

Deloitte.



2022 Transparency Report

Deloitte Limited

September 2022



Regulatory context

This transparency report has been prepared in accordance with the provisions of Article 13 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities.

The provisions require a statutory auditor that carries out statutory audits of public-interest entities, to make public an annual transparency report at the latest four months after the end of each financial year. The transparency report shall be published on the website of the statutory auditor and shall remain available on that website for at least five years from the day of its publication on the website.

The enclosed Transparency Report relates to the financial year 2022, covering the period from 1 June 2021 to 31 May 2022. The firm will issue its next Transparency Report for the year 1 June 2022 to 31 May 2023. .

Contents

- Deloitte Cyprus leadership message
- Deloitte network
- What Deloitte Audit & Assurance brings to capital markets
 - External and internal audit quality monitoring
 - Independence, ethics, and additional disclosures
- Appendix A | EU EEA audit firms
- Appendix B | Financial information
- Appendix C | Public Interest Entities
- Contacts

01

02

03

04

05

A

B

C

Ω≡

01

Deloitte Cyprus leadership message



01

02

03

04

05

A

B

C

Ω≡

Deloitte Cyprus leadership message¹

This report sets out the practices and processes that are currently employed by Deloitte Limited, in accordance with the requirements of the European Union’s Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities.

To our clients and stakeholders,

It is our pleasure to introduce to you our Audit Transparency Report for the year that ended 31 May 2022. This has been another year of considerable challenges for our markets, our people and the society at large, alongside significant opportunities for our business.

Developments across the world have disrupted the way we work and forced many businesses to change their corporate model; I am grateful to our people for having shown great resilience and agility

against this backdrop. We are proud of how we have navigated the challenges, of our efforts and of what we have achieved together as a firm, and we are looking to the future with great confidence.

Regardless of this difficult business environment and unprecedented market uncertainties, at Deloitte we remain determined to put audit quality and the public interest first. The audit business has our unwavering commitment. We are dedicated to continuous improvement at all levels and continue to place significant emphasis on deepening accountability



“Audit is fundamental to our business. We are dedicated to serving the public interest by instilling confidence and trust for our clients, people, and capital markets.”

Pieris Markou
CEO



01

02

03

04

05

A

B

C

Ω

¹ Throughout this report, the terms “Deloitte, we, us, and our” refer to one or more of one or more of Deloitte Touche Tohmatsu Limited, its network of member firms, and their related entities. For more information about the Deloitte network, please see [page 10](#) or <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/about-the-network.html>.

at every step of the audit process. We are in a continuous process of digitising audit, of transforming the way we work, and of fostering the development of our people, in an effort to fulfill our role of providing high-quality audit and assurance services to the capital markets and of making an impact that matters.

Moreover, it is of significant importance to us to ensure that audit quality keeps pace with emerging economic, business, and regulatory conditions, in order to protect the public interest. We are committed to playing a leading role in driving audit quality, by making changes to our own business and by proactively engaging in the broader audit transformation agenda. You can read more about how we support our people in their professional journey, ensure the quality of our work, how we approach the important issues of trust, transparency, ethics and integrity, in this Report. We look forward to carrying on our constructive engagement with audit regulators and other stakeholders within the

financial reporting ecosystem to continue to transform the future of audit in this rapidly changing environment.

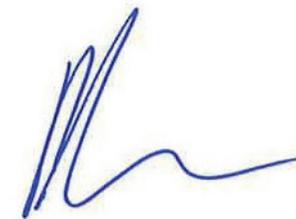
In addition to historic financial statements already covered by existing auditing standards, more focus is now being placed on the need to build confidence and trust in non-financial information. Therefore, in our efforts to shape the Audit of the future, we aim to proactively respond to market needs on matters of critical importance, such as fraud, viability, cyber security, internal controls, and climate and the environment. We are heavily investing in technology and developing skills and mindsets to ensure our people continue to have a deep understanding of the changing landscape and are equipped to assess key judgements and report on these in an impactful way.

Looking ahead, we are confident about the impact we can make. As we continue to navigate these opportunities and challenges, three things stand out – the importance of

our purpose, our agility to change and the strength of our culture. We understand that we hold a great responsibility in the work we do for our people, clients, communities, and the capital markets, and will continue to strive for the highest standards of quality through our daily decisions and actions.

We invite you to read more on these topics in the next pages and we thank you for the opportunity to highlight our progress, actions, and aspirations as we continue our journey to further enhance audit quality, not only across our network but, more importantly, across the profession at large.

Sincerely,



Pieris Markou,
Chief Executive Officer
Deloitte Limited



01

02

03

04

05

A

B

C

Ω



Maria Paschalis
Audit & Assurance Services Leader



Andreas Andreou
Audit & Assurance Partner,
National Professional Practice Director
Assurance Leader

“There are still a lot of challenges lying ahead of us, but we are truly confident that our acute focus on quality will do the difference and keep us in the driver’s seat not only for next year but for the years to come”



01

02

03

04

05

A

B

C

Ω

Getting it right the first time is truly important for us, and all our efforts are geared towards this direction. Operational and audit excellence are of paramount importance and adopting a mindset inspired by purpose, ethics, integrity, and pride in all we do is critical. We are all dedicated in serving the public interest by instilling confidence and trust for our clients, our people, and the capital markets. We are fully focused to continually improving the way we work and on being agile in our response to the various challenges that come our way. At the same time, we place great emphasis in the development of our people by demonstrating active and visible leadership commitment.

Our ongoing considerable investment in our audit processes, policies, technologies, and accountability measures give us confidence that the controls applied to enhance the quality of our audits, will allow us to act in

the public interest and deliver results that consistently exceed the expectations of our stakeholders. We are evolving our business to meet the needs of the market to fulfil our shared purpose - to provide integrity and trust to the capital market system, especially following the unprecedented times we have been through during the last couple of years.

Proactive identification and response to emerging issues is key, hence a new focus of our agenda this year has been on environmental, social and governance (ESG) considerations with a special focus on climate. ESG considerations are becoming top priorities on the agenda of various stakeholders and as such we are always engaged in discussions with companies, regulators, and other parties to support improvements in the process of making more informed, comprehensive, and conclusive ESG disclosures.

We hope you find this report a valuable reference and clear demonstration of our rigorous, innovative, and on-going measures to enhance audit quality. Thank you for taking the time to go through our report and for the opportunity to share our best practices.

“Quality is our strongest foundation and the cornerstone in all we do”



01

02

03

04

05

A

B

C

Ω≡

02

Deloitte network



01

02

03

04

05

A

B

C



Deloitte network

Deloitte Cyprus: legal structure and ownership

Deloitte Limited operates as a private limited liability company, established under the Cypriot law, with registered office at 24 Spyrou Kyprianou Avenue, 1075 Nicosia, Cyprus and registration number HE 162812.

Deloitte Limited is a wholly owned subsidiary of Deloitte Holdings Limited, a private limited liability company registered in Cyprus, with registration number HE 213442 ("DHL").

The majority voting rights in DHL are held by Deloitte NSE No2 Company Limited By Guarantee, an Irish company limited by guarantee.

Other shareholders of DHL are: (a) Deloitte & Touche (M.E.) LLP, a limited liability partnership incorporated and registered in Guernsey and (b) Deloitte Cyprus, a partnership registered in Cyprus.

Deloitte & Touche (M.E.) LLP is the affiliate of Deloitte North and South Europe (NSE) LLP for the territories of the Middle East and Cyprus and Deloitte Cyprus is a sub-licensed

affiliate of NSE.

Deloitte Limited is referred to throughout this report as "Deloitte Cyprus", Deloitte & Touche (M.E.) LLP is referred to throughout this report as "Deloitte DME" or "DME", Deloitte North and South Europe (NSE) LLP, is referred to throughout this report as "Deloitte NSE" or "NSE" ".

Deloitte DME holds practice rights to provide professional services using the "Deloitte" name, which it extends to Deloitte entities within its territory, comprised of 14 countries including Deloitte Cyprus. Deloitte Cyprus is authorised to serve as an auditor for clients in Cyprus.

Deloitte Actuarial Services

Actuarial related services of Deloitte are provided through Deloitte Actuarial Services Limited ("DAS"). DAS engages in insurance, pension and investment related projects for insurance companies and pension funds. DAS was established in January 2019.

Deloitte Legal

Hadjianastassiou, Ioannides LLC is a Deloitte Legal network practice in Cyprus. It is an

independently owned and managed private limited liability lawyers' company registered in Cyprus (Reg. No. HE 227297), regulated by the Cyprus Legal Council and the Cyprus Bar Association (www.cyprusbarassociation.org) (CBA Reg. no. 22).

Deloitte Investment Services

The Wealth Advisory consulting services of Deloitte were provided through Deloitte Investment Services Limited ("DIS") until December 2020. DIS was a licensed and regulated Cyprus Investment Firm under the supervision of the Cyprus Securities and Exchange Commission to provide Investment Services and in particular investment advice, to private and institutional clients. The Company is currently not active.

Deloitte Touche Tohmatsu Limited (DTTL or Deloitte Global)

Deloitte Touche Tohmatsu Limited is a UK private company limited by guarantee incorporated in England and Wales. DTTL serves a coordinating role for its member firms and their related entities by requiring adherence to policies and protocols with the objective of promoting a consistently high level of quality, professional conduct, and



01

02

03

04

05

A

B

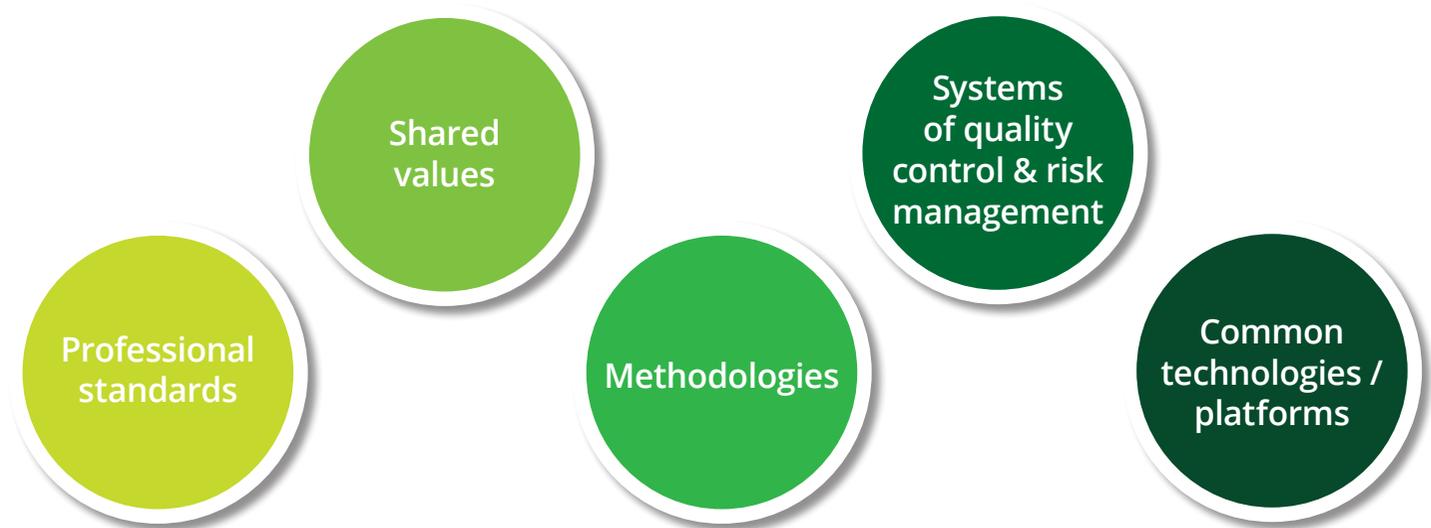
C

Ω

Network description

The Deloitte network

The Deloitte network (also known as the Deloitte organisation) is a globally connected network of 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.



service across the Deloitte network. DTTL does not provide professional services to clients, or direct, manage, control, or own any interest in any member firm or any member firm's related entities.

Deloitte" is the brand under which approximately 345,000 dedicated professionals and practitioners in independent firms throughout the world collaborate to provide audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to select clients. These firms are members of DTTL. DTTL, these member firms and each of their respective related entities form the Deloitte organisation. 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 particular 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 attest clients under the rules and regulations of public accounting. DTTL, and each DTTL member firm and each of its related entities, are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL

member firm, and their respective related entities, are liable only for their own acts and omissions, and not those of each other. The Deloitte organisation is a global network of independent firms and not a partnership or a single firm. DTTL does not provide services to clients.

Deloitte Cyprus: governance – leadership in action

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

Maintaining a strong governance and



01

02

03

04

05

A

B

C



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

The Board of Directors/Partners (“Board”)

Deloitte Cyprus’ Board of Directors is responsible for the governance and oversight of the Audit & Assurance practice. Specific responsibilities include protecting the interests and reputation of the firm and its partners, and overseeing management and operations at a strategic level. The Board ensures the firm has an appropriate structure for corporate governance and has specific oversight of quality and risk.

The Board comprises the CEO, the Chairman and all of the Directors (commonly referred to as “Partners”) and meets on a frequent basis.

The Board has established the Audit Quality Committee (AQC) to ensure appropriate management focus on significant audit quality matters and to assist the Board in executing its role.

