

2017 Audit Quality Report

Advancing quality, for today
and tomorrow

Deloitte Institute *for*
**Audit Innovation
and Quality**

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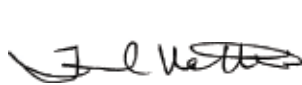
To our clients and stakeholders

At Deloitte, quality is a never-ending quest to do today's work better and deliver more in every audit.

We aim to continually raise the standard through our culture of continuous enhancement and innovation.

We're excited by the future of the audit profession and aspire to be bold and relentless in defining it.

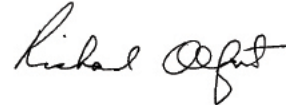
In this report, we share the actions we're taking to advance audit quality, our progress, and the investments we're making to shape the future of the audit profession.



Frank Vettese
Managing Partner
& Chief Executive



Nathalie Tessier
Managing Partner,
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Richard Olfert
Managing Partner,
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Our purpose, our commitment

Every day we live by the Deloitte purpose: to make an impact that matters. For our Audit & Assurance business, that means an unwavering commitment to audit quality. This commitment shapes how we perform individual audits, how we run our business, and how we think about the future of the audit profession.

Today's financial marketplace faces unprecedented change. Rapid advances in technology, changing investor expectations, and the availability of vast amounts of information beyond the financial statements continually shape perspectives for investors as they evaluate companies.

While this disruption causes challenges, it also creates unparalleled opportunities to expand the value of the audit and assurance service we provide to the capital markets and the companies we audit. We aspire to use our independent, outside-in assurance point of view to deliver a wider range of insights and to add trust and confidence in the understanding of financial performance drivers that today lie outside current financial reporting.

We're enthusiastic about the future of audit and assurance. We're resolute in our commitment to bring about the positive future we foresee for our profession and, by extension, our clients and the capital markets. Our ambition is to lead in audit and assurance in Canada.





Dedicated to advancing audit quality

We're intensifying our ongoing efforts to cultivate the conditions necessary to deliver the highest standard of audit quality consistently across all engagements.

The notion of audit quality gets a lot of attention, but describing exactly what it means, what it looks like, and how to evaluate it is elusive.

We've asked public company executives, audit committees, regulators, and our

own audit professionals to discern what they see as essential elements of "audit quality." Each of their unique perspectives is entrenched in our working definition of the term. We believe audit quality includes at least three dimensions:

Delivering professional excellence

At a technical level, quality can be defined as completing an audit in accordance with applicable auditing standards. In Canada, these are set by the Auditing and Assurance Standards Board. For Canadian companies that are also listed in the United States, auditing standards set by the Public Company Accounting Oversight Board also apply.*

Innovating the audit approach

A quality audit capitalizes on leading-edge technologies, analytics, and audit methods to perform an effective audit. It takes advantage of ongoing client improvements. In our view, advances in our audit approach must at least keep pace with the advances in the systems and processes of the companies we audit.

Communicating insights

From the practical perspective of an audit committee, we believe that audit quality provides the committee with a deeper understanding of the organization it oversees. Thoughtful communication of findings from the auditor's work generates conversations that are robust, insightful, and sharply focused on the company's key risks and issues.



*We describe our technical processes in our **annual transparency report**.
<https://www2.deloitte.com/ca/en/pages/audit/articles/transparency-report.html>

Cultivating the conditions for audit quality

We hold the philosophy that we must create and foster the conditions in which audit professionals can succeed. Our achievements in advancing audit quality reinforce two key principles in our thesis:

1. Advancing quality during audits

Traditional “continuous improvement” contends that a thoughtful analysis after the completion of a task will generate ideas to make the outcomes better next time. To advance audit quality we cannot wait until the end of an audit to evaluate how we could enhance our work.

Establishing mechanisms to identify and respond rapidly to specific areas for enhancement while the work is underway results in higher audit quality by the end of the engagement. These mid-course enhancements, combined with thoughtful post-completion reflection, sustain our never-ending quest for audit quality consistently across all our audits.

