2026 Audit Quality Report

Accelerating trust and advancing quality

Executive summary

Our Shared Values

Deloitte's Shared Values are the foundation of our culture, guiding our decisions and actions every day:

Lead the way ***Serve*** with integrity ***Take care*** of each other ***Foster*** inclusion ***Collaborate*** for measurable impact

By actively and intentionally demonstrating our Shared Values in all interactions, we set the standard for quality, integrity, and ethical leadership.

PCAOB inspections metrics

2025

2024

2023

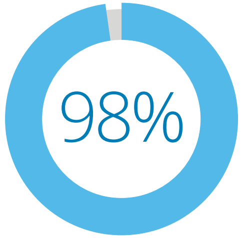
Audit Quality

Consistently strong inspection results

Ethics Survey results

Our quality-first culture and commitment to ethical leadership form the foundation of our strategy and fuel our purpose and responsibility to strengthen trust and transparency in the capital markets.

I believe Deloitte is an ethical place to work



Transformation

Our **$1 billion** investment over the next three years will accelerate our transformation by building advanced technology capabilities for our Audit & Assurance business.

Message from leadership

To the clients and stakeholders of Deloitte & Touche LLP:

Quality and trust define our brand and are at the heart of who we are and everything we do. Grounded in our Shared Values, this focus shapes our approach, guides our decisions, and underpins our reputation for ethical leadership and professional excellence. Through our work, we help build confidence and promote transparency in the capital markets.

We are elevating audit and assurance through a human-led, AI-powered approach—placing leading-edge technological capabilities directly in the hands of our people. Through strategic investments in platforms like Deloitte Omnia, we are leveraging advanced AI capabilities into the core of our work. Omnia's connected agentic intelligence network brings AI agents together in a unified framework, enabling them to work in concert across everyday workflows. This enhances insights, deepens risk analysis, and supports our professionals as they apply their judgment to deliver a differentiated client experience.

People are the most significant contributors to quality. That's why we've cultivated an environment shaped by collaboration, mentorship, and continuous improvement. Our apprenticeship culture and tailored training programs enable our teams to upskill and build fulfilling careers, all while upholding our commitment to lead with integrity.

The result? When we combine human insight with advanced technologies, our teams adapt, evolve, and consistently deliver high-quality audit and assurance services that benefit our stakeholders—our clients and the markets we serve. That's the Deloitte difference and our promise to you.

Sincerely,

Dipti S. Gulati
Chair and Chief Executive Officer
Deloitte & Touche LLP

Jason M. Girzadas
Chief Executive Officer
Deloitte US

Quality: Our foundation

Our quality-first culture is core to who we are and embedded in everything we do. It is the unwavering standard that governs our actions and solidifies the trust that our clients, regulators, and the capital markets place in us. It means fostering an environment where our professionals feel empowered to speak up, act in alignment with our Shared Values, and always put ethical leadership at the forefront.

Continuous improvement

Our dedication to quality is operationalized through our System of Quality Control (SQC), which drives continuous improvement by ensuring we:

- Incorporate learnings directly back into the practice through engagement team coaching, quality-focused webcasts, and office-based learning sessions;
- Identify opportunities for improvement and reinforce positive quality behaviors;
- Share lessons from recent inspections broadly to enhance consistency and quality across our organization; and
- Conduct a robust monitoring and remediation process that provides an objective evaluation of our performance, including root-cause analyses.

"At Deloitte, audit quality is more than a goal—it is a reflection of our technical excellence, integrity, and ethical leadership. We hold ourselves to the highest standards, empowering our professionals to apply sound judgment, maintain independence, and always have the courage to do what is right and essential to foster trust, transparency, and confidence in the financial information our clients and stakeholders rely on."

— ***Trevor Barton***, *Managing Partner—Quality, Risk & Regulatory, Deloitte & Touche LLP*

"Our unwavering commitment to ethical leadership and quality enables us to deliver distinctive professional services, while earning and maintaining the trust that has defined our brand for over 180 years. By embedding integrity into every decision and action, we reinforce the confidence our clients, regulators, and the public place in us."