Audit Quality Committee (AQC)

The Audit Quality Committee extends and broadens audit quality governance. Its aim is to develop, govern and implement activities that will achieve sustainable improvements in audit quality and secondly to respond to audit quality issues raised by regulators

and stakeholders. It consists of six highly respected, senior and technical partners, whose role is to jointly support the National Professional Practice Director (NPPD), the Audit & Assurance Business Leader (AABL) and the Audit & Assurance Risk Leader (AARL) in taking key decisions that will push the audit quality agenda forward. At the same time, it serves as a consultation panel for larger and more complex issues. It holds meetings on a quarterly basis, but may meet more frequently if the need arises.

Actions driven by the AQC during the year include but are not limited to the following:

- development and communication of actions and policies for the the continuous enhancement of audit quality
- strategic responses to the underlying causes of inspection findings, including recurring underlying causes from year to year
- monitoring of the effectiveness of the Audit Quality Monitoring and Measurement Program
- identifying and assessing current regulatory and reporting developments that may affect the audit business in the future

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

The A&A Quality & Risk and the Accounting Technical functions are led by Alexis

Agathocleous and Andreas Andreou, as the AARL and the NPPD respectively. As the AARL, Alexis has the operational responsibility for overseeing the risk management programme of the firm whereas as the NPPD, Andreas has the operational responsibility for the System of Quality Control and the interpretation of accounting and auditing matters at a local level. Together, they are responsible for implementing the audit quality agenda, establishing function-specific policies and procedures, implementing audit technical trainings, monitoring and mitigating risk and supporting engagement teams on a day-to-day basis on various audit technical and risk related matters. Moreover, in terms of quality and risk they work on reinforcing key messages, raising awareness of quality and risk matters and they help the business in being more agile in responding to continuous developments. Both are members of the Audit Quality Committee.

Maria Paschalis, the Audit & Assurance Business Leader, is appointed by Deloitte Cyprus’ CEO. Maria Paschalis, together with the firm’s senior management, develop and implement the strategy for the Audit & Assurance practice, including the necessary policies and procedures. In all of their activities, Deloitte Cyprus senior leaders are responsible for the overarching objective of audit quality, including compliance with



01

02

03

04

05

A

B

C

Ω

applicable professional standards and regulatory requirements. Deloitte Cyprus' strategy is developed in alignment with the overall strategic direction established for the Deloitte network.

Deloitte Cyprus' Audit & Assurance leaders participate in Deloitte network groups that set and monitor quality standards and from which a number of audit quality initiatives emanate.

NSE Governance

The NSE Partnership Agreement underpins the governance of NSE. The NSE Board is the primary governance body of NSE, responsible for ensuring high quality governance and stewardship of NSE. The NSE Board works with the NSE Executive to set and approve the long-term strategic objectives of NSE and the markets in which it operates. The NSE Board comprises the NSE CEO, NSE Chair and elected members, as well as Independent Non-Executives (INEs) and a Deloitte Global Representative. The latter do not have voting roles. The NSE Board oversees the risk appetite in each business area; it is responsible for the oversight of the executive function, ensuring alignment with Deloitte Global obligations; and is responsible for the promotion and protection of NSE Equity Partner interests generally. The NSE Executive is responsible for developing strategy,

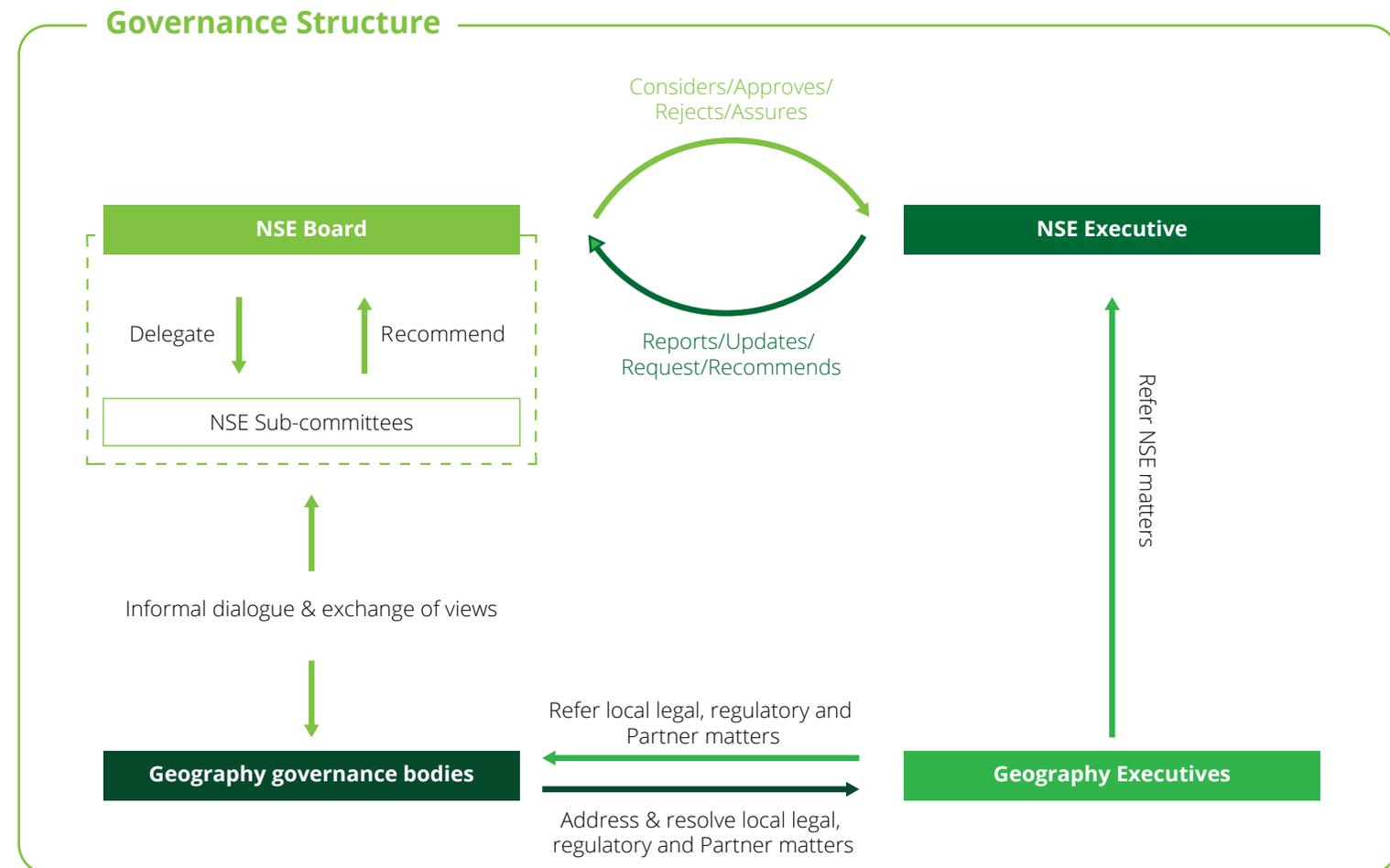
ambition and supporting policies, then leading their implementation and execution across NSE.

Geography (i.e. jurisdiction) governance bodies exist where this is required for legal and/or regulatory purposes and to oversee local Partner matters in each country. Examples include the UK Oversight Board and Dutch Supervisory Board.

The Geography Executives work with the NSE Executive to reflect the Connected+

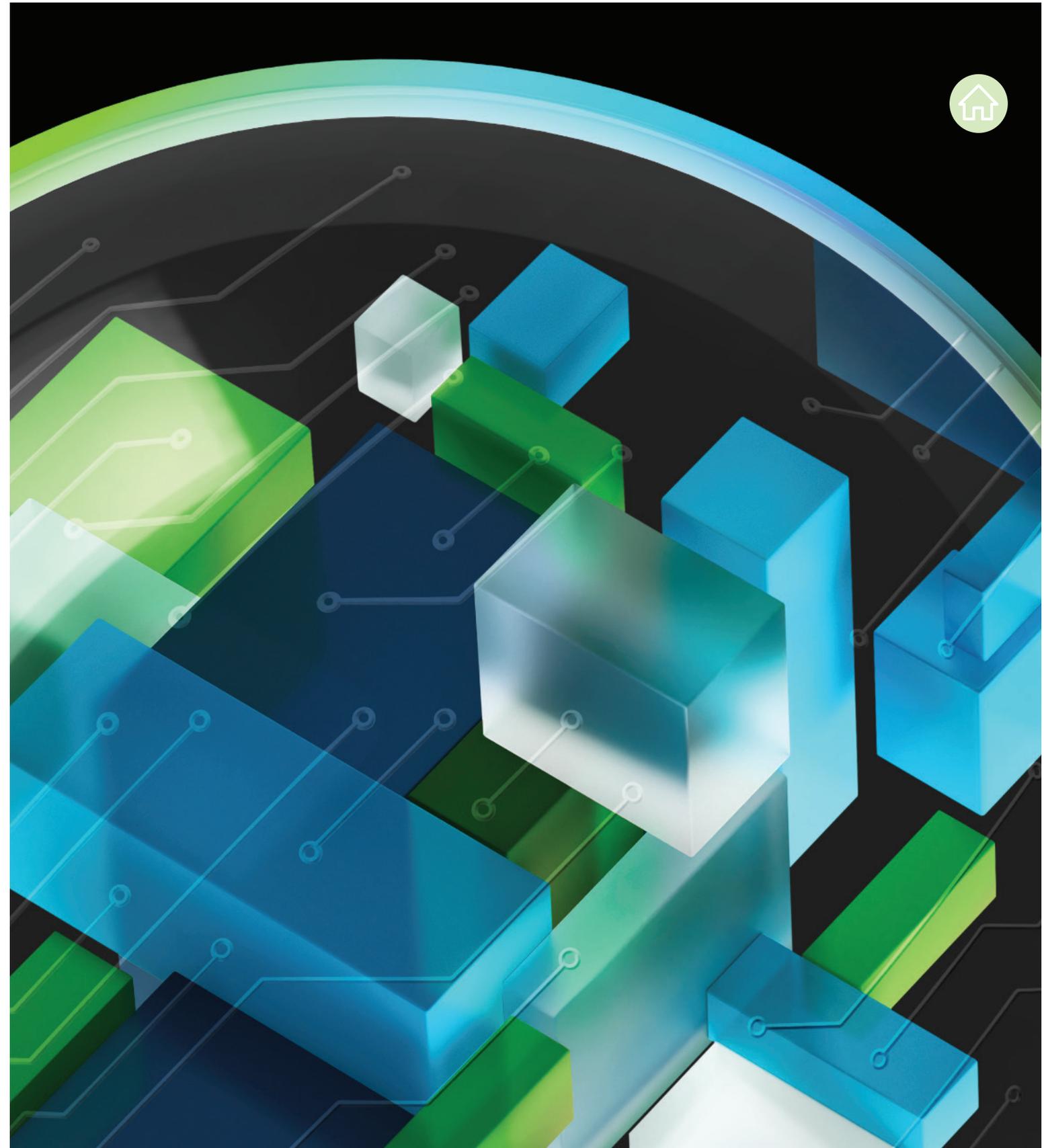
Autonomy operating model (balancing local and central requirements), including the development and delivery of approved plans, in line with the NSE strategy, tailored to reflect local market conditions. At the Cyprus level, the local Executives work together with the DME Executives who in turn work with the NSE Executives, to achieve these objectives.

The NSE governance and leadership structure provides clear paths of communication from a Geography to NSE level:



Our purpose and commitment: instilling trust and confidence

At Deloitte Cyprus, our purpose is to make an impact that goes beyond the expected. For Audit & Assurance, this means a constantly evolving audit and assurance process, leveraging leading-edge technology, applying a diversity of skillsets, knowledge, and experience to deliver high quality services. We take great pride in instilling confidence and trust in the capital markets and are committed to relentlessly raising the standards of quality and always acting with integrity, independence and transparency. We are continuously building our capabilities to support the delivery of high quality audits and other assurance engagements and making leading contributions to shaping the future of the audit profession.



03

What Deloitte Audit & Assurance brings to capital markets



01

02

03

04

05

A

B

C



What Deloitte Audit & Assurance brings to capital markets

A focus on audit quality

Deloitte's commitment to audit quality permeates everything we do. The independent audit is a central element of the financial reporting ecosystem, in place to protect investors and other stakeholders, as well as to promote the effective functioning of the capital markets. Deloitte is keenly aware of our obligation to deliver audit services that meet the challenges and complexities of the current environment, while complying with professional and regulatory standards. For the financial reporting ecosystem to function as intended, it is vital that the auditor's role be executed effectively.

Deloitte is committed to doing more than simply meeting regulatory requirements and conforming to expectations. Deloitte is going beyond the expected to set the standard of excellence for the profession. In keeping with that objective, our commitment to audit quality is unequivocal.

Deloitte Global leadership

The Deloitte Global Audit & Assurance Executive is led by Jean-Marc Mickeler, the Deloitte Global Audit & Assurance Business Leader, whose responsibilities include developing and driving Deloitte Global Audit & Assurance strategy, with a priority focus on quality:

- Setting the standard for audit quality and approving audit policy and methodology changes with the objective of enhancing audit quality across the Deloitte network.
- Driving key audit quality initiatives and policies across the Deloitte network.
- Leading transformational initiatives to innovate the way our audits are executed to meet the evolving needs of our stakeholders.

Deloitte Cyprus places great emphasis on the fact that the Audit & Assurance profession around the world is evolving rapidly and undoubtedly the audit of the future will be

something very different from what audit is today; it is safe to say that what is relevant today will almost certainly not be relevant tomorrow. The continuous digital evolution is something beyond imagination and it is expected to bring new opportunities, but also challenges not only for our profession and our clients, but for our people as well. Through our actions and behaviours our aim is not only to take the necessary steps to embark on this journey, but also to lead the way.