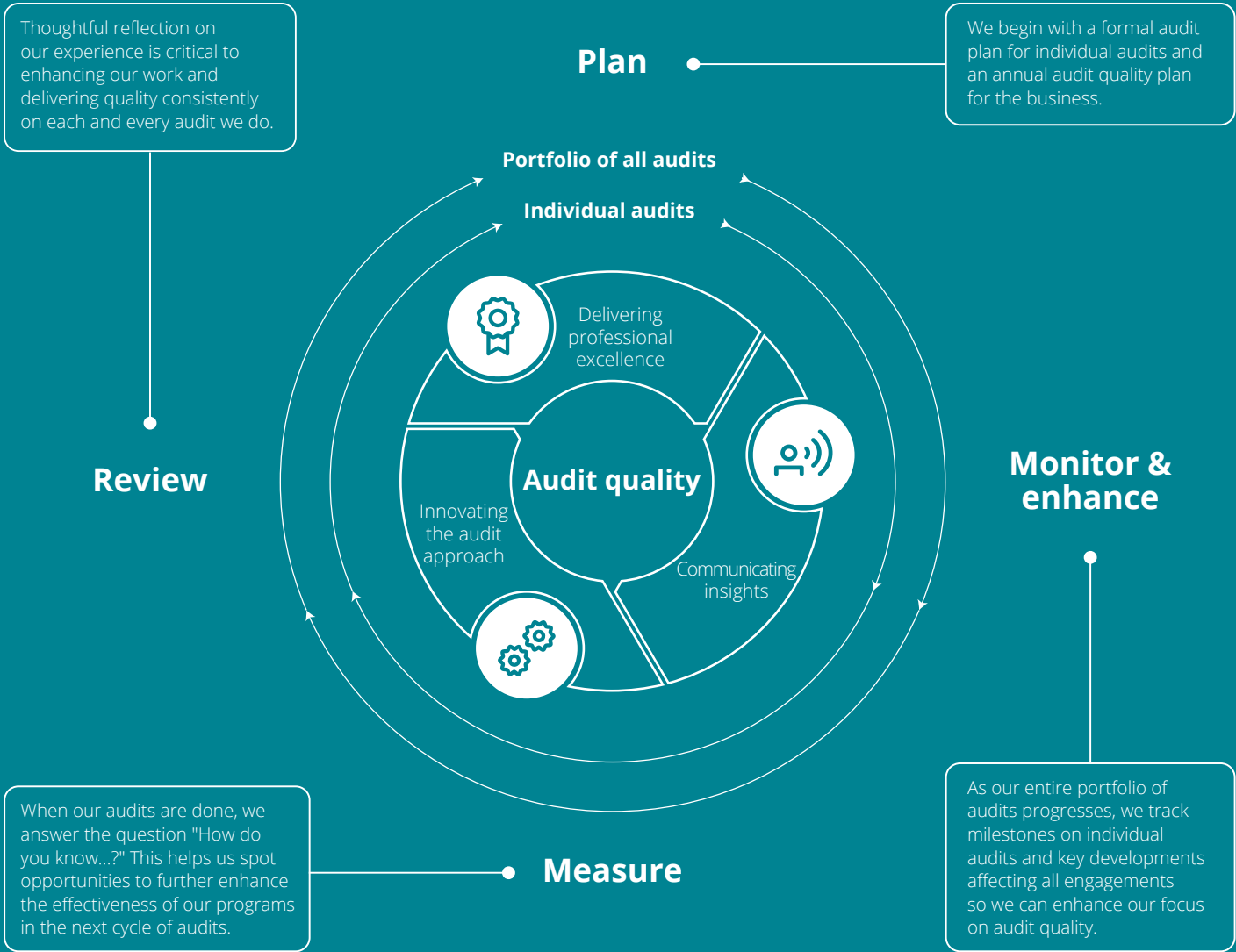
2. Sharing accountability for quality

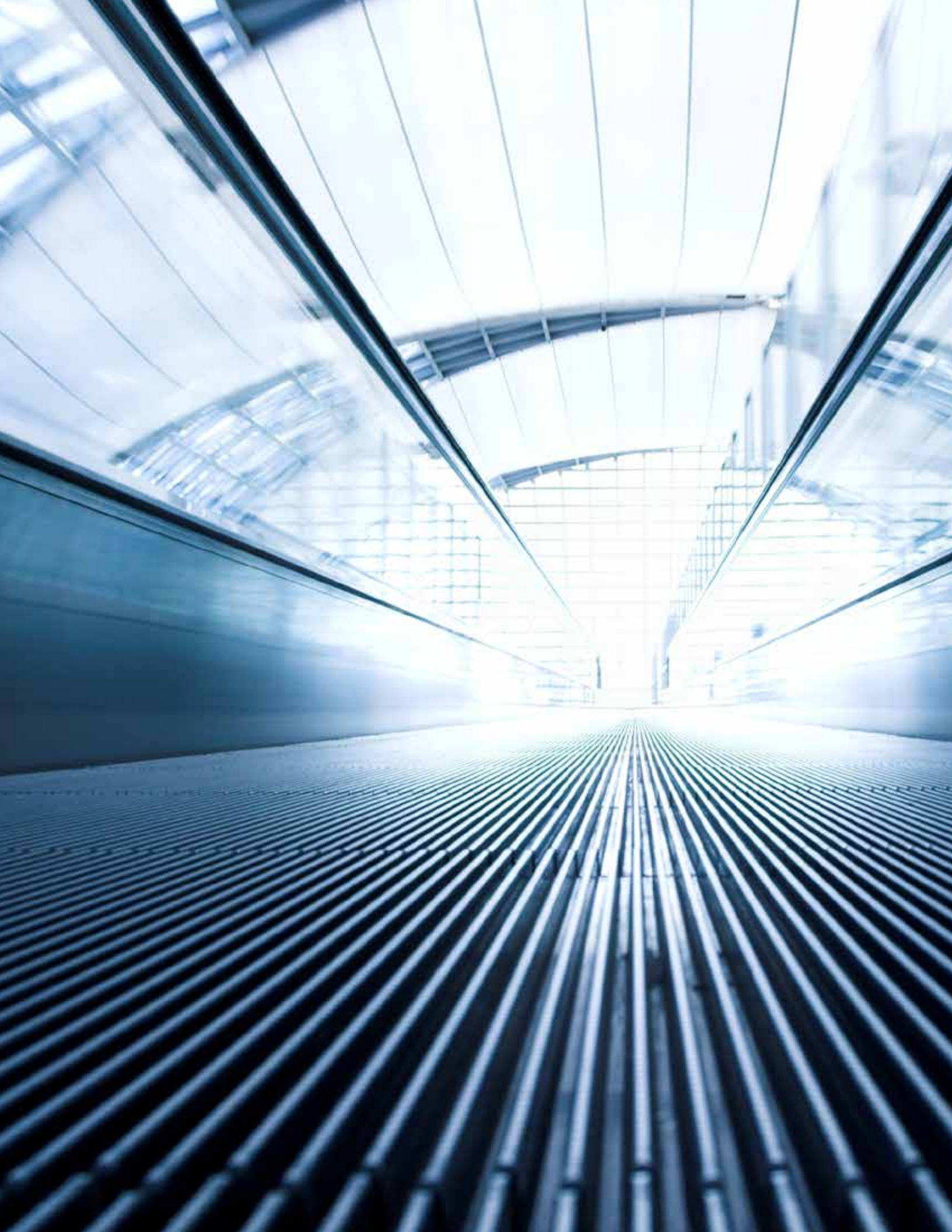
The responsibility for enhancing quality extends well beyond individual engagement teams. Leadership of the audit practice plays a critical role by putting in place the conditions, programs, processes, and tools that support our audit teams in the work they do every day.

Achieving the highest levels of audit quality in all its dimensions requires challenging ourselves to advance how we manage our practice. This includes how we allocate resources, how we assess engagements as they progress, and how we support our audit teams in achieving high quality consistently across every engagement.

The integration of these two principles in our audit quality thesis is depicted in Figure 1.

Figure 1: Deloitte’s continuous cycle of advancement







Making progress

We've made significant strides in the
pursuit of our quality aspirations.



Delivering professional excellence

We believe auditing public companies is a specialty skill. Our dedicated public company audit professionals propel audit quality by the work they do every day. Our substantial investments in customized talent strategies, specialty learning curricula and platforms, in-flight coaching programs, and audit technical resources are driving sustainable advances in audit quality.

Investing in our people

Learning

Our tailored public company audit learning is delivered using a mix of live, instructor-led, e-learning, and engagement-based learning. The curriculum focuses on all dimensions of audit quality: technical expertise, analytics and other innovative technologies that enhance audit quality, and the application of critical thinking to deliver deeper, more valuable insights.

This curriculum, developed by Deloitte's Global Center of Excellence (GCOE), ensures uniform learning for all Deloitte professionals worldwide. Developing a deep understanding of a company's business, risks, processes, and controls is at the heart of these learning programs. Our partners and professional staff continue to meet our expectation that they each complete at least 100 hours of technical accounting and auditing learning, reflecting their commitment to developing their specialty skills.

Average technical accounting and auditing learning hours attended

	2017	2016*
Exceeded minimum expectations	Yes	Yes
Partners	134	167
Managers	137	177
Seniors	132	148
Staff	164	148

* Includes one-time training on enhancements to our audit methodology.

Complementing our technical core learning, we're investing in soft skill learning programs focused on developing leadership, communication, and critical thinking skills. Through on-the-job coaching and simulated learning, we're helping our people develop their business acumen and industry specialization, to better their understanding of the business they are auditing and deliver valuable interactions and insights to audit committees and the companies we audit.

Performance management

Developing leading professionals requires complementing effective learning with personal feedback and development advice. Our approach to performance management, implemented over the past year, moves away from semi-annual meetings towards more frequent, meaningful conversations with engagement team members and their leaders.