— ***Lori Pressler***, *Chief Ethics Officer, Deloitte LLP*

Team structure

Executing high-quality audits in today's complex world requires teams with the right structure, oversight, and specialized skills. We are committed to maintaining engagement team structures that provide for robust partner involvement and strong management oversight. Our leverage ratios are a key indicator of this commitment.

Partner-to-Professional ratio

1 to 12.1 (FY26)

1 to 12.3 (FY25)

Manager-to-Staff ratio

1 to 2.2 (FY26)

1 to 2.2 (FY25)

The power of specialization

To audit some of the most challenging areas of a company, we leverage a diverse range of specializations across the firm. By involving engagement team members who possess deep skills, we assess risks effectively and design innovative and responsive audit procedures.

Our Professional Practice Network (PPN): A cornerstone of quality

At the center of our commitment to professional excellence is our Professional Practice Network (PPN). This network of over 400 professionals, led by more than 150 partners, principals, and managing directors (PPMDs), provides oversight and strategic direction on our quality activities. The PPN is distinguished by its deep bench of technical knowledge, offering high-quality consultation resources across accounting, auditing, key industries, and risk management.

The PPN collaborates across our Deloitte Assurance market offerings, bringing these versatile skill sets to varied assurance and advisory engagements such as controls remediation, technical accounting, and assurance readiness. Our goal is to share the PPN's specialized skill set to empower engagement teams to deliver the quality outcomes that set Deloitte apart.

Independent input on audit quality

Senior leadership meets regularly with the Audit Quality Advisory Council (AQAC) to discuss emerging trends that impact audit quality and the future of the profession. Our AQAC is composed of representatives across multiple disciplines.

Recognized quality results

For SEC issuer engagements, the PCAOB performs rigorous inspections of select audits. PCAOB inspections of audit engagements can result in observations that are made public through:

- Part I.A—Deficiencies that are of such significance that it was determined that the firm had not obtained sufficient appropriate audit evidence to support the audit opinion(s) on the issuer's financial statements and/or internal control over financial reporting.
- Part I.B—Deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of noncompliance with PCAOB standards or rules.
- Part I.C—Instances of potential noncompliance with SEC rules or noncompliance with PCAOB rules related to maintaining independence.

We assess our quality-first culture through multiple indicators, including external inspection results. In 2025, 95% of our audits had no Part 1.A deficiencies with an average of 87% over the last three years. These consistently strong results demonstrate Deloitte's sustained focus on audit quality and continuous improvement, underscoring the positive impact of our investments in our people and technology. Importantly, these findings did not result in the reissuance of our audit reports or the restatements of issuer financial statements.

Peer review

For engagements involving clients that are non-SEC issuers, Deloitte participates in the American Institute of Certified Public Accountants (AICPA) triennial peer review process. This review evaluates whether our quality control systems are properly designed and in line with relevant professional standards. Firms may receive ratings of "pass," "pass with deficiency(ies)," or "fail." We received a "pass" rating on our most recent peer review, which was completed in November 2023. The peer review for 2026 is currently ongoing.

"Our focus on quality is foundational to our culture and drives everything we do. Through continued investments in technology and innovation, we empower our professionals with differentiated capabilities that enhance their technical skills and industry experience, enabling them to deliver high-quality audit and assurance services for our clients and the markets we serve. This commitment to excellence and integrity is fundamental to our role in protecting public trust in the capital markets."

— ***Dipti Gulati****, Chair and Chief Executive Officer, Deloitte & Touche LLP*

Transformative technologies: Elevating quality at Deloitte

Our commitment to innovation is reshaping how we deliver high-quality audit and assurance services. We are building a digital workforce that works alongside our professionals to deliver more consistent, high-quality outcomes—transforming how work is executed, elevating quality, and unlocking deeper insight. The result is a smarter, more connected client experience and greater trust and transparency across the capital markets.

Deloitte Omnia: Innovation in action

Transformative technologies are integral to how we deliver high-quality services. Deloitte Omnia, our cloud-based global platform, brings together automation, advanced analytics, artificial intelligence, and digitized workflows to directly enhance quality by:

Enhancing risk identification: Automating workflows and using predictive analytics to flag risks more precisely and earlier allows teams to focus attention where it matters most.