Entities Deloitte audits

As part of Deloitte's Audit & Assurance commitment to supporting the capital markets, we are focused on auditing entities where it serves the public interest and where we have the capabilities to perform a quality audit with objectivity and in compliance with applicable professional standards and laws and regulations, including those relating to ethics and independence.



01

02

03

04

05

A

B

C

Ω

From the very start, we always incorporate quality across all our client engagements. It is all about accepting the right clients, understanding their risks and formulating an appropriate audit response to address them. As such, Deloitte Cyprus has detailed policies and procedures in place for the acceptance of prospective clients, the continuance of existing engagements and the assessment of engagement risk. These policies and procedures are designed with the objective that Deloitte Cyprus will only accept or continue with engagements where it:

- Is able to perform the engagement and has the capabilities, including time and resources, to do so.
- Can comply with all relevant professional standards and laws and regulations, including those relating to ethics and independence and conflicts of interest assessments and considerations.
- Considers the client's management team to act with integrity and in alignment with our shared values.

Our rigorous policies, procedures and approval processes in place include, as noted above, a documented evaluation

of the client's risk profile and information regarding the client and its management. The client and engagement risk is classified as normal, greater than normal or much greater than normal. As an ongoing process we continue to evaluate the risk and return for engagements through assessing bids that meet certain thresholds as set out in our bid/no bid policy. This enables us to ensure we only take on and continue to deliver profitable work that is appropriately priced and that is at an acceptable level of risk with appropriate mitigation plans, where required.

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

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



01

02

03

04

05

A

B

C

Ω

Table 1: Client and engagement acceptance and continuance considerations

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



The company we keep is an important aspect of our Audit & Assurance strategy and global shared values that guide our behaviour to lead the way, serve with integrity, take care of each other, foster inclusion and collaborate for measurable impact. The question we ask ourselves is: what type of entities do we, as a global network, want to be associated with? In order to answer this question, an audit and assurance risk appetite statement has been developed to serve as the foundation for the company we want to keep. The risk appetite statement can be used as a tool to promote robust discussion of risk, and as a basis upon which acceptance and continuance decisions can be debated and challenged effectively and credibly. The statement, as shown below sets the tone for the risk culture and aims to drive global consistency in the engagement acceptance and continuance decision making process:

“Deloitte’s Audit & Assurance (A&A) portfolio risk appetite underpins our purpose led agenda and reinforces our Principles of Business Conduct, which articulate the standards to which we hold ourselves, wherever in the world we live and work, in order to build and maintain a sustainable business for current and future generations.

Consistent with our commitment to purpose and to act in the public interest, we recognize that taking on a degree of risk is a natural consequence of doing business. In order to deliver high quality audit and assurance services, we proactively identify and manage risk through our quality control processes, policies and procedures to make informed decisions aligned to our strategy and values.

We aspire to have a portfolio of clients that aligns with our shared values, respects our professionals, recognises emerging issues and societal responsibilities, and is committed to providing transparency to stakeholders in the financial reporting ecosystem. We endeavor to have a portfolio that does not include clients that lack integrity, engage in illegal activities, disregard the authenticity of financial accounting and reporting, or are unwilling to establish and maintain sufficient internal controls and related processes.”

Our firm’s engagement risk assessment procedures provide a basis for tailoring the audit approach to address engagement-specific risks. For higher-risk engagements, additional risk management safeguards are applied, such as assigning a more experienced partner as the Engagement

Quality Control Reviewer (EQCR), assigning a Special Review Partner in addition to the EQCR to much greater than normal engagements, involving experts or requiring an additional review of the engagement by a member of the Audit Quality Committee. Our engagement risk assessment begins at the client acceptance process. We perform an annual continuance assessment to determine if the firm should continue providing services. In addition, in the case of an entity changing significantly (for example, a change in ownership), the firm considers whether to continue the relationship.

Engagement team selection and expertise

The selection of the engagement team is key to developing and executing a high-quality audit. Each audit engagement is led by a partner who is fully responsible for the services he/she provides. The engagement partner is ultimately responsible for ensuring that the professionals assigned to each engagement have the required competencies and skills.

Partner-led approach

A partner-led approach is one of the primary elements of the Deloitte Audit Approach.



The partners' involvement is required from the very outset of any client relationship or engagement, with partner-led planning being the core starting point. All partners who act as engagement partners for statutory audits, are registered statutory auditors in accordance with the relevant Cypriot laws and regulations.

Bringing the breadth and depth of Deloitte knowledge to industry

Our firm benefits from industry specialists and groups, which are led by partners with deep industry knowledge and expertise. These groups share their understanding of markets and industry sector developments and they bring this knowledge to bear on audit engagements. This is particularly important at times of significant uncertainty or change, as seen recently during the unprecedented challenge businesses faced as a result of the COVID-19 pandemic.

Use of Experts

While the audit engagement partner retains responsibility for all aspects of the engagement, there are instances when the engagement team utilises an expert; this person is not considered to be part of the audit team. In such instances, the

engagement team evaluates whether the expert has the necessary competence, capabilities and objectivity.

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

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

The right engagement team is key to audit quality

Considerations for engagement team selection, among others:

- Size and complexity of the entity's business
- The applicable financial reporting framework used in preparing the financial statements
- Applicable independence considerations

- Any possible conflicts of interest
- The qualifications and experience of professional staff, including industry credentials
- The availability of staff to commit time to the engagement
- The portfolio and other responsibilities of professional staff

Executing with the right behaviours and a focus on quality

Quality is not just about compliance. While compliance with standards, regulations and legal requirements is a basic requirement of the regulated audit profession, leading the profession in quality requires more. Much more. We are committed to instilling a culture of quality and excellence throughout the Deloitte organisation, from the most experienced partners to brand new hires, and across all our geographies. Our strategic audit quality programmes provide an environment to allow all our people to excel.

We continually emphasise the importance of our role as evaluators. This is reflected in many aspects of our methodology, procedures and training. We also create audit working environments that take a "design"



approach to issue identification and problem solving. In our audit documentation and when reporting to those charged with governance, we include discussions on areas of significant professional judgement to make it clear how we have exercised scepticism and the challenges we have made in reaching our conclusions.

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

Audit methodology and tools

Our audit methodology requires us to develop an understanding of the client's business and risks, and apply this to the design and execution of our audits. Our state of the art audit methodology software systems, "Engagement Monitoring System (EMS)" and the recently introduced Levvia platform designed for Very Small Audits, enable comprehensive planning, performance, documentation and review of our work in accordance with the

International Standards on Auditing issued by the International Auditing and Assurance Standards Board of IFAC, together with the applicable network, professional, regulatory, and legal obligations. They enhance the consistent implementation of the Deloitte Audit Approach and act as a further gateway to guides, practice aids and thought leadership developed globally and locally in an effort to enhance quality and consistency across all our audits.

Consultation

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

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

Bringing the best of Deloitte to engagements

This approach enhances our capacity to

answer complex questions.

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

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

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

Technical expertise - accounting

The IFRS Technical Team is a dedicated group of accounting specialists who provide support to engagement teams on financial reporting



01

02

03

04

05

A

B

C

Ω

matters, under a formal and documented consultation process. The team has access to global expertise within Deloitte's IFRS Centres of Excellence.

Technical expertise - auditing

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

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

Differences of opinion

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

Engagement documentation and security

Maintaining client confidentiality is of the utmost importance to Deloitte. Over the last few years, we have invested significant resources to achieve the ISO27001 International Standard for Information Security Management.

Confidentiality, Privacy and IT security

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

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

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

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

Confidential Information (CI) Program

Our CI Programme on selected engagements has been enhanced to protect even further the confidential, and/or private nature of, information to be handled in its execution.

Incident response

We have established processes and a pool of experts, who are sitting ready to lend their expertise and be members of a customised Incident Response Team to ensure that, in the unfortunate event of a possible unauthorised leak of CI howsoever caused or placed at risk,



01

02

03

04

05

A

B

C

Ω

our firm will be able to respond with top-class promptness to mitigate any consequences to all concerned and meet regulatory requirements.

Engagement documentation

The firm's policy requires files to be archived within a maximum of 60 days from the sign-off date of the audit report. The archiving process is closely monitored and any exemptions are investigated. Non-compliance with the archiving policy is a parameter considered in the partners' and managers' accountability framework.

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

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

Fewer, stronger member firms

Within the Deloitte member firm structure, Deloitte Cyprus is part of the Deloitte Middle East geography, which in turn is part of the Deloitte NSE member firm. As a locally registered and regulated audit firm in Cyprus, we have decision-making authority regarding regulatory matters and professional obligations and maintain ultimate responsibility for the execution of audit and assurance services in accordance with local laws and regulations.

As a member of a combined firm within the Deloitte network, we work in close cooperation with the other geographies in the Deloitte Middle East member firm and benefit from additional oversight of quality, risk management, and monitoring activities. This structure fosters shared investment in audit innovation and resources as well as the sharing of leading practices across geographies, contributing to our collective aspirations of continuous improvement in audit quality.



01

02

03

04

05

A

B

C





Audit & Assurance – the future, today

At Deloitte, meeting expectations is where our Audit & Assurance services begin.

Our people’s commitment to integrity, to serve the public interest, and to deliver high quality assurance over the areas that matter most to our stakeholders is at the core of everything we do.

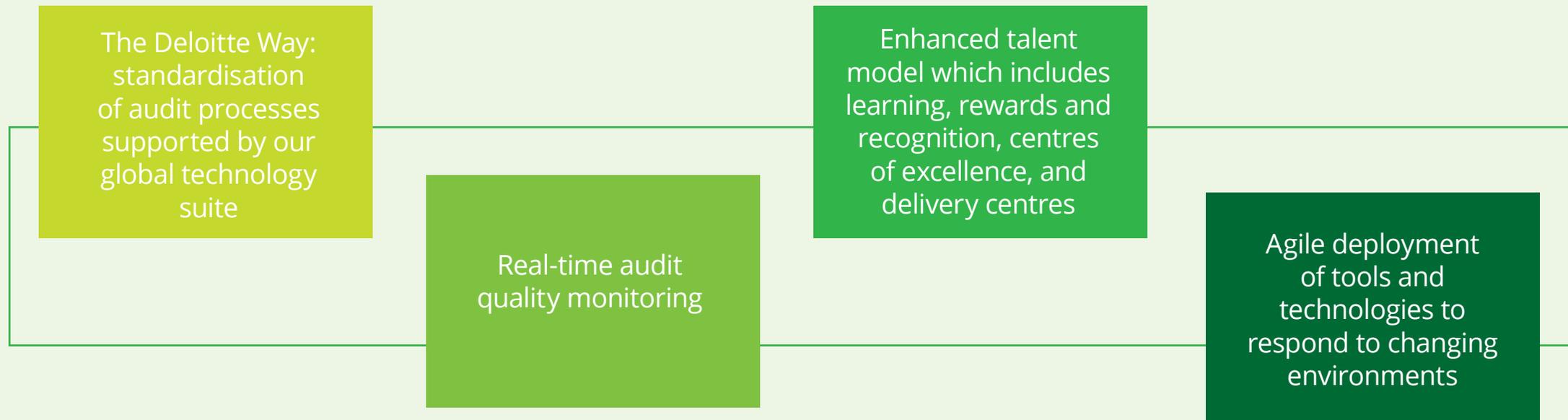
We are leaders in quality and will continually deliver on this commitment by focusing on excellence across people,

process, and technology. Each of these core components helps us to deliver our vision for a better future, creating an impact that not only meets expectations but goes beyond them.

What does this look like? A constantly evolving audit and assurance practice, leveraging bright minds, effective processes, and world-class technologies from across our global organisation while

drawing on our years of experience. We deliver high quality services in an efficient and effective way that upholds integrity, builds confidence, and drives value by focusing on what really matters.

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



Delivering audit excellence through process, people, and technology transformation ²

With The Deloitte Way, Deloitte is bringing innovation into the core of how our audits are executed: with automation that improves routine tasks, analytics that yield a deeper and more insightful view into the data, and artificial intelligence that enhances human discovery and problem-solving. As a result, we are improving the quality of the audits we deliver while also creating a richer talent experience for our people and giving clients a streamlined, digital audit experience, that provides more transparency and deeper insight.

Innovation and technology enablement are an expectation in today's fast-changing business environment, and this expectation holds true for the audit profession as well. Today's complex business environment requires the audit to be dynamic, multidimensional, and insightful. There is a demand for real-time, relevant information, and we need to evolve our audits as the entities we audit innovate their businesses and processes. Leveraging evolving technology and data, Deloitte A&A delivers deeper insights to create more

consistent, transparent, and valuable audit and assurance for our stakeholders. Deloitte brings bright minds, effective processes, and world-class technologies from across the global organisation to deliver an impact beyond expectations.

Deloitte Cyprus auditors are enhancing procedures by making more use of data-driven analytics, as well as cognitive and cloud-based technologies like Artificial Intelligence (AI). This is due, in part, to the increased automation and effectiveness these provide, but also the need for Deloitte Cyprus to stay abreast of technological advances used by the entities that we audit.

Deloitte is committed to the continued investment in emerging technologies and diversity of thought that enables the delivery of enhanced quality, insights, and value to our clients and the markets. Deloitte's holistic global audit platforms, Deloitte Omnia and Deloitte Levvia, demonstrate our commitment to delivering digital, high quality audits of all sizes and levels of complexity. Deloitte Omnia is our cloud-based, end-to-end audit delivery platform for larger audits, including publicly-listed entities, while Deloitte Levvia delivers a streamlined, right-sized digital audit

experience for select private entities. Ongoing development, enhancement, and broader deployment of both platforms will continue over the next several years. Deloitte also has designed an innovative global data and analytics solution, and our integrated suite of enabling innovation technologies are all connected in the cloud.