Ongoing, personal discussions put the spotlight on each audit professional, prioritizing needs for each individual's growth and development. Through regular check-ins with team members, our audit partners and senior managers can better understand and shape the team environment on their engagement. By tracking these discussions and check-ins, we ensure we're paying attention to the growth and development of all audit professionals in our practice.

Tenure (in years)

	2017	2016
Partner	20.3	20.1
Senior Manager	11.8	11.9
Manager	5.3	5.4
Senior	4.1	4.2



Bringing a new way of working and learning to life



Our work environment

We're transforming the way we work and interact with each other. We've deliberately designed our workplace to foster a culture that encourages connectedness and collaboration, provides choice in working environments and styles, and supports inclusion. Our auditors are better able to collaborate with their teams, provide on-the-job coaching, and capitalize on immersive technology to conduct their audit work. We've already transformed our office spaces in our two largest offices and several others across Canada, with more on the horizon.

Deloitte University North

In early 2017, Deloitte University North* opened its doors in our state-of-the-art workplace in downtown Toronto. It delivers leading-edge curricula, integrated facilities, and a distinct end-to-end experience that attracts and engages the best talent and leaders.

The Deloitte University learning experience is rooted in the principles of connectedness, leadership, and a highly inclusive learning environment. Serving not only our own talent but also our clients and key market constituents, our custom learning can yield immediate real-world applications and further enhance our prominent position as a talent and leadership development organization in Canada.

Deloitte Greenhouse

As we transform our workplace, we are also transforming our client experience. The showcase example is the Greenhouse, which is not just a space but an experience. It's a combination of thoughtfully curated environment and deliberate facilitation to help our clients and our people achieve breakthroughs for their most pressing business challenges.

*Deloitte University North is accredited by Deloitte Touche Tohmatsu Limited (DTTL) to operate as a Deloitte University.



Cultivating the conditions for enhanced professional excellence

Risk-based audit

The foundation of a Deloitte audit is a customized risk assessment, generated by using our suite of innovative audit applications, data analytics, and artificial intelligence to drive a deep understanding of an entity and its business. This tailored approach enables us to focus our attention and resources on the audit areas that are most relevant to the companies we audit, thereby enhancing audit quality and effectiveness.

In-flight review program

Our in-flight review program gives us a view on selected audits that are underway so we can make sure we're achieving our audit quality objectives as we go, rather than waiting for an assessment once the engagement is finished.

Audit Excellence Network

Auditing public companies requires specialist expertise. This national network comprised of our most technically advanced professionals lead our technical learning, provide consultation advice, and offer direct support to

individual engagement teams across the country. Generally, professionals serve as part of the network for two years before returning full-time to serve client audit engagements. This rotation approach continually fortifies the expertise of our entire complement of professionals.

Within the Audit Excellence Network, we created a specialized Canadian Internal Control Network to deepen our internal controls support. This enhances both our audit skills and the quality of insights we can provide to audit committees.

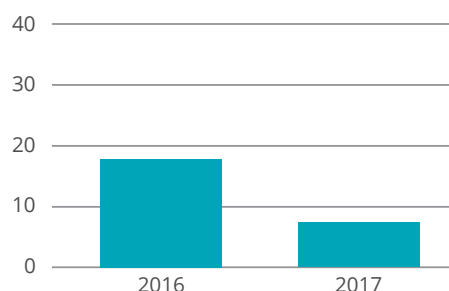
How do we know we're advancing professional excellence?

Quality is monitored as engagements proceed and once they are completed. Our internal in-process reviews and measures confirm ongoing enhancements to professional excellence.

Each year, we're subject to four inspections once audits are completed: two external inspections by our regulators, the Canadian Public Accountability Board (CPAB) and the

Public Company Accounting Oversight Board (PCAOB), and two internal ones, by the GCOE and our own internal process. These inspections, all designed to achieve the same exacting standards, show a track record of continuing quality enhancement. Our composite measure—the percentage of our inspected files with significant findings—was reduced in each of the last two years.

Percentage of inspected files with significant findings



Quality across the global network

Collaboration across the global Deloitte Network is reaching new heights each year. Launched in 2015, Deloitte's Global Center of Excellence (GCOE) for Audit Quality is responsible for driving consistent audit quality throughout the network of Deloitte member firms. Together, we are consistently enhancing our audit quality around the world through uniform global learning programs, the implementation of common innovative audit tools, and the development of a single, uniform way in which Deloitte performs audits.