Providing real-time insights and collaboration: Offering interactive dashboards for transparent progress updates enables proactive issue resolution, consistent quality oversight, and improved communication across audit teams.

Delivering consistent, digital-first methodology: Through digital accelerators and data analytics, Omnia delivers consistent and continuously improving audit methods, benefiting our teams with leading-edge tools and training.

Driving superior audit quality: Omnia's advanced features, including integrated generative and agentic AI, data quality controls, and intelligent automation are independently recognized for their role in driving superior audit quality.

"Innovation is a key way in which we continuously elevate the delivery of our audit and assurance services for our clients and the talent experience for our people. By continuing to invest in Deloitte Omnia and embedding emerging technologies like generative and agentic AI into the core of our work, we're creating smarter, more connected ways to deliver for our clients. This focus on innovation enables us to deliver consistent, high-quality results that meet the evolving needs of the market."

— ***Eric Johnson**, Chief Strategy and Transformation Officer, Deloitte & Touche LLP*

AI-powered workflows: Revolutionizing audit execution

AI is embedded within Deloitte Omnia to streamline core audit tasks, accelerate analysis, and keep our professionals at the center of critical decision-making. By combining intelligent automation, advanced analytics, and agentic capabilities, we are transforming how audit work is performed and enhancing quality at every step:

Commitment to Trustworthy AI: Our transformation is underpinned by our Trustworthy AI™ framework, ensuring that as we adopt AI, we proactively manage risks to maintain the safety, integrity, and reliability essential to audit quality.

Agentic intelligence: With fully digitized workflows, AI agents can now securely handle complex tasks—under audit team supervision—that were once difficult to automate. They help streamline processes, connect systems, and enable auditors to work more efficiently and effectively.

AI-enabled interrogation of documents: By analyzing structured and unstructured information—including invoices and other supporting documentation—AI surfaces relevant insights at scale, reducing manual effort and enabling broader, deeper testing.

Smart first-pass review of audit documentation: AI performs on-demand review of audit documentation within in-process workflows, surfacing observations, identifying potential gaps, and accelerating review cycles.

Analysis of accounting conclusions: AI synthesizes accounting guidance and relevant information to develop technical considerations and support preliminary conclusions—accelerating analysis while strengthening consistency and quality.

"Our vision for the future of the audit is one where technology amplifies our people's skillsets. Our focus is on investing in transformative technologies that work as a natural extension of their capabilities. By embedding these innovations into the way we work, we create meaningful and measurable impact. Through this approach, we strengthen audit quality today while continuously evolving to meet the demands of tomorrow."

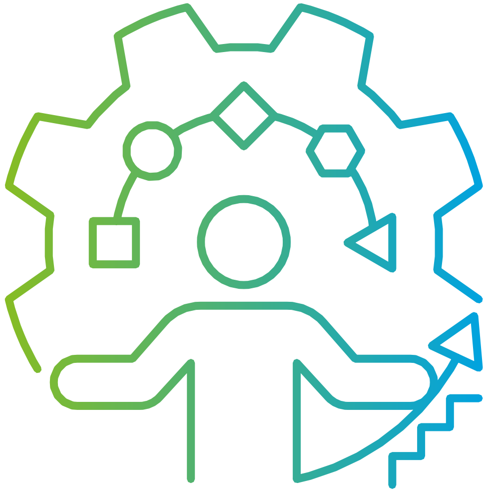
— ***Amber Stack**, Managing Partner—Audit, Deloitte & Touche LLP*

Tomorrow's skilled workforce: Our people are at the heart of quality

Delivering high-quality audit and assurance services is powered by our people. We take pride in fostering a dynamic environment where individuals build purposeful careers, supported by a culture that values continuous learning and a sense of belonging. Looking ahead, we are not just adapting to change; we are shaping it by investing in the skills, careers, and well-being of our professionals.

Unlock what's next: Building a skills-based workforce

To meet the challenges of an increasingly complex business environment, we are building an agile, skills-based workforce. This approach is about better understanding and leveraging our professionals' capabilities to match the right people to the right opportunities, creating personalized career journeys.



