management and governance bodies are contained in the Deloitte NSE Partnership Agreement and are currently not publicly available
5. A firm should establish arrangements for determining remuneration and progression matters for members of the Board which support and promote effective challenge of Management.	Elected Partners' remuneration and progression, in their capacity as members of the UKOB/AGB, are taken into account in their individual annual appraisals
6. The individual members of a firm's governance structures and Management should be subject to formal, rigorous and ongoing performance evaluation and, at regular intervals, members should be subject to re-election or re-selection.	See: Appendix 1: Biographies - Executive and governance boards ; Appendix 12: Deloitte UK governance and legal structure ; our website
7. There should be a formal annual evaluation of the performance of the Board and any committees, plus the public interest body. A firm should consider having a regular externally-facilitated board evaluation at least every three years.	See: governance KPIs in the Audit Governance Board and UK Oversight Board report ; our website

Appendix 16:

Audit Firm Governance Code

8. Management should ensure that, wherever possible and so far as the law allows, members of governance structures and INEs and ANEs have access to the same information as is available to Management.

See: [Audit Governance Board and UK Oversight Board report](#);
[Appendix 12: Deloitte UK governance and legal structure](#);
our [website](#)

9. A firm should disclose in its annual transparency report:

- a. the names and job titles of all members of the firm's governance structures and its Management;
- b. a description of how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details;
- c. a description of how its governance structures and Management operate, their duties, the types of decisions they take and how they contribute to achieving the Code's purpose. If elements of the Management and/or governance of the firm rest at an international level and decisions are taken outside the UK, it should specifically set out how management and oversight is undertaken at that level and the Code's purpose achieved in the UK; and
- d. an explanation of the controls it has in place on individual powers of decision and to support effective challenge by Board members, how these are intended to operate and how they work in practice.

See:

[Appendix 1: Biographies - Executive and governance boards](#);
our [website](#)

As (9.a.) above, see also: [Appendix 12: Deloitte UK governance and legal structure](#)

As (9.a.) above, see also: [Audit Governance Board and UK Oversight Board report](#);
[Appendix 13: The Deloitte network](#)

[Appendix 12: Deloitte UK governance and legal structure](#);
our [website](#)

Appendix 16:

Audit Firm Governance Code

B People, values and behaviour	
Principles	
F. A firm is responsible for its purpose and values and for establishing and promoting an appropriate culture, that supports the consistent performance of high-quality audit, the firm's role in serving the public interest and the long-term sustainability of the firm.	See: Leadership message ; Ethics independence and conflicts ; Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition ; Appendix 6: Our Cultural Ambition
G. A firm should foster and maintain a culture of openness which encourages people to consult, challenge, contribute ideas and share problems, knowledge and experience in order to achieve quality work in a way that takes the public interest into consideration.	See: Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition ; Appendix 6: Our Cultural Ambition
H. A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the purpose and Principles of this Code.	See: Appendix 5: Audit and assurance quality - Our people
Provisions	
10. A firm's Board and Management should establish the firm's purpose and values and satisfy themselves that its purpose, values and culture are aligned. If a firm's purpose and values are established at an international level, the firm should ensure it has the ability to influence that decision-making process and the ability to tailor the output for the UK.	See: Leadership message ; Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition ; Appendix 6: Our Cultural Ambition ; Appendix 13: The Deloitte network
11. A firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply. The Board and INEs should oversee compliance with it.	See: our Ethics Code on our website
12. A firm should promote the desired culture and a commitment to quality work, professional judgement and values, serving the public interest and compliance with professional standards and applicable legal and regulatory requirements, in particular through the right tone at the top and the firm's policies and procedures.	See: Leadership message ; Ethics independence and conflicts ; Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition ; our Ethics Code on our website
13. A firm should establish policies and procedures to promote inclusion and encourage people to speak up and challenge without fear of reprisal, particularly on matters relating to this Code and the firm's values and culture.	See: Ethics, independence and conflicts ; Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition ; Appendix 6: Our Cultural Ambition