The Canadian member firm and its clients continue to enjoy the full strength and experience of our global Deloitte network. We actively contribute to the GCOE through our participation in piloting audit innovations, sharing our leading research on audit quality consistency, and providing technical resources to support our international colleagues. We're proud to be seen as a leader in audit quality within our global organization.

Our global Audit & Assurance core principles and imperatives

The core principles of the Deloitte Network are foundational to executing a high-quality audit and their consistent application on every audit is essential:

-  Act with integrity, ethics, and professionalism
-  Recognize the important role of auditors
-  Always learn
-  Continually improve
-  Live audit quality

Our network has created eight audit imperatives to guide our practice and serve as a core component of our culture and quality efforts:

-  Internal controls
-  Risk assessment
-  Accounting estimates
-  Consultations
-  Transformation of audit delivery
-  New accounting standards
-  Optimization of audit execution
-  Supervision







Innovating steadily

Innovation is a cornerstone of enhancing audit quality. The companies we audit are building new tools, improving their systems, and harnessing the power of technologies like data analytics. Our concerted efforts to do the same are advancing not only how we perform individual audits but also the way we manage our audit practice. Together, we can continue increasing consistency in audit quality across all engagements.

We aspire to be our own toughest critic in our effort to advance audit quality in all its dimensions. We are alert to every opportunity to learn and to progress.



Our aim is to continuously challenge ourselves on whether our innovations go far enough and fast enough. The investments we're making in innovation are substantial, so we've modified how we deploy innovations to the audit practice to accelerate their benefits for audit quality. When we're confident of the integrity and reliability of a new way of doing something, we immediately field-test and refine it through increasing its usage. In this way, some audits benefit from the innovation in its early life while we're still advancing it to a "tried and true" state to use it in all of our audits.

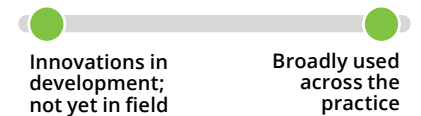
Innovation in individual engagements

Our innovations are changing our audits. From automating processes that speed up routine tasks to using the power of analytics and artificial intelligence, our innovative culture is bringing fresh perspectives and adding insights that stakeholders appreciate. When these tools are paired with our increased focus on risk assessment, our audits evolve dramatically. Innovation tools implemented in Canada in the last five years include:

Global audit delivery database platform (Magnia)

Magnia is an advanced auditing platform that houses the tools that support our methodology and allows us to deliver a comprehensive, focused, and streamlined audit. The tools include:

How do we know our innovations are making a difference?



Electronic documentation interrogation and analysis (Argus)	An artificial intelligence tool that quickly processes, highlights, and extracts key information from electronic documents. By significantly reducing the amount of time spent reviewing documents, Argus allows practitioners to focus on providing meaningful insights.	
Online collaboration, information-sharing, and progress-tracking (Deloitte Connect)	Facilitates two-way dialogue between clients and their audit teams, assisting in managing work flow and enabling clients to assess and monitor engagements as they proceed.	
Automated analysis of public company filing disclosures (Disclosure Analytics/ Disclosure Net)	Offers real-time, online access to public company filing disclosures, accounting policies, and comment letters, enabling instantaneous peer comparisons as well as updates on emerging disclosures and industry trends.	
Mobile-enabled inventory counts (iCount)	Enables professionals to use their phones onsite to record their physical inventory count observations and transmit the results in real-time to the audit team.	
iConfirm	Coordinates the confirmation process on an online platform, offering a differentiated experience for our professionals and clients by automating and streamlining the confirmation process, including preparing, sending, receiving, and monitoring activities.	



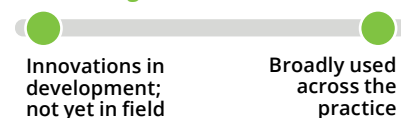
Innovation awards

Deloitte's commitment to leading the profession in audit quality and innovation has received international accolades. Deloitte was recognized with the International Accounting Bulletin's prestigious Audit Innovation of the Year Award, with special recognition of our Argus technology. Most recently, the British Accountancy Awards named Deloitte the Most Innovative Practice (large firm category), recognizing our best-in-class audit analytics platform and our investment in cognitive and robotic technologies in our audit practice.

Data analytics and visualizations (Illumia)

An integrated suite of self-service analytics tools that provides auditors enhanced functionality without having to first learn complicated tools. Central data preparation specialists format and upload data, enabling practitioners to use a repository of tools and analytic-views, tailored by industry, to explore and interpret data that's used to plan the audit or to communicate key insights.

How do we know our innovations are making a difference?



Spotlight

Accelerates and simplifies the gathering of client data into a format suitable for enhanced analytics and analysis. Flexible and scalable, Spotlight allows our practitioners to serve public corporations of varying size with equal ease. Journal entry testing is among the most common applications.