"Our commitment to client excellence and delivering high-quality audit and assurance services is grounded in a strong culture that values authenticity, apprenticeship, and continuous professional development. We empower our people to build the skills needed for tomorrow through differentiated opportunities tailored to their unique strengths—helping them sharpen their marketplace mindset, deepen industry knowledge, and collaborate for impact."

— ***Susan Klink**, Chief People Officer, Deloitte & Touche LLP*

We support and empower our people to achieve their full potential through:

Clear standards and expectations: Our professionals understand their responsibility to demonstrate ethical leadership and conduct business with transparency, while bringing integrity, professional skepticism, and objectivity to their work.

Our talent framework: The skills, expectations, experiences, and knowledge needed are clearly defined, giving our people a roadmap for how they can grow and develop.

Apprenticeship reimagined: Our leaders are dedicated to guiding the next generation through direct mentorship and on-the-job coaching, creating a supportive workplace where knowledge is shared and professional growth is a collective priority.

Customized learning and development: Our professionals complete an average of more than 100 hours of professional development each year, reflecting our commitment to continuous growth. Through structured learning, hands-on experience, and focused development in human skills alongside AI upskilling, our professionals build the human and technical capabilities that underpin quality.

A world-class talent experience

We strive to deliver a world-class talent experience anchored in our Shared Values. This means creating an environment where everyone feels included, supported, and able to succeed, while also promoting well-being through flexibility and comprehensive support programs.

Our commitment to this experience is key to retaining highly skilled professionals and vital to executing high-quality audits. It is reflected not just in competitive compensation and unique career pathways, but in the trust our people place in us.

This is validated by our results:

In our most recent annual talent survey, overall engagement—which measures our professionals' enthusiasm for their work, their colleagues, and our organization—was at a strong 84%, reflecting high levels of connection, motivation, and commitment across our workforce.

We continue to attract top talent, hiring approximately 2,700 professionals from college campuses and just over 1,600 non-entry-level professionals in FY2026.

Delivering client value

Our Audit & Assurance business is driven by a relentless focus on client excellence. It is how we move beyond baseline expectations, embedding deep industry knowledge and harnessing the power of our multidisciplinary model to deliver high-quality services while also strengthening the confidence and transparency underpinning the capital markets.

Our industry differentiation

Our success is rooted in relationships and trust, but our ability to demonstrate deep, industry-specific insight is what truly sets us apart. This specialized knowledge is critical to delivering a high-quality audit; it enhances our ability to identify and assess risks, informs the highest levels of professional skepticism, and strengthens professional judgment.

We operationalize this commitment through structures like our Industry Professional Practice Directors (IPPD) network, which provides our audit teams with direct support in the field, leveraging in-depth knowledge and industry-specific experience to:

- Consult on complex accounting or auditing matters;
- Provide industry-focused training; and
- Proactively address emerging topics and trends.

This focus on industry specialization extends across our entire organization, where all our PPMDs and professionals are aligned to the clients they serve based on their industry specialization. Our teams are dedicated to delivering impact through deep industry knowledge, supporting audit quality, and providing the tailored insights that clients value.

"Our ability to deliver client excellence is powered by our deep industry understanding. It enables our professionals to anticipate emerging issues, exercise informed professional skepticism, and provide perspectives that are both relevant and impactful. By combining this industry experience with our quality-first culture, we deliver high-quality audits that strengthen confidence in the marketplace and deliver lasting value to our clients."

— ***Sean Daly***, *Managing Partner—Clients, Industries & Growth, Deloitte & Touche LLP*

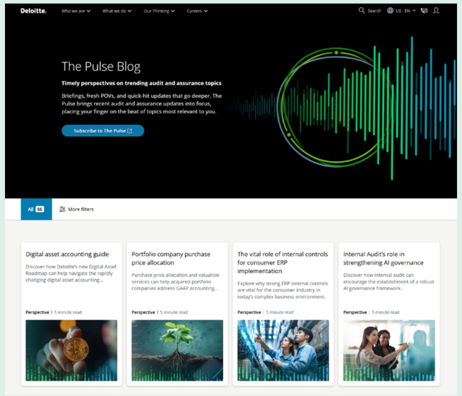
Leadership through marketplace insights

Delivering value requires understanding the landscape in which our clients operate. We proactively seek perspectives from key stakeholders and monitor third-party research to stay current on the latest trends and insights across industries. This allows us to bring informed, relevant points of view to the marketplace.