Appendix 16:

Audit Firm Governance Code

Provisions

14. A firm should introduce meaningful key performance indicators on the performance of its governance system, and report on performance against these in its transparency reports.	See: governance KPIs in the Audit Governance Board and UK Oversight Board report
15. A firm should assess and monitor culture. It should conduct a regular review of the effectiveness of the firm's systems for the promotion and embedding of an appropriate culture underpinned by sound values and behaviour across the firm, and in audit in particular. INEs should be involved in this review and where a firm has implemented operational separation the ANEs should be involved in the review as it relates to the audit practice. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the purpose of this Code, it should take corrective action.	See: Audit Governance Board and UK Oversight Board report ; Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition ; Appendix 6: Our Cultural Ambition
16. A firm should establish mechanisms for delivering meaningful engagement with its people. This should include arrangements for people to raise concerns in confidence and anonymously and to report, without fear, concerns about the firm's culture, commitment to quality work, the public interest and/or professional judgement and values. The INEs should be satisfied that there is an effective whistleblowing policy and procedure in place and should monitor issues raised under that process.	See: Audit Governance Board and UK Oversight Board report ; Ethics, independence and conflicts ; Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition
17. INEs should be involved in reviewing people management policies and procedures, including remuneration and incentive structures, recruitment and promotion processes, training and development activities, and diversity and inclusion, to ensure that the public interest is protected. They should monitor the firm's success at attracting and managing talent, particularly in the audit practice. Where operational separation is in place the ANEs should be involved in this process.	See: Audit Governance Board and UK Oversight Board report
18. INEs and ANEs should use a range of data and engagement mechanisms to understand the views of colleagues throughout the firm and to communicate about their own roles and the purpose of this Code. One INE should be designated as having primary responsibility for engaging with the firm's people.	See: Message from the Non-Executives

Appendix 16:

Audit Firm Governance Code

Provisions

19. A firm should disclose in its annual transparency report a description of how:

- a) it engages with its people and how the interests of its people have been taken into account in decision making; and
- b) opportunities and risks to the future success of the business have been considered and addressed, its approach to attracting and managing talent, the sustainability of the firm's business model and how its culture, in particular in the audit practice, contributes to meeting the purpose of this Code.

See:

[Appendix 5: Audit and assurance quality - Our Shared Values and our Cultural Ambition](#)

[Appendix 9: Principal risks, uncertainties and mitigations](#)

Appendix 16:

Audit Firm Governance Code

C Operations and resilience	
Principles	
I. A firm should promote a commitment to consistent high-quality audits and firm resilience in the way it operates. To these ends, a firm should collect and assess management information to evaluate the effectiveness of its policies and procedures and to enhance its operational decision-making.	See: Leadership message ; Appendix 5: Audit and assurance quality
J. A firm should establish policies and procedures to identify, assess and manage risk, embed the internal control framework and determine the nature and extent of the principal risks the firm is willing to take while working to meet the purpose of this Code.	See: Appendix 9: Principal risks, uncertainties and mitigations
K. A firm should communicate with its regulators in an open, co-operative and transparent manner.	See: Leadership message ; Message from the Non-Executives ; Audit Governance Board and UK Oversight Board report ; Appendix 12: Deloitte UK governance and legal structure
L. A firm should establish policies and procedures to ensure the independence and effectiveness of internal and external audit activities and to monitor the quality of external reporting.	See: Appendix 5: Audit and assurance quality - Controls and processes and High-quality outcomes
Provisions	
20. A firm should assist the FRC and its successor bodies to discharge its duties by sharing information openly.	See: Message from the Non-Executives ; Audit Governance Board and UK Oversight Board report ; Appendix 12: Deloitte UK governance and legal structure
21. A firm should take action to address areas of concern identified by regulators in relation to the firm's audit work, leadership and governance, culture, management information, risk management and internal control systems.	See: Leadership message ; Appendix 5: Audit and assurance quality – High-quality outcomes
22. A firm should develop robust datasets and effective management information to support monitoring of the effectiveness of its activities, including by INEs (and ANEs), and its ability to furnish the regulator with information.	See: Leadership message ; Audit Governance Board and UK Oversight Board report ; Appendix 5: Audit and assurance quality – High-quality outcomes