Customized productivity tools (Excel Analytics)

This proprietary Microsoft Excel add-in enables audit staff to automate traditionally manual tasks to achieve greater audit efficiency.



Reveal

Provides the ability to model the relationships between data sets to produce powerful visualizations based on those relationships, easily identifies outliers for investigation, and makes regression analysis simpler to use than ever.



Deloitte Cognia

A comprehensive repository of leading solutions, relevant across all aspects of engagements, allows practitioners to deploy state-of-the-art applications without having to first create it.





Innovating how we manage for quality across all audits

Enhancing audit quality consistency means that in addition to relying on individual engagement teams, we're also investing in practice-wide innovations that apply to all audits. This provides our leaders the ability to routinely assess the status of the entire portfolio of audits underway and make necessary adjustments.

Optimizing interim audit work and milestones

Audit quality is enhanced when our work is undertaken in a well-planned, measured way, well in advance of the audit report date. Consequently, we establish target timelines and stages of audit completion that we expect all audit teams to abide by.

As a result, our audit teams are proactively shifting work forward to reduce work during peak periods. By tracking the engagement teams' progress against the standardized timeline, we have greater transparency into the progress and potential challenges on audits across the practice, and engagement team needs can be promptly addressed.

Project management

Discipline in adhering to an audit plan is critical to audit quality. We have elevated this discipline by deploying highly skilled, specialized project managers to help our most complex audits. Enhanced project management oversight and effective communications allow our auditors to remain focused on their assigned work.

Partner and senior manager portfolio review

Delivering audit quality requires the leaders of our audit teams to have enough time to complete their assignments. We complete a detailed review of partner and senior manager workloads annually, which results in concrete action steps to adjust audit execution and the other firm responsibilities of our professionals. Partner and manager hours continue to represent more than a quarter of our efforts on public company audits. The level of involvement of our engagement leaders on audit engagements is evidence of the effectiveness of our actions.

Average partner and manager hours in public company engagements

	2017	2016
Partner	8%	9%
Manager	17%	17%
Total	25%	26%

Audit execution support and change management

Audit plans are routinely adjusted during an audit to respond to new circumstances. For example, when a company makes a significant acquisition, implements material restructuring plans, or decides to change its systems, our audit plan must be adapted to reflect updated risk assessment and related audit procedures. Similarly, the untimely departure of a team member or an unexpected audit test result require the team to recalibrate the execution of the audit.

Where such circumstances develop, engagement teams rely on the leaders of the audit practice to help mobilize the resources to meet the evolving engagement requirements. Our processes are designed to identify and respond to situations where audit teams require support in amending their initial audit plan to accommodate changes in circumstances.



Communicating insights

The auditor's report, which simply confirms whether the financial statements do or do not comply with applicable accounting standards, is the formal communication with a company's shareholders. The auditor's interaction with the company's audit committee provides a significant opportunity for more substantive discussions. The insights conveyed in these discussions can assist the audit committee in deepening their understanding of the company or future issues with which the company will need to contend.

New standards and regulatory developments

New audit reporting standards

Expanded audit reporting standards are intended to provide greater transparency in the reporting of key audit matters. Implementation will bring both opportunities and challenges. We look forward to extensive conversations with the companies we audit, audit committees, and our regulators to navigate implementation.

Initially, our discussions are likely to cover how the Canadian and US standards are different and whether

efforts emerge to harmonize them. As implementation begins, we'll work to produce more insightful and relevant audit reports as envisioned by the standard.

IFRS Standards 9 and 15

With the adoption IFRS 9 and 15 coming in 2018, we've been speaking with audit committees about the expected impact of the new standards. As the deadlines for the first reporting periods arrive, our discussions will include our comments on the processes and controls employed by the issuer to assess and affect required reporting changes.

Regulatory developments

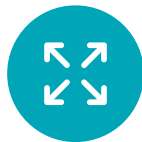
Audit committees are engaging our audit teams and executive leaders to explore and better understand regulatory topics. We routinely accept invitations from the companies we audit and their audit committees to expand our reporting to include audit quality topics, such as the use of audit quality indicators, as well as regulator actions and comprehensive reviews of the auditor.

Deepening the understanding of the business

The execution of our audit plan requires us to develop a thorough understanding of the company's business, risks, and controls, and then develop a plan to test whether processes are operating as described and intended by management. Our observations and the results of our tests can provide additional information about the business to the audit committee.

How do we know we're communicating valuable insights to audit committees?