A snapshot of the global innovation initiatives and cloud hosted solutions that were recently introduced and are either adopted or are in the pipeline of adoption by the practitioners of Deloitte Cyprus include, but are not limited to the following:

- **Deloitte Connect** – Online communication, information sharing, and progress tracking tool
- **Disclosure Analytics** - analyze and curates a massive quantity of financial information to enable more comprehensive and data-driven risk assessments of client disclosures and regulator comment letters
- **Asset Count** – Mobile-enabled inventory counts
- **Digital Confirmation** – Automated management of the audit confirmation process



01

02

03

04

05

A

B

C

Ω

² For more information about Deloitte audit innovation, please refer to Deloitte [Global Impact Report](#).

• **Audit & Assurance Engagement Administration**

– single starting-point for initiating the engagement management processes

• **Reveal Analytics** – Sophisticated regression analysis

• **Company Risk Insights** – Comprehensive risk analytics

• **Audit Online** – Interface with delivery centers and support of guided risk assessments as well monitoring adoption of the Audit Quality Milestones

• **DWW Analytics** – used in conjunction with the applicable Guided Risk Assessment (GRA) templates to gain further understanding of the transactions and support our fact-based risk assessment procedures

• **ACTT** - The Automated Controls Testing Tool (ACTT) supports the assessment, design, implementation, and testing of automated controls

• **ACL** - ACL is the file interrogation tool used to perform electronic data inquiry, extraction, and analysis of client records

• **Spectrum** - contains pre-configured analytics based on client general ledger data and trial balance data enabling us to visualise and analyse client data which allows us to quickly discover patterns and financial trends

• **Spark for Journals** – this is a Journal Entry Testing (JET) tool that has been designed from the ground up with the objective of implementing visual analytics to the JET process

• **JETbot** - JETBoT is a journal entry testing robot built on UIPath using Robotics Process Automation (RPA) technology aimed at assisting users to automate the manual journal entry testing process for smaller engagements

It is important to emphasise the capability of certain of the above tools to being integrated into Deloitte Omnia and Deloitte Levvia platforms, a fact that is expected to further streamline and enhance the performance, quality and efficiency of our audits.

Auditing in disruptive times

In recent years the world has experienced a period of exceptional challenges and uncertainty, from the societal changes caused by the COVID-19 pandemic to the humanitarian crisis brought on by the war in Ukraine. These momentous shifts have brought unprecedented speed of change to the profession, and throughout this period, Deloitte has prioritised the safety and wellbeing of its people. In times of global complexity and economic uncertainty, the need for high quality audit and assurance services is critical. Now more than ever, investors and stakeholders are looking to auditors to bring trust and objectivity to capital markets.

Despite the unique challenges of the current environment, Deloitte Cyprus has not wavered in its commitment to ethics, integrity, independence, and transparency—all while serving the public interest. We recognize the importance of upholding our professional responsibilities and our role in instilling trust in the financial reporting ecosystem. We



continually reinforce the following principles with A&A practitioners:

- Exercise professional skepticism and due professional care
- Critically evaluate the quality of audit evidence obtained and whether it is sufficient and appropriate to address the risk
- Make well-reasoned professional judgments supported by clear documentation
- Foster a culture of consultation
- Stay connected and support one another

In this period of continued uncertainty, all stakeholders of the financial reporting ecosystem (including governments, financial institutions, entity management, those charged with governance, auditors, and investors) must exercise significant judgment. This includes an awareness of the heightened risk of fraud, the presence of new or different risk factors, and potential changes in internal control environments. Although the existing accounting frameworks have provisions for uncertainties, financial statement users and

regulators should continue to expect a higher degree of market and economic volatility in the near term.

Deloitte welcomes the public statements and guidance issued by regulators that recognise the current uncertainties and emphasise the importance of high quality, forward-looking corporate disclosures. There is benefit to the public for greater transparency from various financial reporting ecosystem stakeholders raising awareness about these issues. This includes providing more clarity on the responsibilities of management, audit committees, companies, auditors, regulators, and other stakeholders.

The professional standards, Deloitte policies and guidance, strong consultation and specialist networks, and steadfast diligence continue to be the basis for Deloitte's execution of high quality audits. Deloitte's global technology and infrastructure have allowed for an agile and rapid response to the various disruptions to the workplace, including the shift to virtual working. Deloitte

Global continues to provide firms with globally relevant and locally adaptable audit resources and guidance. These responses have allowed us to continue to reinforce the execution of the Deloitte audit approach throughout this historically challenging period.

The transformation of audit delivery in an increasingly dynamic work environment has led Deloitte to respond to the rapidly changing needs and requirements of the talent landscape. This includes challenging historical working methods and supporting its people in a hybrid working environment. Going forward, Deloitte Cyprus will continue to focus its efforts and provide a consistent audit experience in a way that embraces the evolving expectations of the entities we audit and our people.



01

02

03

04

05

A

B

C

Ω



Multidisciplinary model (MDM)

Throughout the Deloitte network, Deloitte’s robust multidisciplinary business model (MDM)—consisting of audit, advisory, tax, and consulting practices—is an important contributor to the performance of high quality audits. This unique model purposefully connects Deloitte’s great breadth of professionals and practitioners with a profound depth of experience, skills, and specialties to bring stronger insights and high quality services. Auditors increasingly use the work of specialists in a number of areas, including to assist in their evaluation of accounting estimates and fair value measurements. This has been more important than ever as companies’ financial statements were required to reflect the uncertainties presented by COVID-19 and ensuing macroeconomic factors. Further, the scope of corporate reporting is expected to grow rapidly in the near future where financial statements and corporate disclosures will continue to become more complex due to new ESG considerations and other focus areas. In addition, as big data utilisation

becomes more pervasive in line with other digital advances, the demand for data analysts and IT specialists will grow accordingly. Among the benefits of the MDM are:

- Possibility to develop industry or thematic insights (e.g., climate, governance, corporate strategy, etc.) through multiple lenses, which enhances auditors’ understanding of business risks relevant to conducting audits.
- Immediate access for the Audit & Assurance practice to specialized resources in other business lines. This promotes audit quality because auditors can leverage the knowledge and experience of advisory practitioners who are skilled in subjects beyond audit and assurance.
- A diverse organisation helps attract and retain premier talent.
- Availability of intellectual capital within the network to innovate audit processes, technologies, etc.

- Parts of the business grow at different rates during various time periods across markets. Deloitte’s MDM provides a safeguard against market volatility that is important to long-term viability of the network and makes significant investments in audit quality and innovation possible, even in times of financial pressures on the audit business.

Deloitte acknowledges, however, the possibility and perception of conflicts of interest, and therefore has robust independence policies and systems in place to help ensure that Deloitte’s strategy is executed in alignment with regulatory and professional requirements. In some areas, Deloitte policies are more stringent than what professional standards or laws or regulations require.

01

02

03

04

05

A

B

C

Ω≡

Environmental, social, and governance (ESG) reporting ³

The foundations of business are changing rapidly, long-term resiliency and the ability to create enduring value is directly linked to alignment with the values and expectations of society. Market participants and broader stakeholders are calling for greater insight into how an organisation is going to build, protect, and enhance enterprise value over time, and are specifically demanding enhanced transparency around ESG impacts and the dependencies of a company's business model and strategy.

There is a growing interest for companies to integrate climate-related and other ESG considerations into internal control policies and procedures, enhancing the maturity of systems, processes, and governance over climate-related and other ESG information. Those charged with governance (e.g., Audit Committees, Boards) are moving toward incorporating ESG considerations in their oversight responsibilities of an organization's management, its reporting readiness, and implementation of processes and controls to collect data.

In response to growing demand, the reporting landscape is quickly changing

to meet the needs of stakeholders, with proposed standard setting through the International Sustainability Standards Board and rulemaking around the world. The developments in standard-setting and rulemaking are intended not only to create transparency and consistency in global baseline reporting, but also to make clear that information in financial reporting and information contained in sustainability reporting together are essential inputs to inform a stakeholders' view of an entity's value.

With the increased focus and scrutiny of this information also comes the increased need for confidence over the quality of the information being disclosed, which may be achieved through assurance over ESG information. Deloitte believes that there is a benefit to ESG assurance being provided by an audit firm. Objectivity, credibility, and integrity are qualities valued most in assurance providers. These are in addition to independence, professional skepticism, commitment to quality, and appropriate training that are equally critical.

Below are specific actions that Deloitte is undertaking to support execution of high quality audits that give appropriate consideration to climate-related risks and

opportunities:

- Educating Deloitte professionals on climate change and the impact on audit entities through the deployment of materials such as a climate learning curriculum, a framework and related guidance to consider climate-related matters as part of the audit.
- Engaging in the global debate by being proactive in supporting global sustainability standards, through facilitating the five sustainability reporting standard-setting bodies and contributing to the IFRS Foundation's climate disclosure work and actively participating in various global platforms such as the World Economic Forum and the 2021 United Nations Climate Change Conference (COP 26).

Deloitte supports the continued collaboration of all participants in the financial reporting ecosystem, working together to develop and implement common standards upon which to measure, disclose, and ultimately assure ESG information.

Further, to help the world achieve the goals of the Paris Agreement, Deloitte has launched [WorldClimate](#), a strategy to drive responsible climate choices within the Deloitte network and beyond.



01

02

03

04

05

A

B

C

Ω

³ For more information about Deloitte audit innovation, please refer to Deloitte [Global Impact Report](#).

Professional development and performance management

Deloitte's culture of excellence and the design of learning programs place people at the forefront. Deloitte practitioners are technically proficient with high levels of ethics, integrity, professional skepticism, and objectivity, applying their judgment and experience with passion and commitment. We are continuously enhancing our skillsets, knowledge, and experience to go beyond the expected and deliver meaningful impact.

Deloitte is committed to delivering an unrivalled talent experience, developing practitioners, and furthering their careers by creating a life-long learning environment—advancing audit education, skillsets, and flexible career options that appeal to auditors of today and tomorrow.

Deloitte practitioners bring diverse backgrounds, knowledge, and skillsets that enhance capabilities as an organization in delivering the highest quality audits. Deloitte is united in the commitment to our ALL IN program dedicated to improving diversity, equity, inclusion, and innovation.

In addition, operational discipline, effective management of the business, and the development of a singular approach to doing audits known as The Deloitte Way, provide the foundation for Deloitte's commitment to bring global consistency to our audits.

Deloitte is driving a sustainable audit and assurance business that recognises and rewards its people and makes ongoing investments in their future.



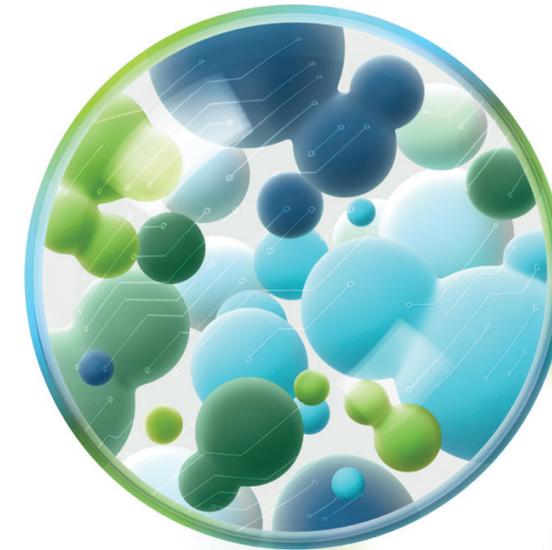
Learning and development initiatives

Deloitte's transformed approach to audit delivery is changing the audit experience for practitioners. Audit teams are empowered by advanced tools and technologies and more extensive use of data and analytics within a guided workflow to execute the end-to-end audit. For Deloitte practitioners, this means focusing on how the engagement is planned, executed, and managed consistently across the globe using forward-looking techniques and capabilities. It also offers opportunities to enhance their technical and professional skillsets and competencies. For example, the following skills remain as important as ever—enhanced data analytics, project management, critical thinking, communication, professional judgment, and the application of accounting and auditing principles to work more effectively and deliver high quality engagements. As capabilities and skillsets are enhanced, we build greater confidence and become ever-better evaluators of risk.

Deloitte has made substantial investments in talent and learning strategies and transformed the technical audit curriculum to build the refreshed skillsets and proficiency required by level:

- At the core, Deloitte has a single, global mandatory audit technical learning curriculum, tailored for learners by level, using a dynamic blend of live instructor-led, digital on-demand courses, and on-the-job activities.
- All client service practitioners are required to complete at least 20 hours of continuing professional education (CPE) each year and at least 120 hours every three years, through structured, formal learning programs, such as internal or external courses, seminars, or e learning covering all areas of the competency model (e.g., shared competencies, function-specific technical competencies, and competencies in areas of specialization).
- All client service practitioners have clearly defined role expectations and global Talent Standards which outline the capabilities that are required of practitioners at each level.

Deloitte has also established specific learning opportunities for specialists working on audit engagements to support their knowledge and understanding of the audit process. In addition, our assurance learning offering is being expanded to respond to emerging business needs.



01

02

03

04

05

A

B

C

Ω

The objective of the Deloitte Cyprus professional development program is to help partners and professionals not only to maintain but to further enhance their professional competence and ensure consistency of audit execution. To supplement on-the-job development, Deloitte Cyprus provides formal continuing professional development programs in relevant subject areas consistent with the Deloitte Global Audit & Assurance Curriculum.