Appendix 16:

Audit Firm Governance Code

23. A firm should establish an audit committee and disclose on its website its terms of reference and information on its membership. Its terms of reference should set out clearly its authority and duties, including its duties in relation to the appointment and independence of the firm's auditors. Where a firm's audit committee sits at an international level, information about the committee and its work should be disclosed by the UK firm as if it were based in the UK.

24. A firm should monitor its risk management and internal control systems, and, at least annually, conduct a review of their effectiveness. INEs should be involved in the review which should cover all significant controls, including financial, operational and compliance controls and risk management systems.

25. A firm should carry out a robust assessment of the principal risks facing it, including those that would threaten its business model, future performance, solvency or liquidity. This should reference specifically the sustainability of the audit practice in the UK. INEs (and in firms with operational separation, ANEs) should be involved in this assessment.

26. A firm should publicly report how it has applied the Principles of this Code, and make a statement on its compliance with its Provisions or give a detailed explanation for any non-compliance, i.e. why the firm has not complied with the Provision, the alternative arrangements in place and how these work to achieve the desired outcome (Principle) and the purpose of this Code.

27. A firm should explain who is responsible for preparing the financial statements and the firm's auditors should make a statement about their reporting responsibilities in the form of an extended audit report as required by International Auditing Standards (UK) 700/701.

See: [Appendix 12: Deloitte UK governance and legal structure](#); the roles and responsibilities of the NSE Audit & Risk Committee are contained in the Deloitte NSE Partnership Agreement and are currently not publicly available

See: [Audit Governance Board and UK Oversight Board report](#); [Appendix 9: Principal risks, uncertainties and mitigations](#)

See: [Audit Governance Board and UK Oversight Board report](#); [Appendix 9: Principal risks, uncertainties and mitigations](#)

This Transparency Report is housed on [our website](#)

See: [our Annual Financial Statements](#)

Appendix 16:

Audit Firm Governance Code

28. The transparency report should be fair, balanced and understandable in its entirety. A firm should disclose in its transparency report:

- a commentary on its performance, position and prospects;
- how it has worked to meet the legal and regulatory framework within which it operates;
- a description of the work of the firm's audit committee and how it has discharged its duties;
- confirmation that it has performed a review of the effectiveness of the system of internal control, a summary of the process it has applied and the necessary actions that have been or are being taken to remedy any significant failings or weaknesses identified from that review;
- a description of the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary;
- an assessment of the principal risks facing the firm and explanation of how they are being managed or mitigated; and
- a description of how it interacts with the firm's global network, and the benefits and risks of these arrangements, with reference to the purpose of this Code. This should include an assessment of any risks to the resilience of the UK firm arising from the network and any action taken to mitigate those risks.

See:

[Appendix 2: Financial information](#)

[Appendix 12: Deloitte UK governance and legal structure](#)

As (28.b.) above

[Audit Governance Board and UK Oversight Board report](#);

[Appendix 5: Audit and assurance quality - High-quality outcomes](#)

N/A

[Appendix 9: Principal risks, uncertainties and mitigations](#)

As (28.f) above, see also: [Appendix 13: The Deloitte network](#)

Appendix 16:

Audit Firm Governance Code

D INEs and ANEs	
Principles	
M. A firm should appoint INEs to the governance structure who through their involvement collectively enhance the firm's performance in meeting the purpose of this Code. INEs should be positioned so that they can observe, challenge and influence decision-making in the firm.	See: Appendix 12: Deloitte UK governance and legal structure
N. INEs (and ANEs) should provide constructive challenge and specialist advice with a focus on the public interest. They should assess and promote the public interest in firm operations and activities as they relate to the purpose of this Code, forming their own views on where the public interest lies.	See: Message from the Non-Executives
O. INEs (and ANEs) should maintain and demonstrate objectivity and an independent mindset throughout their tenure. Collectively they should enhance public confidence by virtue of their independence, number, stature, diverse skill sets, backgrounds, experience and expertise. They should have a combination of relevant skills, knowledge and experience, including of audit and a regulated sector. They owe a duty of care to the firm and should command the respect of the firm's owners.	See: Appendix 12: Deloitte UK governance and legal structure
P. INEs (and ANEs) should have sufficient time to meet their responsibilities. INEs (and ANEs) should have rights consistent with discharging their responsibilities effectively, including a right of access to relevant information and people to the extent permitted by law or regulation, and a right, individually or collectively, to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the independent non-executive resigns, to report this resignation publicly.	See: Appendix 12: Deloitte UK governance and legal structure
Q. INEs (and ANEs) should have an open dialogue with the regulator.	See: Appendix 12: Deloitte UK governance and legal structure

Appendix 16:

Audit Firm Governance Code

Provisions

29. INEs should number at least three, be in the majority on a body chaired by an INE that oversees public interest matters and be embedded in other relevant governance structures within the firm as members or formal attendees with participation rights. If a firm considers that having three INEs is unnecessary given its size or the number of public interest entities it audits, it should explain this in its transparency report and ensure a minimum of two at all times. At least one INE should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company's finance function or at an audit firm.

See: [Appendix 12: Deloitte UK governance and legal structure](#)

30. INEs should meet regularly as a private group to discuss matters relating to their remit. Where a firm adopts an international approach to its management and/or governance it should have at least three INEs with specific responsibility and relevant experience to focus on the UK business and to take part in governance arrangements for this jurisdiction. The firm should disclose on its website the terms of reference and composition of any governance structures whose membership includes INEs, whether in the UK or another jurisdiction.

See: [Message from the Non-Executives](#);
our [website](#)

31. INEs should have full visibility of the entirety of the business. They should assess the impact of firm strategy, culture, senior appointments, financial performance and position, operational policies and procedures including client management processes, and global network initiatives on the firm and the audit practice in particular. They should pay particular attention to and report in the transparency report on how they have worked to address: risks to audit quality; the public interest in a firm's activities and how it is taken into account; and risks to the operational and financial resilience of the firm.

See: [Message from the Non-Executives](#)

Appendix 16:

Audit Firm Governance Code

32. A firm should establish a nomination committee, with participation from at least one INE, to lead the process for appointments and re-appointments of INEs (and ANEs), to conduct a regular assessment of gaps in the diversity of their skills and experience and to ensure a succession plan is in place.

The nomination committee should assess the time commitment for the role and, when making new appointments, should take into account other demands on INEs' (and ANEs') time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior consultation with the nomination committee.

33. A firm should provide access for INEs to relevant information on the activities of the global network such that they can monitor the impact of the network on the operations and resilience of the UK firm and the public interest in the UK.

34. INEs should have regular contact with the Ethics Partner, who should under the ethical standards have direct access to them.

35. INEs should have dialogue with audit committees and investors to build their understanding of the user experience of audit and to develop a collective view of the way in which their firm operates in practice.

36. Firms should agree with each INE (and ANE) a contract for services setting out their rights and duties. INEs (and ANEs) should be appointed for specific terms and have a maximum tenure of nine years in total.

37. The firm should provide each INE (and ANE) with the resources necessary to undertake their duties including appropriate induction, training and development, indemnity insurance and access to independent professional advice at the firm's expense where an INE or ANE judges such advice necessary to discharge their duties.

Deloitte UK does not currently have a nomination committee at a UK level – the UKOB Chair undertakes this role, in consultation with the UK Managing Partner and AGB Chair

See: [Audit Governance Board and UK Oversight Board report](#)

See: [Message from the Non-Executives](#)

See: [Message from the Non-Executives](#);
[Audit Governance Board and UK Oversight Board report](#)

See: [Appendix 12: Deloitte UK governance and legal structure](#)

See: [Appendix 12: Deloitte UK governance and legal structure](#)

Appendix 16:

Audit Firm Governance Code

38. The firm should establish, and disclose on its website, well defined and clear escalation procedures compatible with Principle P, for dealing with any fundamental disagreement that cannot otherwise be resolved between the INEs (and/or ANEs) and members of the firm's Management and/or governance structures.