We know because they tell us so. Here are three examples of how our outside-in perspective resulted in robust discussions with audit committees:



Providing IT controls and security observations

Our audit testing observations related to a client's general IT controls resulted in substantial alterations to our initial audit plan. We discussed our control environment observations and security risks for the business with management and the audit committee. The company then developed and implemented a comprehensive plan to remediate the control deficiencies. This resulted in improving its IT operations, including its outsourced vendors, new technologies and cyber security.



Bringing insights to a complex business acquisition

We performed a risk assessment and designed tailored audit procedures to test a significant and complex acquisition made by the company. We developed a visual illustration that showed the audit committee and management the relative impact of various management assumptions across the components the company purchased. While this analysis allowed us to direct our work to the areas of audit risk, the visual illustration enabled management and the audit committee better understand the business performance risk of the acquisition.



Identifying efficiencies through control rationalization

We assessed our client's control environments with the audit objective of highlighting the most efficient and effective controls that were aligned with the company's risks. We identified over 100 controls that we would not rely on in our audit because we believed they were redundant. Subsequently, management further assessed these controls and modified its control environment to streamline processes and reduce internal compliance costs.

Our Audit & Assurance practice in Canada offers a number of ways for companies to obtain guidance and clarity to ongoing changes and complexities affecting accounting standards and corporate reporting in Canada. These include:

Deloitte Institute for Audit Innovation and Quality

Launched in 2016, the Institute is a destination for a new generation of thinking, dedicated to advancing thought leadership on issues central to quality and innovation through programming with key stakeholders and the publication of original Deloitte perspectives.

Deloitte financial reporting webcast series: Bringing clarity to IFRS

Our informative webcast series aims to simplify technical topics and provide valuable insights on important issues and developments related to accounting standards.

Navigating annual reporting: Financial reporting review guide

This annual report offers insights and advice to both management and directors as they fulfill their responsibilities and tell their financial story by providing guidance on the right questions to ask to ensure that an appropriate level of challenge is given to their annual corporate report.

Exploring a new world of corporate reporting

Our series of publications focuses on the future of reporting and what changes can be made using non-GAAP measures in today's current GAAP framework. The series was based on research and engagement from Canadian board directors, preparers, regulators, standard setters, and accounting professionals on what needs to change in order to make corporate reporting more relevant and valuable for investors and other stakeholders today.

Centre for Financial Reporting

The Centre for Financial Reporting features an extensive collection of news and resources about accounting and financial reporting developments relevant to the Canadian marketplace.

Centre for Corporate Governance

This offers members of boards and directors a single point of access to current developments, Deloitte perspectives, learning materials, best practices, and other information that aid in achieving effective operations and sustained performance.

Shaping the audit landscape

As professional standards, securities, and audit regulatory requirements continue to evolve, we're actively engaged in constructive dialogue about their potential impact with a wide range of stakeholders.

Here are some of the future-oriented forums we've been involved in:

Audit quality indicator pilot project

Through the completion of 2016 audits, CPAB led a pilot study on the use of audit quality indicators by audit committees. We were eager participants since Deloitte was the auditor of half of the companies participating in the pilot. Because of the pilot and our experience with other audit committees that have been independently experimenting with AQIs, we published *Optimizing the value of audit quality indicators: Lessons we have learned to share the valuable lessons we learned from this experiment*.

Audit quality symposium and industry forums

We both participated in and presented at CPAB's recent audit quality symposium, where directors, investors, and regulators explored opportunities to enhance the relevance of the audit by increasing the scope of the audit to add information reported outside financial statements. We also take part in CPAB's industry roundtable discussions on matters relevant to audit committees as well as current and emerging developments in audit quality.

Non-GAAP measures

We participated in the CPA working group that published guidance to audit committees on developing robust processes in their delivery of effective oversight of non-GAAP measures presented in the MD&A and earnings press releases.

Audit Standards Board groups and taskforces

Deloitte partners share their perspectives through their membership on the Canadian Auditing and Assurance Standards Board, Advisory Group on Audit Guidance, Securities Regulation Advisory Group, Identifying and Assessing Risks Advisory Group, and the Audit Reporting Implications of the New Canadian Auditing Standards Task Force.



Bringing external perspectives to our quest to enhance audit quality

As we look to the future and embark on transforming audit processes, we believe it's imperative the direction we take is also informed by outside perspectives.

All our work to enhance audit quality occurs under the oversight of the Deloitte Board of Directors (Canada). On behalf of the entire firm, the Board approves our business plans, including our plans to continue enhancing audit quality, and monitors our progress. Its perspective has reinforced the critical importance to our entire firm of enhancing audit quality, and its encouragement and interest has sustained our efforts.