- *CFO Signals™*
- *Deloitte Dbriefs*
- *Heads Up Newsletter*
- *Roadmap Series*
- *On the Radar*
- *The audit committee chair of the future*

Beyond our published content, we create immersive experiences to build community and develop leadership. We bring together governance and finance leaders to foster peer-to-peer dialogue. Our Board and Audit Committee Symposium is an interactive event for directors to explore complex governance issues with prominent leaders and peers, while our Next Gen CFO Academy prepares rising finance executives for the strategic and leadership demands of the CFO role.

One way we share our insights is through *The Pulse Blog*, our home for perspectives on trending audit and assurance topics. Featuring fresh points of view and quick-hit updates from our leaders, *The Pulse* goes deeper on the issues that matter most to our clients.



Our optimized approach: Leveraging our multidisciplinary model

Our strategy for delivering high-quality audits is backed by Deloitte's multidisciplinary model. This optimized approach allows us to leverage global-powered scale and drive multidisciplinary collaboration, enhancing the value and quality our teams deliver.

This model provides distinct and tangible advantages for our audits:

- Immediate access to specialized resources, giving our teams a deep bench of market-leading specialists to navigate complex business risks.
- Enhanced industry insights, allowing us to embed intellectual capital from across Deloitte directly into our audit processes.
- Significant investments in audit quality, using our scale to fund innovative technologies and processes.
- A thriving environment for top talent, making Deloitte a premier destination for professionals who value diverse career paths and opportunities.

We are deeply committed to the rigorous governance of this model, keeping the public interest at the core of our organization. Our comprehensive independence-monitoring systems, robust controls, and a culture of integrity are designed to safeguard our objectivity. We have demonstrated that our multidisciplinary model and the execution of high-quality audits go beyond being complementary—they are mutually reinforcing, strengthening trust and transparency in the capital markets.

Looking ahead: The future of audit and assurance

Our profession is entering a defining moment—shaped by rapid technological advancement, rising stakeholder expectations, and our commitment to keeping the public interest at the core of everything we do. At Deloitte, we believe the future of audit and assurance services will be built on the deliberate integration of advanced technology and human judgment, anchored by an unwavering commitment to quality.

Quality and trust continue to be the foundation of audit and assurance services. They are strengthened through professional skepticism and ethical leadership, and elevated through thoughtful, AI-enabled innovation. When technology is applied responsibly and guided by human insight, it enhances—not replaces—the core principles that underpin high-quality audits.

Guided by these principles, we are embedding artificial intelligence at the core of how audits are delivered. AI-enabled capabilities are transforming audit execution by enabling deeper insights, earlier risk identification, and greater consistency across engagements. Through continued investment in technologies such as Deloitte Omnia, we are equipping our professionals with tools that enhance quality while allowing them to focus their specialization where it matters most.

But technology alone is not enough. High-quality audits will always depend on people—professionals who apply judgment, uphold integrity, and act in the public interest. Our multidisciplinary model and sustained investment in learning and upskilling ensure our people are prepared to meet evolving expectations and fulfill the critical role entrusted to us by the capital markets.

As the profession continues to evolve, Deloitte will lead with purpose—advancing audit and assurance by combining professional judgment with advanced technologies in service of quality, trust, and the public interest.

"Deloitte is uniquely positioned to help shape what comes next. Our expanding capabilities build on decades of multidisciplinary experience, global scale, and deep industry knowledge to evolve how we serve our clients and fulfill our commitment to the capital markets. We are creating the next generation of audit and assurance professional services—human-led, AI-powered, and designed to elevate quality, empower our people, and deliver outcomes our clients and the markets can trust."

— ***Matt Wangard****, Managing Partner—Offerings, Deloitte & Touche LLP*

Get in touch

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