See: our [website](#)

39. An INE (and/or ANE) should alert the regulator as soon as possible to their concerns in the following circumstances:

- the INE or ANE believes the firm is acting contrary to the public interest; or
- the INE or ANE believes the firm is endangering the objectives of this Code; or
- the INE or ANE initiates the procedure for fundamental disagreements.

40. A firm should disclose in its annual transparency report:

- a. information about the appointment, retirement and resignation of INEs (and ANEs); their remuneration; their duties and the arrangements by which they discharge those duties; and the obligations of the firm to support them. The firm should report on why it has chosen to position its INEs in the way it has; and
- b. its criteria for assessing whether INEs (and ANEs) are: i) independent from the firm and its owners; and ii) independent from its audited entities.

See: [Appendix 12: Deloitte UK governance and legal structure](#)

See: [Appendix 12: Deloitte UK governance and legal structure](#)

As (40.a.) above

Appendix 16:

Audit Firm Governance Code

E Operational separation

Principles

R. Where a firm applies the Principles for Operational Separation, has established an Audit Board with a majority of ANEs and is subject to regulatory monitoring of these arrangements, ANEs will fulfil the responsibilities of INEs under this Code in so far as these relate to the audit practice. A firm's INEs will focus on representing the public interest in high quality audit at the firmwide level as well as on the public interest in firm activities in non-audit parts of the business and the risks posed by these non-audit activities to the audit practice. In fulfilling their role ANEs should follow the Principles set out in section D as applied to the audit practice.

S. INEs should rely on ANEs to provide independent oversight of audit quality plans, audit strategy and remuneration in the audit practice. ANEs should rely on the INEs to monitor activities at the firmwide and network levels for their potential impact on the audit practice.

See: [Message from the Non-Executives](#);
[Audit Governance Board and UK Oversight Board report](#)

Provisions

41. ANEs should have the same obligations regarding time commitment, independence and objectivity as INEs. They should focus their attention on the audit practice in accordance with the Principles for Operational Separation. The Audit Board should have the authority to act independently of the firmwide public interest body.

See: [Appendix 12: Deloitte UK governance and legal structure](#)

42. INEs should participate in governance structures operating across the entirety of the firm and pursue the purpose of this Code at the firmwide level. They should: i) monitor the activities of the wider firm and global network for their potential to affect audit quality and the resilience of the audit practice; and ii) ensure the firm takes account of the public interest in its wider decision making.

See: [Appendix 12: Deloitte UK governance and legal structure](#)

43. INEs and ANEs should maintain open dialogue, consult on matters of public interest and share information with one another to the extent this is relevant for the Audit Board's oversight of the audit practice and/or the effective discharge of the INEs' responsibilities at the firmwide level. They should inform one another in the event they invoke the procedure for fundamental disagreements.

See: [Message from the Non-Executives](#)

Appendix 17:

EU Audit Regulation

We cross-reference in the table below to where and how Deloitte LLP complies with the requirements of Article 13(2) of the EU Audit Regulation (as amended by The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019).