As a firm, we want to further increase the constructive impact our Board has on our priorities and our business. We believe we can achieve this by broadening its perspective. We're proud to be the first Canadian audit firm to invite outside directors to join its Board of Directors.

These independent members will expand our perspective based on their current and prior leadership roles and

experiences as public servants, federal cabinet ministers, investors, public company board members, or executives.

We're pleased to introduce the recently appointed independent members of Deloitte's Board of Directors in Canada:



David Emerson

Having held several CEO positions and served on both public and private boards, the Honourable David Emerson brings extensive management and governance experience. He also has had a distinguished career in public service at both the federal and provincial levels of government, serving in a variety of roles including as Canada's Minister of Foreign Affairs, Minister of Industry, and Minister of International Trade.



Marie-Lucie Morin

Marie-Lucie Morin has had an extensive career in Canada's public service, including several senior posts: national security advisor to the Prime Minister, associate secretary to Cabinet, deputy minister of International Trade, associate deputy minister of Foreign Affairs, and ambassador to Norway. Currently she serves on several corporate and not-for-profit boards and is a member of Canada's Security Intelligence Review Committee. In 2016, she became a member of the Order of Canada.



Michael Wilson

The Honourable Michael H. Wilson's distinguished career covered both the public and private sectors. He began in investment banking in corporate, government, and international finance. Following his election to the House of Commons, he served as minister of various portfolios, including Finance; Industry, Science and Technology; and International Trade, during which he had responsibility for NAFTA negotiations. Mr. Wilson has also served as Canada's ambassador to the United States and at senior levels with both RBC and Barclays Capital Canada Inc. His board experience includes both public and not-for-profit organizations. He is a Companion of the Order of Canada.



Looking forward to an exciting future

We're transforming how we execute audits, delivering smarter audits, providing deeper insights to our clients, and achieving quality consistently across all engagements.

Shaping the audit of the future requires a steadfast commitment to audit quality. It requires the ability to adapt to dynamic market forces. It means achieving sustainable operational excellence, which is essential to fund the investments needed to continue enhancing audit quality.

What lies ahead?

A standard “Deloitte Way”

We’re challenging ourselves to think differently about the way we’ve worked in the past. We’re developing a standardized “Deloitte Way” of auditing across the Deloitte Network to use an even more standardized methodology in the future. This will allow audit teams to deliver quality audits in a consistent manner, including using a common set of tools, standardized methodology, and guided risk assessments. That level of consistency will create even more seamless audit experiences with our clients and increase collaboration with our audit teams across the world.

Delivering a smarter audit

We’re developing new, leading-edge technologies and processes to audit smarter and more efficiently, including innovative workflow-driven technology to help guide the audit process for our professionals across the globe. We’re streamlining the audit process, reducing the manual data collection and processing that have traditionally made audits labour-intensive, and using highly skilled regional delivery centres and centres of excellence network to help our audit teams deliver high-quality audits consistently.

Global audit quality monitoring and measuring

We’re transforming the way we monitor and measure quality consistently around the world, deploying integrated-practice review programs and increasing focus on continuous in-flight monitoring. The use of audit quality indicators and enhanced internal control systems enable advances and are shared as best practices across Deloitte member firms.

Assuring broader information

There is a broad array of information and data that capital markets consider valuable on which no assurance is currently provided. Examples include non-GAAP information, performance indicators, adjusted EBITDA, free cash flow, and industry-specific measures. As the markets change, we’re excited by the opportunity given to auditors to help define and provide assurance on new measures that are likely to become more relevant and meaningful in the future. We’re unifying a set of assurance services that can be delivered by the Audit & Assurance practice for clients around the world to enhance the value we bring to the capital markets.

Emerging technologies

We continue to monitor developing technologies such as blockchain and the Internet of Things. For example, building on our analytics capabilities, we’ve completed a proof-of-concept to audit a blockchain-enabled process. This has, in turn, sparked an interest in exploring how we could move to real-time data collection in a blockchain environment, enabling a future of continuous auditing to become a possibility.

Emerging technologies will undoubtedly provide opportunities to enhance the value we bring to market through expanded assurance services.

Our commitment to quality has never been about just “meeting the standard”. We aspire to more: to lead audit quality today and help shape the audit of tomorrow.

A solid foundation for the future

We're relentless in cultivating a culture of continuous enhancement and innovation, transforming how we manage our audit practice, and investing in our people and technologies. We're proud of our recent and significant accomplishments, which signal we can reach our goal to lead the market in audit quality.

We will continue to push higher and further, enhancing our own performance and contributing in meaningful ways to professional, regulatory, and governance communities. Our vision for the future is sound and ambitious: to make an impact that matters for the companies we audit and the capital markets in Canada.



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