A blended learning approach is adopted, using a combination of methods such as:

- live instructor-led,

- virtual instructor-led
- self-study,
- digital learning (i.e., e-learning courses), for both technical and soft skills topics, which are available through:
 - SABA Cloud,
 - LinkedIn Learning (provides a vast number of courses on soft skills topics to assist with professional development) and
 - CURA Learning (a digital platform, using Artificial Intelligence technology, that provides curated learning resources based on the users' knowledge, needs and interests),
- mentoring schemes (e.g., MentorME,

- Womentor, SponsorME) and
- coaching and on-the-job training.

The learning approach is designed to:

- Provide the right skills, at the right time, enabling quality outcomes for clients and rewarding career experiences for our people
- Keep partners and staff at the forefront of new developments in the accounting, auditing and regulatory environment that may affect service quality and performance
- Embed the firm's quality and risk imperative in the Deloitte community

Moreover, there are courses and programmes for topics at the foundation, advanced and mastery levels in an effort to keep our people up to date with the latest market developments and regulations relevant to their role.

Our extensive curriculum covers:

1. technical matters
2. regulatory
3. professional ethics
4. independence and risk matters
5. soft skills programmes, including courses on leadership

FY22 | Key Learning Figures



Audit and Assurance professionals invested approximately **51,000** hours in various learning and development activities, including **22,400** hours for pursuing professional qualifications/certifications.



On average, each member of staff received approximately **75** hours of learning (excluding the hours invested for pursuing professional qualifications/certifications).



01

02

03

04

05

A

B

C

Ω≡

The Global Audit & Assurance Learning (GAAL) team was recognised in September 2019 as leaders for their exceptional work in bringing innovative and engaging learning to Deloitte professionals worldwide by the Stevie® Awards for Great Employers. The attendance of all professionals to all the mandatory courses is monitored through a comprehensive Learning Disciplinary Process.

Talent

Culture is an essential part of our business in engendering and preserving trust and we continue to define our culture and to build confidence and trust in our profession. The Global Deloitte Shared Values, Code and Integrity Imperative apply to all Deloitte businesses. These reflect the common set of explicit values and expected behaviours, all underpinned by a strong culture of quality and integrity.

Diversity and inclusion

At Deloitte, we want everyone to feel they can be their true, authentic selves at work - in everything we do, every day. We know that this can only be achieved by providing a workplace culture characterised by inclusive everyday behaviours and built on a foundation of respect and appreciation for diversity in all its forms.

Our culture is supported by our ALL IN diversity and inclusion strategy, which is focused on providing all Deloitte people with equal opportunities to develop and succeed in an environment where we hold each other accountable at all times. We are committed to supporting and empowering all of our people in achieving their full potential and to delivering our global purpose to make an impact that matters, each and every day. Through ALL IN, we aim to increase the recruitment, retention, promotion and recognition of underrepresented groups and achieve gender balance across the organisation. The strategy also empowers LBGT+ colleagues to feel confident and thrive at Deloitte, while it also promotes mental health resources that are critical to creating an inclusive workplace.

Wellbeing

Employee wellbeing is at the heart of our talent strategy and we are committed to fostering an environment that supports the mental and physical well-being of our people. To this end, we offer a variety of programmes across our three wellbeing pillars:

- **Mind:** We enable enduring mental wellness through ongoing learning, resilience and a mentally healthy work environment while also ensuring our people feel engaged in what they do and connected to their colleagues. We support a culture of inclusiveness and respect.
- **Body:** We encourage and support physical health behaviors that build endurance and allow for renewal.
- **Purpose:** Our people feel a sense of purpose and meaning in what they do each day.



01

02

03

04

05

A

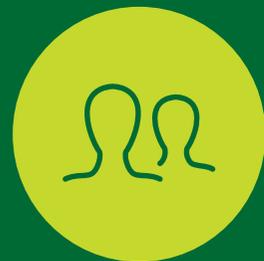
B

C

Ω≡

FY22 | Key Talent Metrics

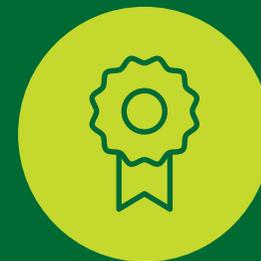
(As at 31 May 2022)



Headcount
778



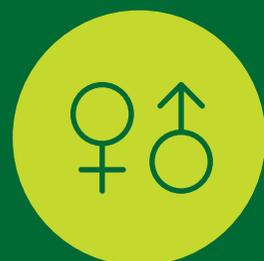
University graduates
93%



Qualified Accountants
260



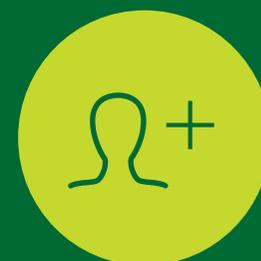
Worldwide awards in ACA/ACCA examinations
3



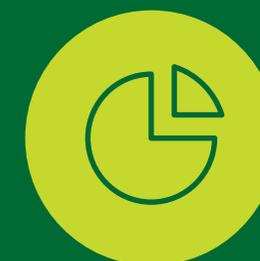
Gender composition
F: 55%
M: 45%



Nationalities
18



New hires
203



Percentage increase in headcount in the last 3 years
9%



01

02

03

04

05

A

B

C

Ω≡

Key Accolades

Investors in People

In 2021, we maintained the IIP Platinum accreditation, for the second time in a row. It is the highest accolade that can be achieved against the Investors in People Standard, currently held by only 2% of IIP accredited organisations.



Equality Employer

We were one of the first organisations in Cyprus to be recognised as an Equal Opportunities Employer, by the Ministry of Labour Welfare and Social Insurance, under the framework of the Programme “Actions for reducing the compensation gap between male and female employees”, while in 2020 we achieved re-accreditation. The award reflects the firm’s commitment in providing equal opportunities to

all members of staff, a work environment which is free from discrimination, fear and harassment of any kind as well. At our firm, providing equal opportunities goes beyond ensuring equality in the pay levels amongst genders and encompasses equality amongst all members of staff in relation to growth and development opportunities, in offering objective performance evaluation and fair career advancement opportunities, based on merit.



Audit & Assurance (A&A) Leadership appointments

Critical A&A leadership roles are clearly defined. A role profile and key performance indicator framework provide a basis for consistent leadership appointment and evaluation across the Deloitte A&A network and align member firm and Deloitte Global A&A strategic objectives. Deloitte has introduced globally consistent standards for

member firm A&A leaders, including A&A Business Leaders, A&A Quality Leaders, and A&A Risk Leaders through clearly defined roles, responsibilities, and expected success outcomes. These inform objective setting and evaluation processes and reinforce Deloitte’s culture of quality and excellence. Robust monitoring of succession planning helps ensure Deloitte is developing and appointing the appropriate individuals with the capabilities to achieve these consistent standards.



⁴ For more information about Deloitte audit innovation, please refer to Deloitte [Global Impact Report](#).

Equity Partner Remuneration

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

All equity partners (including those in a governance or management role) are assigned to an equity group, which is reviewed annually and which describes the skills, attributes and broad performance expected of them. Each equity group carries a wide band of profit sharing units so that relative contributions can be recognised and remunerated accordingly.

In accordance with global policies, Deloitte Cyprus' partners (both equity and non-equity) are evaluated on a yearly basis, and depending on the outcome of the evaluation, their remuneration may increase or decrease. Specifically, partner evaluations take the following factors into account:

- **Quality:** Uncompromising quality in all professional work

- **Risk:** Consistent and strong contributions across all areas of risk
- **Performance:** Strong performance against key metrics and objectives
- **Leadership:** Demonstration of strong leadership skills and partner behaviours, which reflect the organisation's culture and expectations of its most senior individuals

The following criteria are also used for assessing the performance and contribution of each partner:

- **Clients and audited entities:** Portfolio managed and other market roles performed
- **Business:** Shaping and delivering on the firm's strategic and financial plan
- **People:** Contributions across all aspects of people management, including development, coaching and mentoring
- **Stewardship:** Thought leadership, innovation and brand protection
- **Collaboration:** Working across the firm and being inclusive of other partners and our people.

Partner performance is evaluated in all of the competencies, beginning with the DME

Executive Committee's approval of the profit sharing strategy proposed by the Senior Partner and Chief Executive, and concluding with the DME Executive Committee's review of the recommended profit allocation and equity group. A Partnership Council, the members of which consist of elected Partners and an elected Chairman, ensure fairness and as well as a consistent and equitable treatment.

Drawings and the contribution and repayment of partners' capital

Deloitte Cyprus' equity partners contribute the entire capital of Deloitte Cyprus. 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.

All Deloitte Cyprus equity partners share the profits of Deloitte Cyprus. Equity partners draw a proportion of their profit share in monthly on-account instalments during the year in which the profit is made, with the balance of their profit, net of tax deductions, being payable in subsequent years. All payments are made subject to the cash requirements of the business.



01

02

03

04

05

A

B

C

Ω≡

Deloitte University

Deloitte actively cultivates the collective knowledge and skills of Deloitte people globally through continued investment in Deloitte Universities (DU). These are state-of-the-art learning and development centers focused on Deloitte culture and founded in the principles of connectedness and leadership in a highly inclusive learning environment^[4].

Deloitte Cyprus has fully committed to DU EMEA since its foundation. More than 25 of our professionals participate in various DU EMEA programmes every year and have the opportunity to benefit from a dynamic and fast-paced learning environment, while at the same time taking the opportunity for networking and enhancing their personal brand. Through this experience, they can also benefit from connecting across borders, sharing and expanding their capabilities, expertise and insights.



Attraction and retention

The current environment for talent is extremely competitive and attraction and retention of our people is a strategic priority for Deloitte. We acknowledge the challenges our people are facing and recognise our part to re-establish the connections that so many have missed. Deloitte is focused on transforming the A&A talent experience, including reimagining the ways of working to improve retention and further advance the diversity, equity, and inclusion (DEI), and wellbeing of Deloitte people. We are looking at opportunities to collectively expand the talent experience. This focus on our people and retention of top talent enhances Deloitte’s ability to deliver high quality audits.

Despite the challenges, Deloitte has again received the award for the World’s most attractive professional services employer from Universum in 2021, while locally we have retained our Investors in People Platinum Recognition, which is the highest level of accreditation.



Social Impact

Making an Impact Every Day

We believe human connection can help create innovative solutions and lasting impact on pressing issues of our time. By harnessing the collective power of Deloitte’s network of people, clients, nonprofits, and communities, we aim to achieve lasting social impact for the greater good.



01

02

03

04

05

A

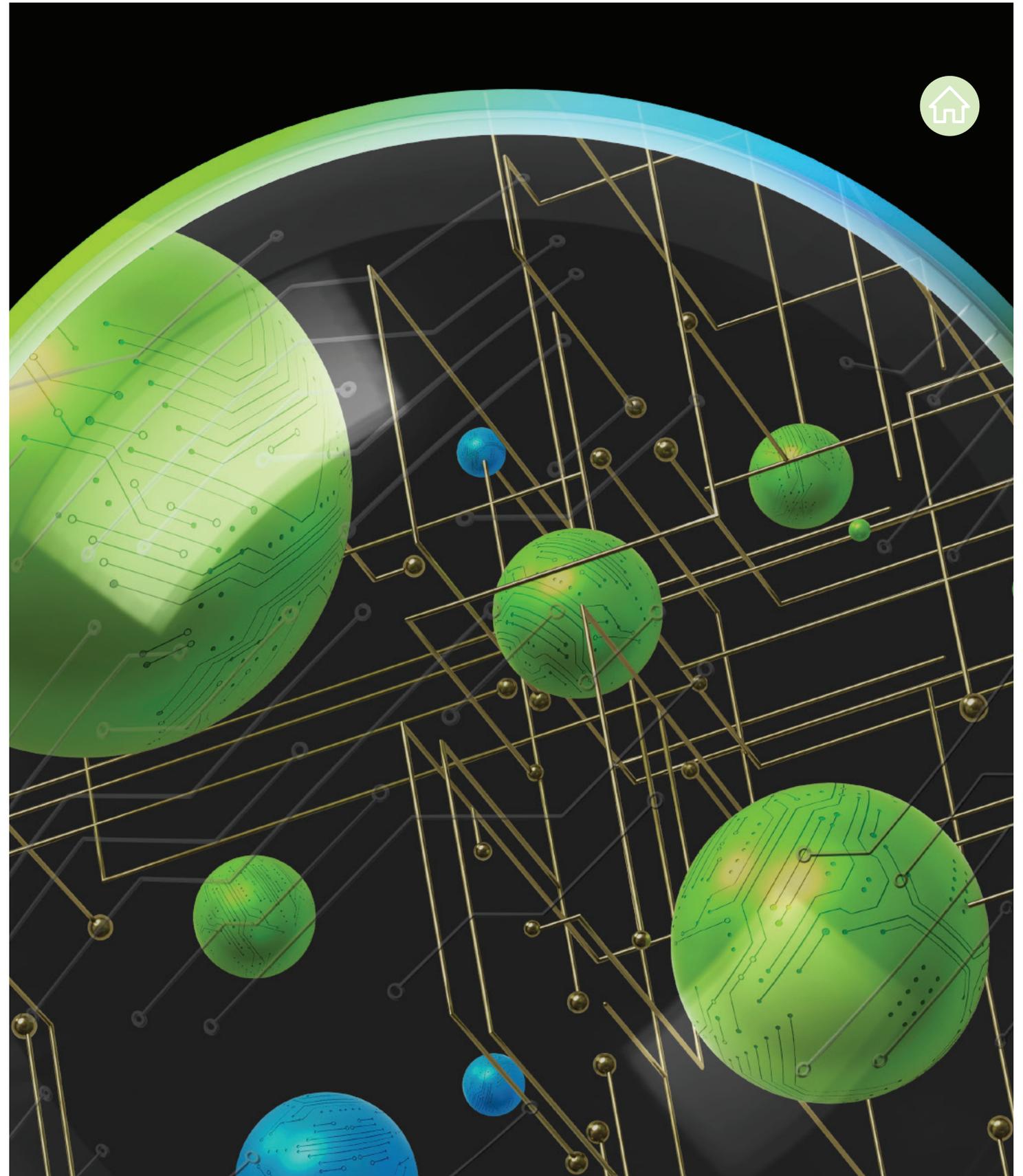
B

C

Ω

Deloitte's priority focus on audit quality

Deloitte's commitment to audit quality is central to everything we do. We continually deliver on this commitment by instilling a culture of quality and excellence across the network, establishing business and financial priorities, and developing effective processes, tools, and technologies applied in the execution of audits. Deloitte's brand is defined by the high quality audits delivered and by the unwavering commitment to continuous improvement of our systems of quality control. Making sure audit quality keeps pace with emerging economic, business, and regulatory conditions, as well as technological advances, is critical to the continual enhancement of Deloitte's role in protecting the public interest and supporting the effective functioning of the financial ecosystem. Deloitte's brand is defined by the high quality audits delivered and by the unwavering commitment to continuous improvement.