Provision of Article 13(2)	
The annual transparency report shall include at least the following:	
a) a description of the legal structure and ownership of the statutory auditor, if it is a firm;	See: Appendix 12: Deloitte UK governance and legal structure ; Appendix 13: The Deloitte network
b) where the statutory auditor is a member of a network:	See:
i. a description of the network and the legal and structural arrangements in the network;	Appendix 12: Deloitte UK governance and legal structure ; Appendix 13: The Deloitte network
ii. the name of each member of the network that is eligible for appointment as a statutory auditor, or is eligible for appointment as an auditor in an EEA State or in Gibraltar;	Appendix 14: EU/EEA audit firms
iii. for each of the members of the network identified under paragraph (ii), the countries in which they are eligible for appointment as auditors or in which they have a registered office, central administration or a principal place of business;	Appendix 14: EU/EEA audit firms
iv. the total turnover of the members of the network identified under paragraph (ii) resulting from statutory audit work or equivalent work in the EEA States or Gibraltar;	Appendix 14: EU/EEA audit firms
c) a description of the governance structure of the statutory auditor, if it is a firm;	See: Appendix 12: Deloitte UK governance and legal structure ; Appendix 13: The Deloitte network
d) a description of the internal quality control system of the statutory auditor and a statement by the management body on the effectiveness of its functioning;	See: Audit Governance Board and UK Oversight Board report ; Appendix 5: Audit and assurance quality - High-quality outcomes
e) an indication of when the last quality assurance review referred to in Article 26 was carried out;	See: Appendix 5: Audit and assurance quality - High-quality outcomes

Appendix 17:

EU Audit Regulation

Provision of Article 13(2)

f) a list of public-interest entities for which the statutory auditor carried out statutory audits during the preceding financial year;	See: Appendix 15: Public interest entities
g) a statement concerning the statutory auditor's independence practices which also confirms that an internal review of independence compliance has been conducted;	See: Ethics, independence and conflicts
h) a statement on the policy followed by the statutory auditor concerning the continuing education of statutory auditors referred to in paragraph 11 of Schedule 10 to the Companies Act 2006;	See: Appendix 5: Audit and assurance quality - Our mindset and behaviours
i) information concerning the basis for the remuneration of members of the management body of the statutory auditor, where that statutory auditor is a firm;	See: Appendix 12: Deloitte UK governance and legal structure
j) a description of the statutory auditor's policy concerning the rotation of key audit partners and staff in accordance with Article 17(7);	See: Ethics, independence and conflicts
k) where not disclosed in its accounts, information about the total turnover of the statutory auditor, divided into the following categories	See: Appendix 2: Financial information
i. revenues from the statutory audit of accounts of public-interest entities and members of groups of undertakings whose parent undertaking is a public-interest entity;	
ii. revenues from the statutory audit of accounts of other entities;	
iii. revenues from permitted non-audit services to entities that are audited by the statutory auditor; and	
iv. revenues from non-audit services to other entities.	

Provision of Article 13(3)

The transparency report shall be signed by the statutory auditor:



For and on behalf of Deloitte LLP

Glossary

Term	Description
Agentic AI	AI that can act independently and pursue goals in the real world, rather than passively responding to instructions; it can take initiative and make its own decisions to achieve a desired outcome.
Arm's length	A fair market basis used to determine the price for Deloitte specialists working outside of Audit & Assurance providing input to an audit.
Audit & Assurance Quality Board (A&AQB)	<p>The A&AQB comprises partners and directors from across our Audit & Assurance business. Its remit is to:</p> <ul style="list-style-type: none">• Develop and govern activities to improve audit quality and the quality of our work on assurance engagements• Implement these improvements across the Audit & Assurance business• Respond to audit quality issues raised by regulators and stakeholders.
Audit Firm Governance Code (the Code)	Published by the FRC and ICAEW in 2010 and revised in 2022, the Code sets a benchmark for good governance at the UK's largest audit firms, on a 'comply or explain' basis.
Audit Governance Board (AGB)	Established on 1 January 2021, the AGB comprises a majority of Non-Executives including the Chair. It is responsible for providing independent oversight of Deloitte's UK audit business, with a focus on the policies and procedures for improving audit quality. This includes ensuring people in the audit business are focused above all on the delivery of high-quality audits in the public interest; and oversight of the policies and processes for ensuring audit partner remuneration reflects their contribution to audit quality.
Audit Non-Executive (ANE)	Individuals who are independent of the management of the firm and who are responsible for providing independent advice and recommendations for management's consideration regarding the UK Audit & Assurance business. ANEs comprise a majority of the members of the Audit Governance Board and one of them is its Chair.
Audit Quality Plan (AQP)	A database used to capture and monitor actions arising from audit quality initiatives and the findings from external and internal reviews.
Audit Quality Remuneration Committee (AQRC)	A committee comprising experienced partners, independent of the Audit & Assurance Executive, that evaluates the audit quality contribution of audit partners. Its recommendations are used by the Audit & Assurance Executive to inform their decisions on audit partner reward and promotion.
Audit Quality Review (AQR)	Independent reviews performed by the FRC to monitor the quality of the audit work of certain UK statutory auditors and audit firms.

Glossary

Term	Description
BrightStart	Deloitte's apprenticeship programme for school leavers, offering a permanent job and the opportunity to begin a professional career with a global business as an alternative to university. The programme offers a range of qualifications, including leading industry certifications and bespoke training, and accelerates growth with on-the-job experience and a structured progression plan within their chosen career path.
Cognitive technologies	Computer systems that mimic human thought processes, such as learning, problem solving and decision making.
Deal Review Board	An internal Deloitte committee responsible for reviewing and approving significant client engagements or projects. These boards assess the strategic fit, financial viability, risk profile, and resource allocation of proposed deals before they are formally accepted by the firm.
Deloitte Academy	Provides support and guidance on key board issues to board and executive committee members through a series of webinars, seminars and discussions, providing a platform to understand and debate emerging areas of risk and industry interest.
Emerging Issues Group (EIG)	Established during 2015 and comprising partners from across the Audit & Assurance business, including industry specialists and those from our central technical team, the EIG's objective is to identify emerging industry, political/economic, technology and regulatory/inspection related issues that could have a significant impact on audit quality in the future.
Engagement quality review (EQR)	Provides an objective and independent evaluation of the significant judgements made by the engagement team and the conclusions reached in formulating their report. The requirement for an EQR is met by EQR partners, the independent Professional Standards Review (PSR) team and, where appropriate, the independent Quality Corporate Reporting Centre of Excellence (QCR) team.
Enterprise Portfolio Management (EPM)	Proactively manages complexities of our multidisciplinary model (MDM) in a globally optimised manner to address conflicts and provides an elevated level of coordination among businesses, industry/sector and account teams to drive growth and maximise our MDM.
Ethical Standard	Applicable to audit engagements and other public interest assurance engagements, the FRC published the current Ethical Standard in December 2024. The standard aims to strengthen auditor independence, prevent conflicts of interest and, ultimately, improve audit quality.
Financial Reporting Council (FRC)	The UK's Competent Authority for Audit, responsible for promoting high-quality corporate governance and reporting. It sets the standards framework within which auditors, accountants and actuaries operate in the UK.

Glossary

Term	Description
Independent Non-Executive (INE)	Individuals who are independent of the management of the firm and who are responsible for providing independent advice and recommendations for management's consideration regarding certain UK firmwide and non-audit matters. INEs are members of the UK Oversight Board and one of them is its deputy chair.
Institute of Chartered Accountants in England and Wales (ICAEW)	Professional Accountancy body and Recognised Supervisory Body with delegated powers from the FRC to supervise audit work. They monitor firms to ensure work is completed competently, ethically and appropriately.
International Auditing and Assurance Standards Board (IAASB)	An independent standard-setting body that sets international standards for auditing, quality control, review, other assurance, and related services, and facilitates the convergence of international and national standards.
International Standard on Quality Management (ISQM) 1	An IAASB quality management standard focusing on quality management at the firm level, revised and published by the FRC as ISQM (UK) 1.
International Standard on Quality Management (ISQM) 2	An IAASB quality management standard focusing on engagement quality reviews, revised and published by the FRC as ISQM (UK) 2. It is effective for audits and reviews of financial statements for periods beginning on or after 15 December 2022; and effective for other assurance and related services engagements beginning on or after 15 December 2022.
International Sustainability Standards Board (ISSB)	An international body established to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities, to help them make informed decisions.
Multidisciplinary Model (MDM)	Our MDM connects disciplines and capabilities across Audit & Assurance; Tax & Legal; Strategy, Risk and Transactions Advisory; and Technology & Transformation under a single Global Deloitte umbrella.
Non-Executive Committee (NEC)	A committee chaired by and comprising only Non-Executives to provide a forum for deeper dives into specific areas of public interest and to assist the Non-Executives in fully discharging their regulatory responsibilities.
Non-Executives	Collectively, the INEs and ANEs.
North and South Europe (NSE)	Deloitte NSE is the second largest member firm in the Deloitte network, spanning eight geographies (Belgium, Central Mediterranean, Ireland, Middle East, Netherlands, Nordics, Switzerland, United Kingdom), and 30 countries and territories.