Leadership commitment and tone at the top

Deloitte’s culture of quality and excellence begins with strong tone from the top, starting with senior leadership through to the leaders in all our offices and audit engagements. Deloitte’s focus on audit quality is evident through the direct involvement of leaders and consistent messaging that reinforces the importance placed on audit quality. Deloitte’s relentless pursuit of quality defines not just what we do, but who we are.

System of quality control

Deloitte believes an effective system of quality control is crucial for the consistent performance of high quality audit engagements and we continue to make significant investments in the people, processes, and technologies that underlie Deloitte’s quality control processes.

Regulators and standard setters in Cyprus and globally are also focused on driving further improvements in firms’ systems of quality control. In December 2020, the IAASB released its new, revised

suite of quality management standards, including International Standard on Quality Management 1 (“ISQM 1”). Systems of quality management in compliance with ISQM 1 are required to be designed and implemented by 15 December 2022, and an evaluation of the system of quality management will be required to be performed within one year following that date.

The effective implementation of ISQM 1 is a key element of Deloitte’s global audit quality strategy. Deloitte Cyprus’s ISQM 1 implementation activities are well progressed, building on the multi-year investments and commitment already delivered to go beyond the requirements of the existing professional standards. Deloitte Cyprus continues 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 audit quality and driving continued advancements in quality control processes that will serve us well into the future as the environment within which we operate continues to evolve and become increasingly complex.

Consistent with Deloitte’s culture of continuous improvement and innovation, these standard setting activities provide the opportunity to challenge ourselves—examining those areas where we can further support and transform the system of quality control. Audit quality is always front and center, and robust audit quality monitoring and measurement processes play an integral role in our ability to continually improve.

Independence, objectivity, and professional skepticism

The execution of high quality audits requires independence, objectivity, and professional skepticism. This means a continuous and tangible focus on Deloitte’s critical role in serving the public interest, including creating a culture of quality where doing the right thing is of paramount importance. Deloitte consistently reinforces the important role of auditors as independent evaluators who must maintain a mindset of professional skepticism throughout the conduct of our work. This approach to the audit is reflected in Deloitte policies, methods, procedures, and learning, and is reinforced through quality control and accountability measures.



01

02

03

04

05

A

B

C

Ω

Audit approach

Deloitte’s approach to a high quality audit involves an audit methodology, common across the Deloitte network, supplemented by audit tools for use by our practitioners to plan, perform, supervise, review, document, conclude, and communicate the results of each audit. Deloitte’s audit approach is underpinned by professional standards and requirements under applicable laws and regulations.

This audit methodology is dynamic—it evolves continuously to keep pace with the changing demands of investors, companies, and other stakeholders. It recognizes that advances in the availability and management of large data sets and in statistical science are relevant to continuing to enhance the quality of Deloitte audits.

Deloitte audit methodology is risk-based, focusing on the financial statement account balances, disclosures, and underlying assertions that have a reasonable possibility of being materially misstated.

Processes to support Deloitte practitioners in the execution of high quality audits

The resources applied by Deloitte practitioners in the performance of their audits include the proprietary tools, guidance, materials, and practice aids used in conducting audits, which are available to all our practitioners in the Deloitte Global Technical Library, an extensive online library, and in our audit execution platforms. Deloitte regularly issues accounting and auditing guidance to our practitioners and communicates developments that should be factored into audit risk assessments and responses in order to maintain and drive quality audit execution.

Consultation

Quality and risk management considerations are integral to Deloitte’s audit business. That is why Deloitte views consultation as an essential, collaborative process—one that helps determine the most appropriate answers to complex questions. Deloitte has identified circumstances where consultation outside of the engagement team is required

in order to demonstrate an appropriate level of professional judgment and challenge.

Deloitte consultation policies require that conclusions are documented, understood, and implemented. Foundational to the effectiveness of the consultation process is Deloitte’s investment in consultation resources who have the appropriate skills and expertise. In addition to formal consultations, whenever engagement partners and teams need additional information or perspectives, they are encouraged to seek assistance from the Audit Quality team, or others in the organisation with specialised knowledge.

Deloitte Conditions for Success (DCS)

Deloitte’s commitment to audit quality is reflected in the DCS, five fundamental operating principles critical to the execution of high quality audits and effective risk management. Global DCS benchmarks provide firms with a baseline for measuring progress and driving improvements in these key areas and are monitored on an annual basis.



01

02

03

04

05

A

B

C

Ω≡



Deloitte is proud of its role supporting the capital markets, protecting investors and the public trust.



01

02

03

04

05

A

B

C

Ω

04

External and internal audit quality monitoring



01

02

03

04

05

A

B

C

Ω≡

External and internal audit quality monitoring

Audit Quality Monitoring & Measurement

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

The objective of the Deloitte Global Audit Quality Monitoring & Measurement (AQMM) program is to communicate relevant, reliable, and timely information to leadership in order to enable swift responsive remedial actions and continuous improvement in Deloitte's system of quality control. This includes the identification of deficiencies and good practices in the system of quality control and the assessment of the effectiveness of remedial actions in driving improvements in audit quality.

The AQMM programme is focused on driving:

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

Our AQMM programme comprises our internal reviews (including in-flight monitoring of live engagements, engagement reviews and monitoring of system of quality control), external inspections from various bodies, and causal factor analysis and remediation of findings from the above programmes.



01

02

03

04

05

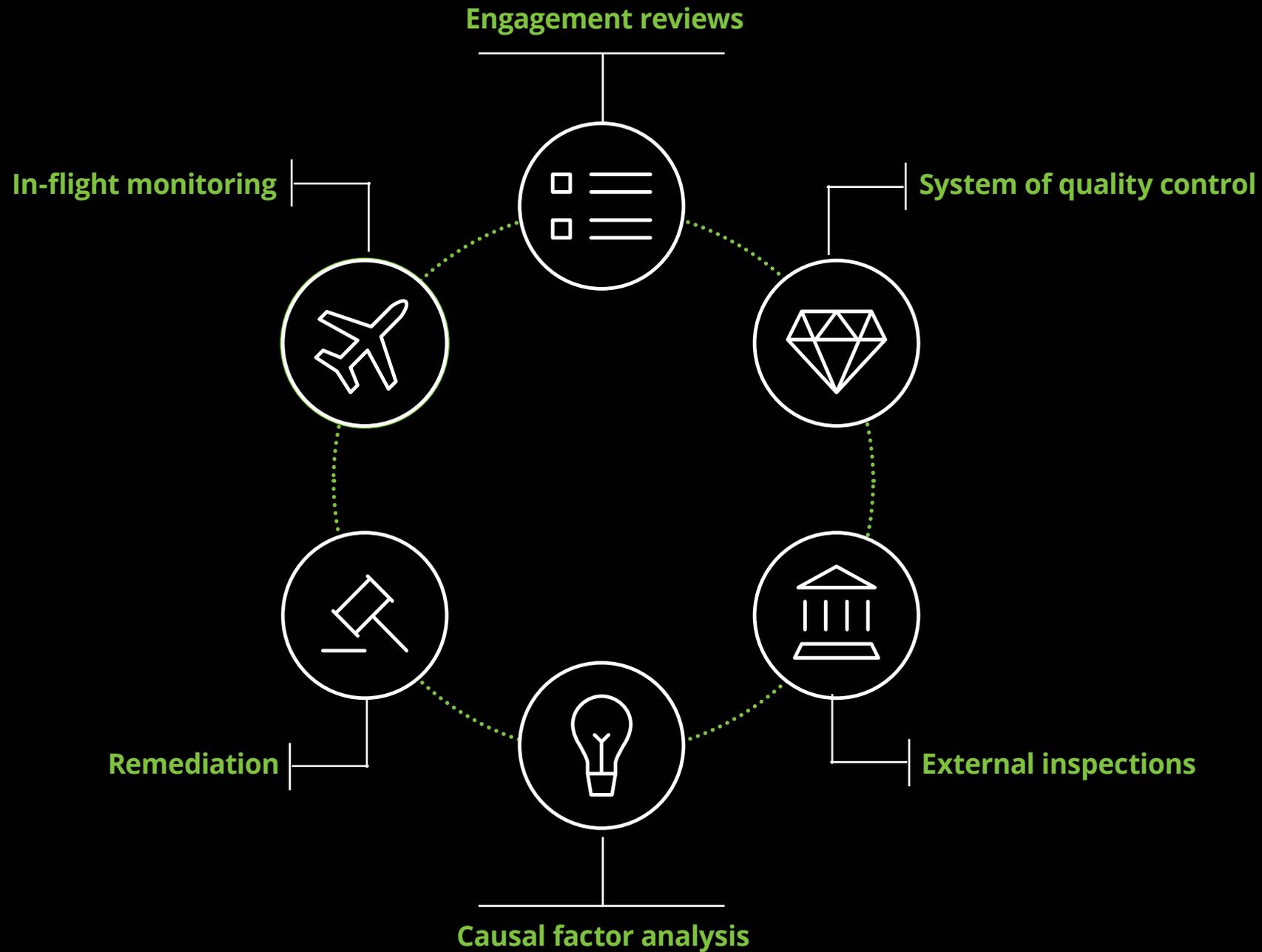
A

B

C

Ω

Audit Quality Monitoring & Measurement



01

02

03

04

05

A

B

C

Ω

In-flight monitoring

Continuous audit quality monitoring by Deloitte Cyprus involves the proactive identification of audit issues on in-flight engagements in order to drive timely solutions and take real time corrective actions. This is achieved through the following suite of activities:

- Deployment and monitoring of a series of core diagnostics, enabling engagement partners and teams, as well as Deloitte Cyprus audit quality leader(s) to continuously monitor audit quality and take immediate action.
- A program of subject matter specific “health checks” to assist Deloitte Cyprus audit quality leader(s) in assessing progress and identifying potential issues on in-flight engagements.
- Performance reviews of live engagements which allows Deloitte Cyprus to proactively identify and remediate any quality issues throughout the audit.
- In-flight monitoring results are evaluated overall to determine whether additional communication and support is needed for audit engagement teams with respect to adherence to the audit methodology or updates thereto.

Engagement reviews

At its core, our internal practice review programme determines whether we have complied, in all material respects, with the professional standards and the policies contained in the Deloitte Policies Manual (DPM) and Audit Approach Manual (AAM), as well as applicable professional standards and regulatory and legal requirements.

Wider than this however, it provides assurance over the level of quality delivered by a Deloitte audit and drives the culture of continuous improvement. In recognition of the importance of practice review, the firm has made a significant investment during recent years to implement and deliver a transformation programme.

Within the practice review programme there are two elements that work together to meet the overall aims:

- Individual Engagement Reviews (ER) that primarily assess compliance with the AAM
- System of Quality Control (SQC) review that primarily focuses on the firm’s internal processes to comply with the DPM.

Additional rigour and independence is brought through the oversight of an independent partner from another member

firm within the Deloitte network, together with independent engagement reviewers and the use of SQC subject matter experts from a central global team. Our overall aim is that our internal inspection will have at least the same scrutiny and rigour as that applied by our external regulators.

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

- Risk-based engagement selection and consideration of all major industries served by Deloitte Cyprus.
- Mandatory moderation panel to drive consistency in findings and engagement ratings.
- External partners and deputies, independent of Deloitte Cyprus, who provide oversight over the firm’s practice review programs to drive global consistency.
- Identifying appropriate resources (from within Deloitte Cyprus as well as from other Deloitte geographies) with the right experience and industry knowledge, including establishing central review teams.

Four Deloitte Cyprus engagements were reviewed as part of the FY21 practice review programme, all of which were assessed as compliant (as far as the significance of the



01

02

03

04

05

A

B

C

Ω



findings is concerned, the four engagements that were reviewed during FY21 had three medium and twelve low findings). The FY22 reviews are currently in progress for twelve engagements with the result so far that nine of the engagements reviewed were compliant with one non-compliant. The ten engagements concluded so far for FY22 had one high finding, eleven medium findings and eighteen low findings.

The primary themes identified as a result of analysis of engagement review findings for FY21 and FY22 were the following:

- Journal entry testing
- Conclusion and documentation for tests of details
- Conclude the audit - Going concern assessment
- Understand internal control - Evaluate the design and implementation of internal control
- Identification of risks
- Understanding and documenting the work of experts
- Consultation requirements

Causal factor analysis was performed. Deep-dive analysis and interviews of the engagement teams of all four engagements took place, with the following causes being identified:

- Policy/tools/aids/learning not used as intended.
- Professional skepticism and the reasoning behind it was not fully documented - risk related complacency.
- Project management - extent and level of documentation of audit work.

Causal factor analysis has also been performed on a selection of positive outcomes. The main factors identified that caused positive outcomes were the following:

- Compliance with Audit Quality Milestones
- Use of practice aids e.g. for controls testing, materiality, group audits, generic substantive procedures templates
- Continuous communication and face to face/ virtual meetings with component auditors
- Timely reviews by the audit engagement manager, partner and the EQCR

- Active involvement of specialists, IFRS experts, FAS team, etc
- Strong project management
- Staff engagement

In addition to the above, one PIE engagement was selected during FY22 for In-Flight review, which was rated as “Moderate Intervention” required.

Key observations from the in-flight engagement review included the following:

- Risk assessment
- Testing of controls

System of quality control (SQC) monitoring

SQC review includes numerous elements such as documenting key areas of the SQC processes and procedures and performing operating effectiveness testing of the SQC, including execution of a comprehensive SQC review program. Testing of the SQC is an integral part of the firm’s monitoring activities

Deloitte Cyprus is also preparing for the

future by focusing on readiness activities for monitoring related to implementation of ISQM1. These preparations are further advancing quality control processes and the approach to monitoring, and continually strengthening our culture of continuous improvement.

Audit Quality Indicators (AQIs), including the Deloitte Conditions for Success (DCS), are used in conjunction with other metrics to further assist Deloitte Cyprus in developing and monitoring audit quality action plans and reporting on the progress in its audit quality journey. AQIs are integrated with ongoing AQMM activities.

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

External inspections

In addition to our own monitoring of audit quality, we are subject to external reviews by the Cyprus Public Audit Oversight Board (CyPAOB) and the Institute of Certified Public Accountants of Cyprus (ICPAC).

The CyPAOB undertakes independent inspections of the overall quality of the auditing function in Cyprus in relation to listed and other public-interest entities (PIEs) as defined by the applicable law. During FY21 and FY22 one engagement file was selected for review (for each year) and both were assessed under category 2A, which means limited improvements required. One additional engagement will be reviewed during the last quarter of 2022. The main findings that arose from the engagement file reviews during FY21 and FY22 were in relation to the areas of:

1. Journal entry testing,
2. Understanding of the IT process and the financial statement closing process,
3. Information produced by the entity,
4. Reliance on work of specialists,

5. Use of management and auditor experts for properties valuations,
6. Internal audit,
7. Financial statement disclosures, and
8. Engagement quality control reviews

In addition to the engagement files, CyPAOB also performs annual reviews of our Firm Wide Controls (FWC) on a rotation basis. The main themes that arose from the areas of the FWCs the CyPAOB reviewed during FY22 were in relation to:

1. Partners appraisals,
2. Partners remuneration and linkage to audit quality, and
3. Monitoring of work load.

As far as the ICPAC reviews are concerned, Deloitte was inspected during FY22 and the review was concluded with ten out of twelve files reviewed being classified as Satisfactory (no file review was performed during FY21).

The main findings that arose from the above reviews during FY22 were in relation to the areas of:



01

02

03

04

05

A

B

C

Ω

1. Client continuance
2. Understanding the entity and its environment including systems & risk identification
3. Planning including risk assessment & devising audit approach
4. Materiality
5. Substantive testing
6. Analytical procedures
7. Subsequent events review
8. Review of financial statements
9. Communicating with those charged with governance
10. Communicating deficiencies in internal control

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

We welcome the CyPAOB’s increased focus on higher risk audits and their associated complexities. Our quality programmes focus on these audits and we consider our public interest role to be even greater here. We recognise and accept the CyPAOB’s findings on the individual inspections. We have performed independent root cause analysis on every finding and have taken action for all findings at the individual audit level as well as action across all our audits where we could experience similar findings.

In order to address these root causes we have taken significant action over the last year, building on the actions and programmes from prior years. We continue to invest in all these programmes and a summary of our actions is included here.

 **Causal factor analysis and remediation**

Continuous improvement is essential to Deloitte’s culture of quality and excellence. Understanding why deficiencies occur is critical to the design of effective actions to remediate findings. When deficiencies are identified, whether through internal

or external monitoring activities, actions are taken to identify gaps and appropriate remediation activities. Remediation is imperative to drive continuous improvement in audit quality and avoid future similar findings. An audit quality plan is prepared by Deloitte Cyprus and provides for effective implementation and monitoring of key audit quality priorities.

Statement on the effectiveness of the functioning of the internal system of quality control⁵

Deloitte Cyprus confirms we are satisfied that our internal quality controls and systems are robust, operate effectively, and allow us to readily identify any areas of potential enhancement. We continually seek to refine all aspects of our business and we use the findings of the practice review, other internal reviews, and external reviews and regulatory inspections to enhance our system of quality control.



⁵ Effective 15 December 2022, ISQM 1 will require an evaluation, at least annually, of the firm’s system of quality management, specifically whether the system provides Deloitte Cyprus with reasonable assurance that the objectives of the system of quality management are being achieved.

05

Independence, ethics and additional disclosures



01

02

03

04

05

A

B

C



Independence, ethics and additional disclosures



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 firms, as needed, with their annual SQC review and gives insights into global areas of focus. On a three-year cycle, Deloitte Global **Independence provides independence subject matter expertise that is leveraged during the firms' annual SQC review** as part of Audit Quality Monitoring & Measurement. In-depth follow-up reviews are conducted as needed.



Provides firms with **on-going independence expertise** through consultation—enabling continuous enhancements to global policies, procedural expectations, tools, and practice support activities.



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



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

01

02

03

04

05

A

B

C

Ω

Deloitte Cyprus Independence

Deloitte Cyprus has policies and procedures designed to address compliance with applicable professional standards, laws and regulations that relate to independence. These policies and procedures are based on the Deloitte Global Independence policy, and are supplemented, as appropriate, to reflect additional national or regional requirements that may be more restrictive than Deloitte Global policies. Deloitte Cyprus leadership reinforces the importance of compliance with independence and related quality control standards, thereby setting the appropriate tone at the top and instilling its importance into the professional values and culture of Deloitte Cyprus. Strategies and procedures to communicate the importance of independence to partners, other practitioners, and support staff have been adopted, emphasising each individual's responsibility to understand and meet the independence requirements. The Director of Independence is responsible for overseeing independence matters within Deloitte Cyprus, including the design,

implementation, operation, monitoring, and maintenance of the system of quality control related to independence.

As part of the firm's system of quality control, Deloitte Cyprus has:

- implemented responses (policies, procedures, and controls) to quality risks it has identified for its key independence areas;
- performed appropriate monitoring activities over its key independence areas; and
- has appropriate independence governance in place.

The firm's key independence areas include:

- Client, engagement, and business relationships, including use of the independence business process tools, the Deloitte Entity Search and Compliance (DESC) system, and the Service Request Monitoring (SRM) application

- Firm and personal financial interests relationships, including the use of the Global Independence Monitoring System (GIMS)
- Employment and other relationships
- Independence confirmations
- Independence consultations
- Independence-related policies, communications, and learning
- Breaches of independence requirements
- Disciplinary measures for failures to adhere to applicable independence requirements



DESC

Deloitte Entity Search and Compliance

Global, searchable database containing specific entity information relevant in determining personal and professional independence restrictions



01

02

03

04

05

A

B

C

Ω



SRM

Service Request Monitoring

Application integrated with DESC that provides a standard business process workflow for submitting and reviewing preapproval requests to provide services to clients



GIMS

Global Independence Monitoring System

Application that contains financial interests relationships data with relevant independence compliance indicators

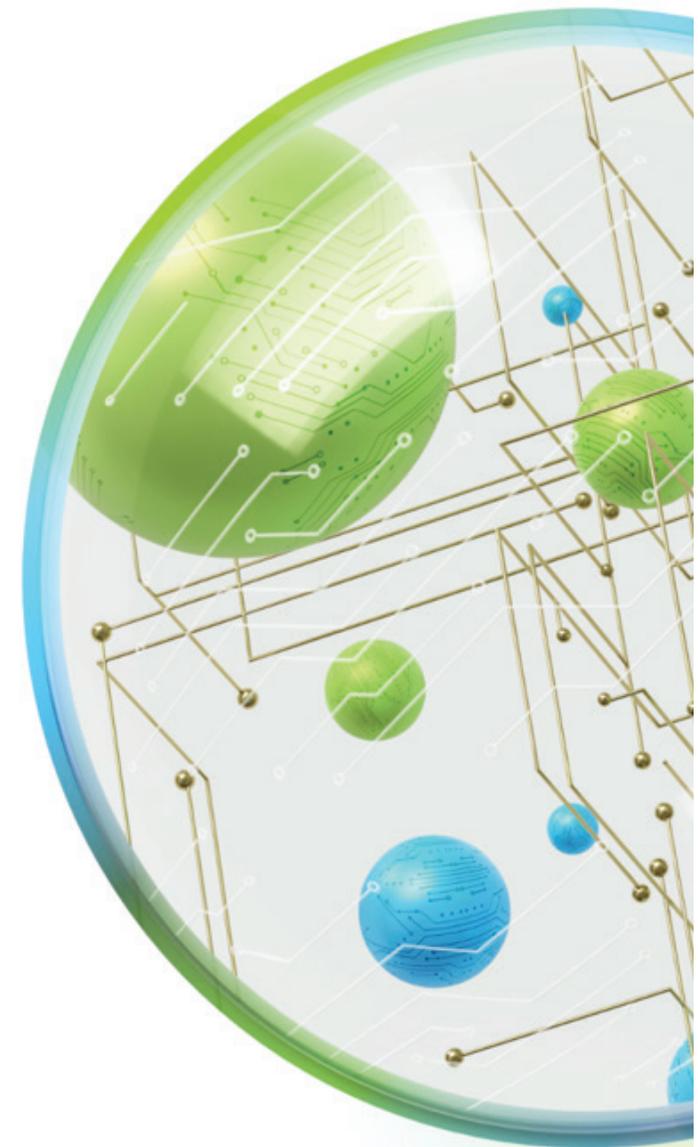
Long association requirements of audit partners and practitioners

The rotation of Key Audit Partners (KAPs) and Engagement Quality Control Reviewers (EQCRs) is intended to safeguard against familiarity and self-interest threats, which may impact an individual's objectivity and professional skepticism. Our rotation policies

require the KAPs and the EQCRs for all PIE audit clients to be rotated after seven consecutive years of service, whereas the audit engagement managers should be rotated after 10 consecutive years of service.

Based on the rotation rules for EU PIE audit clients, the KAPs and the EQCRs shall cease their participation in the statutory audit of the audited entity not later than seven years from the date of their appointment and they shall not participate again in that audit before three years have elapsed following that cessation (cooling-off period).

Furthermore, a rotation policy for the non-PIE audit clients has also been implemented within FY21, based on which audit engagement partners should cease their participation in the audit of the non-PIE entity not later than 10 years of their appointment (including any years where they have served as audit engagement managers) and they should not participate again in the audit of that entity before two years have elapsed following that cessation (cooling-off period).



01

02

03

04

05

A

B

C

Ω

Ethics

Every day at Deloitte, we seek to make an impact that matters to our people, our communities, and our clients.

All Deloitte people are expected to act with integrity in accordance with high ethical standards as described in the Deloitte [Global Principles of Business Conduct](#) (“Global Code”). The Global Code is embedded into each member firm’s Code of Conduct and defines the commitments that all Deloitte people make regarding ethical standards, as well as explaining each individual’s responsibilities to their clients, colleagues, and society.

NSE Code of Conduct

Deloitte Cyprus is aligned with the NSE Code of Conduct. The Code contains the standards for our business practices applicable to all employees, irrespective of geography, no matter their level, expertise, specialism, service line, function and for every single role that exists within Deloitte.

In addition to the Global Code, other foundational elements of Deloitte’s ethics

program include global policies, a program of training and communications, and established reporting channels supported by defined incident management protocols. For continuous improvement, regular program assessments and reviews are conducted, and feedback is collected from Deloitte people through an annual ethics survey.

Communication channels

Deloitte Cyprus offers a variety of communication channels, including a third-party helpline, through which partners, other professionals and support staff can consult on and report ethical issues and situations.

Ethical leadership

Ethics at Deloitte is led by the Deloitte Global Chief Ethics Officer at the global level, and by member firm Ethics Officers at the local level, who are experienced partners with direct access to the member firm’s CEO

Integrity is key to sustaining public trust. It is absolutely central to our profession and vital to the work we perform.



01

02

03

04

05

A

B

C

Ω

and governing body. Deloitte Global and member firm ethics leaders work together to continually monitor risk and to reinforce compliance with the Global Code. Deloitte Cyprus maintains policies and procedures that build on the global policies and are designed to provide reasonable assurance that its people comply with relevant ethical requirements.

The ethical requirements for audit and related assurance services provided by Deloitte Cyprus are in accordance with ICPAC Regulations. Deloitte Cyprus also complies with Deloitte Global policies and procedures, which align with the requirements and guidance set out in the international Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, a standard-setting body of the International Federation of Accountants (IFAC). When ICPAC are more restrictive than the Deloitte Global policies and procedures, Deloitte Cyprus follows the applicable ICPAC Regulations.