Glossary

Term	Description
Partnership Council	<p>The partner group responsible for ensuring fairness and equity between partners and fairness in the implementation of Deloitte NSE policies and strategies. The Partnership Council is also the body that undertakes soundings to assist in the selection of candidates for election to the NSE Board and appointment to the role of UK CEO.</p>
Professional Standards Review (PSR)	<p>The PSR function, part of our EQR approach, is a robust, independent challenge and review of the engagement team's rationale and documentation of decisions taken and opinions reached within our reports and other documents.</p>
Public Company Accounting Oversight Board (PCAOB)	<p>A non-profit corporation established by the US Congress as a result of the Sarbanes-Oxley Act of 2002 to oversee the audits of public companies. In the UK this applies to UK corporates with US listings, and certain subsidiaries of US-listed companies.</p>
Public interest entity (PIE)	<p>As set out in UK law the definition of a PIE includes:</p> <ul style="list-style-type: none">• UK incorporated companies with transferable securities listed on a UK regulated market• UK credit institutions (broadly banks and building societies)• UK Solvency II insurance undertakings authorised by EU member states.
Public Interest Review Group (PIRG)	<p>A group, chaired by the Ethics Partner and comprising senior partners from across the firm, to consider whether or not certain proposed engagements are pursued on public interest grounds.</p>
Quality Assurance Department (QAD)	<p>The QAD of the ICAEW monitors audit firms regulated by the ICAEW, for the audits of entities that are not covered by the FRC's monitoring.</p>
Responsible Individuals (RIs)	<p>Individuals who are qualified to sign the audit report and who are authorised by a professional body to do so. At Deloitte, these are audit partners and signing directors.</p>
Single Quality Plan (SQP)	<p>A plan that pulls together the numerous strands of audit quality actions, and monitors and prioritises those actions. We provide the FRC with a quarterly SQP update.</p>
System of Quality Management (SQM)	<p>Our systems and processes that provide us with reasonable assurance that we are complying with applicable professional standards and our own quality standards.</p>

Glossary

Term	Description
System of quality management (SQM) findings and deficiencies	<p>A finding is information about the design, implementation and operation of the system of quality management which indicates that one or more deficiencies may exist.</p> <p>A deficiency exists when:</p> <ul style="list-style-type: none">i. A quality objective required to achieve the objective of the system of quality management is not establishedii. A quality risk, or combination of quality risks, is not identified or properly assessediii. A response, or combination of responses, does not reduce to an acceptably low level the likelihood of a related quality risk occurring because the response(s) is not properly designed, implemented or operating effectively, oriv. Another aspect of the system of quality management is absent, or not properly designed, implemented or operating effectively, such that a requirement of ISQM (UK) 1 has not been addressed.
TechEx	Our year-round Technical Excellence programme, delivered through a multi-faceted mechanism consisting of an experiential learning event (TechEx Live), and the opportunity to embed experiences and learning onto Audit engagements (TechEx Teams).
UK Oversight Board (UKOB)	The governance body responsible for overseeing how the firm meets its regulatory and legal requirements in the UK, including how it meets the purpose of the Audit Firm Governance Code which focuses on promoting audit quality, ensuring firms take account of the public interest in decision making, and safeguarding the sustainability and resilience of the firm.



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