Ethics programme in Cyprus

Deloitte Cyprus reinforces its commitment to ethics and integrity through communication tools, learning programs, compliance processes, and measurement systems for all people. Learning includes targeted content for onboarding, manager promotion, independent contractors, and refresher programs every two years. Recent global training topics have included a focus on the importance of owning up to one's mistakes, navigating personal relationships in the workplace, and demonstrating respect, integrity and professionalism on social media, and courses have included a confirmation that professionals are aware that answers should not be shared with others and doing so would constitute a violation of the Global Code. In addition, Deloitte Cyprus conducts ethics reviews for senior leaders and requires all partners, other practitioners, and support staff to confirm annually that they have read and comprehended the member firm's Code of Conduct and understand that it is their responsibility to comply with it.



Deloitte.

Our shared values

We make decisions based on our shared values and expect our leaders and colleagues to do the same.

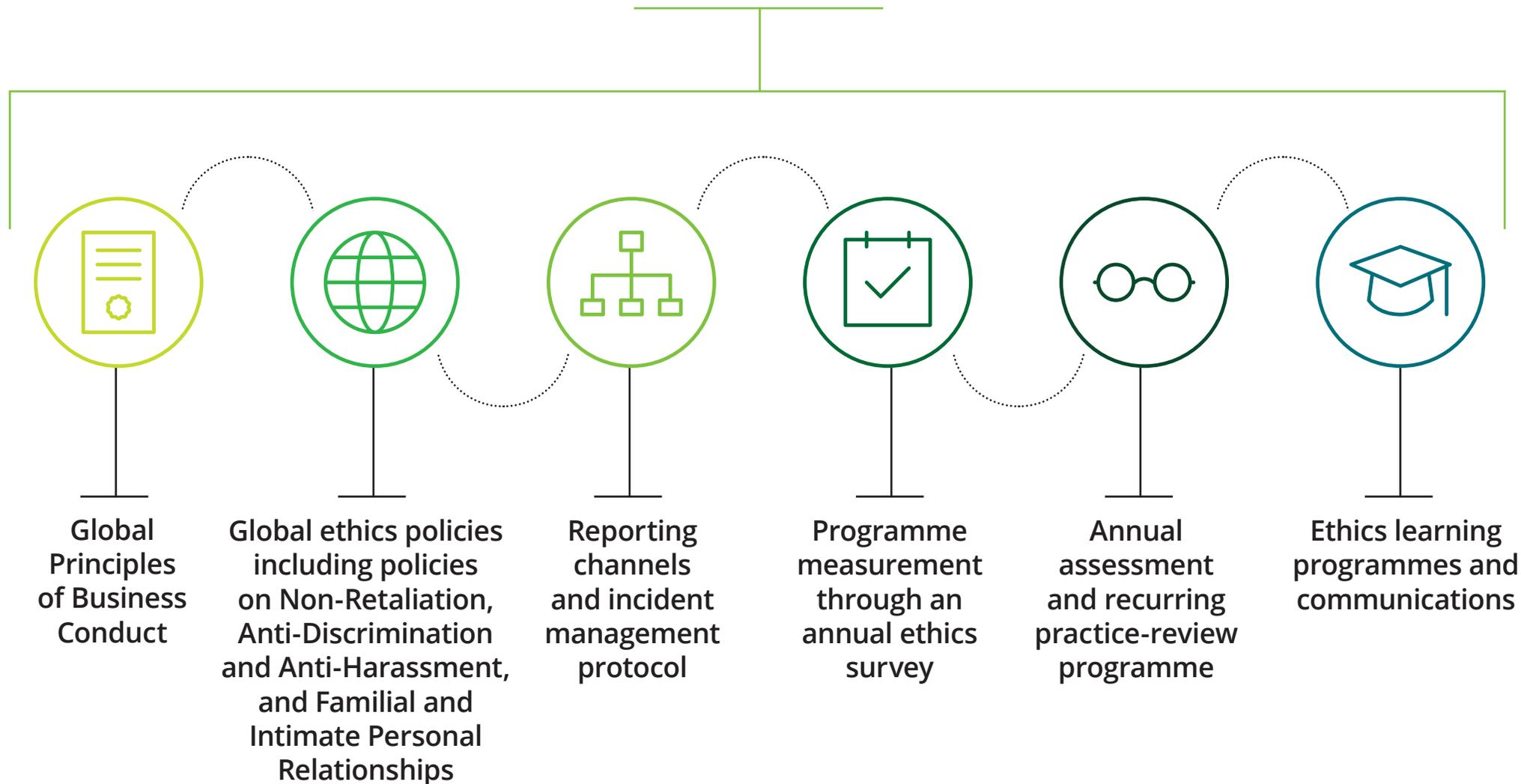


Deloitte Global Ethics

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 345,000 people, giving a strong, principled foundation. The foundations of the network’s ethics programme is comprised of the following elements:

Elements of the Deloitte ethics programme

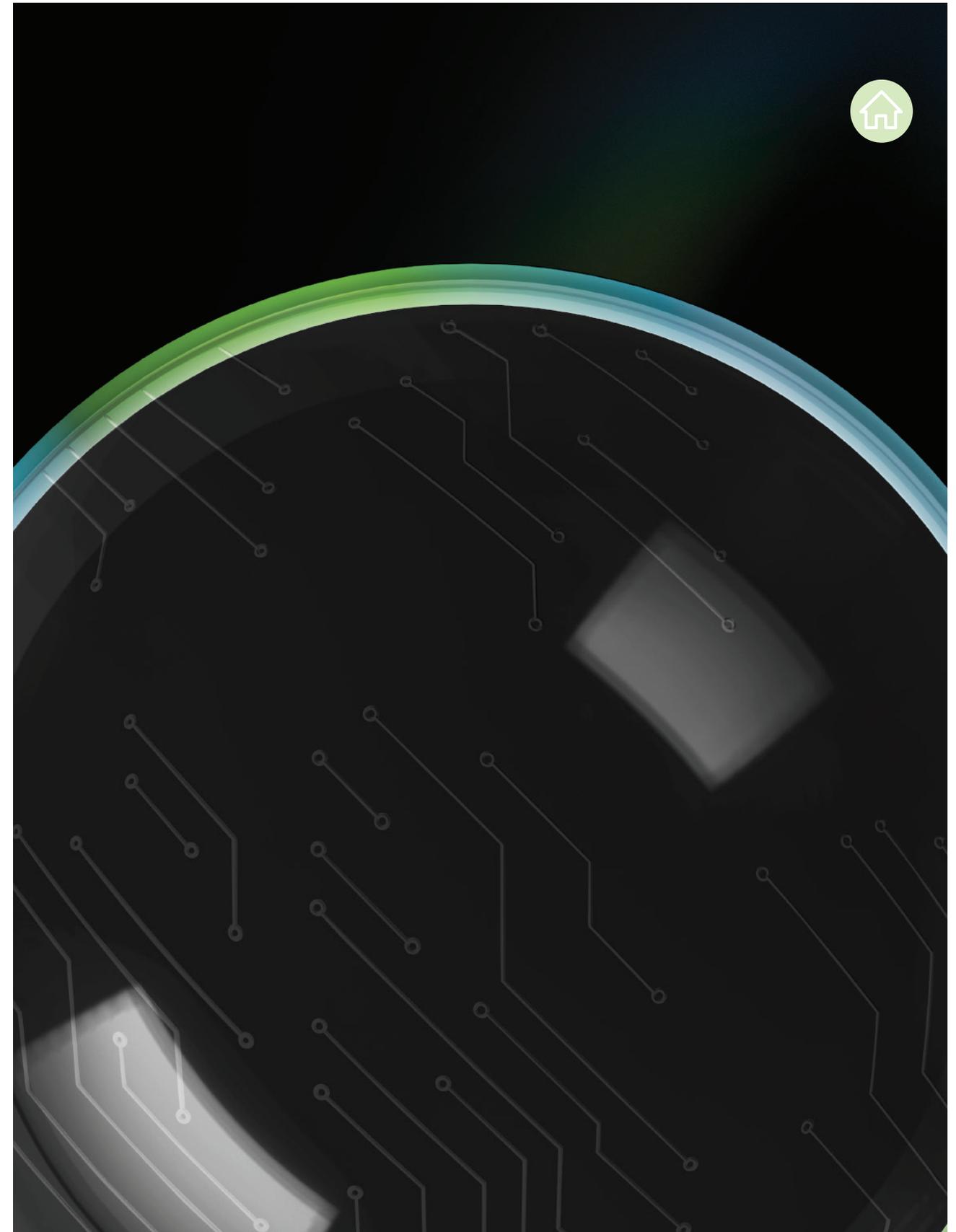


Shaping the future of the audit profession

The provision of relevant and reliable financial and, increasingly, non-financial information is critical to both the capital markets and broader society. Policy makers, regulators, investors, company directors, audit committee chairs, and auditors all have an important role so that users of corporate information have a clear and complete picture of uncertainties and risks in a company's business model to help support their informed decision making.

Uncertainty and complexity are set to remain a central theme over the coming years, driven by heightened global challenges and the rapid advancement of technology.

Deloitte is committed to establishing a meaningful vision for the future of the profession which addresses the shifting needs of society. We are proactively engaging with a range of stakeholders to bring innovation into the audit of today—as well as the audit of tomorrow—to support the audit, corporate governance and reporting regime in continuing to serve their purpose to enable confidence and trust.



Appendices



01

02

03

04

05

A

B

C



Appendix A | EU EEA audit firms

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

EU/EEA member state (Article 13.2 (b)(iii) EU Audit Regulation: the countries in which each audit firm that is a member of the network is qualified as a statutory auditor or has its registered office, central administration, or principal place of business)

Name of audit firms carrying out statutory audits in each member state (Article 13.2 (b)(ii) EU Audit Regulation: the name of each audit firm that is a member of the network)

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.
Denmark	Deloitte Statsautoriseret Revisionspartnerselskab
Estonia	AS Deloitte Audit Eesti
Finland	Deloitte Oy



01

02

03

04

05

A

B

C

Ω



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
	Cisane
	Constantin Associés
	D. Associations
	DB Consultant
	ECA Audit
	Opus 3.14 Audit et Conseil
	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.
Latvia	Deloitte Audits Latvia SIA
Liechtenstein	Deloitte (Liechtenstein) AG
Lithuania	Deloitte Lietuva UAB

01

02

03

04

05

A

B

C



EU/EEA member state	Name of audit firms carrying out statutory audits in each member state
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
Portugal	Deloitte & Associados, SROC S.A.
Romania	Deloitte Audit SRL
Slovakia	Deloitte Audit s.r.o.
Slovenia	Deloitte Revizija d.o.o.
Spain	Deloitte, 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: €2.1 billion ⁶

⁶ Amount represents an estimate determined based upon best efforts to collect this data. Certain Deloitte audit firms registered to perform statutory audits in respective member states provide statutory audit services as well as other audit, assurance, and non-audit services. While Deloitte endeavored to collect specific statutory audit turnover for each EU/EEA Deloitte audit firm, in certain cases turnover from other services has been included. The turnover amounts included herein are as of 31 May 2022, 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 2021 to 31 May 2022.



01

02

03

04

05

A

B

C



Appendix B | Financial information

Business performance

Our unwavering commitment to making an impact that matters, for our clients, our people and society, paved the way for another successful year for our firm. For the year ended 31 May 2022 (FY22), Deloitte achieved double-digit growth, despite the challenging external environment, both locally and globally. Revenues increased by 11% to €48.3 compared to €43.4 achieved last year.

If new business wins are a barometer of corporate well-being, then we enjoyed robust health in FY22. The firm has been able to win significant new projects in all five business areas, by building eminence amongst its teams. Delivering new and enhanced services that innovatively respond to the challenges faced by our clients continued to be the foundation of our multidisciplinary model serving our five core businesses.

Clearly defining and accelerating the implementation of strategic goals and initiatives aimed at penetrating emerging

markets and industries is our main focus. We are committed in our belief that in facing i) the uncertainty pervading the international business' sector, ii) the geopolitical turmoil and disruption in our neighbouring countries, and iii) the instability reflected in international political conditions, especially in the CIS region, our firm's resilience was fully tested and proven to be strong. With this resilience, we accomplished a range of considerable major achievements. Specifically, we have:

- increased our firm's revenues and improved our market position despite the adverse market characteristics;
- invested in areas that strengthen our ability to deliver core services to clients at higher levels of quality;
- transformed the organisational structure to address industry and country specific needs;
- optimised the full capabilities and further strengthened our multidisciplinary model by delivering innovative solutions and by introducing new service offerings; and



01

02

03

04

05

A

B

C



- adopted a brand strategy that is directly aligned with our aspiration to become the undisputed leader in professional services.

We expect our efforts and actions described above, to contribute in further enhancing our success pattern in FY23 and beyond, providing measurable returns; new markets, new industries, new services, albeit, on a larger scale. Going forward with a well-defined strategy, the firm enjoys the enviable position ready to take advantage of fundamental shifts - both technological and geographical - shaping our profession globally and of the growth potential offered by the Cypriot economy in the short, medium and longer term.

Becoming the undisputed leader in professional services and making an impact that matters will continue to be central to our business into the next decade as we live our Purpose.

Disclosure in accordance with Article 13.2 (k)(i)-(iv) of the EU Audit Regulation

Below is the breakdown of the Deloitte Cyprus' combined, not consolidated, turnover for the year ended 31 May 2022. The turnover excludes any expenses billed to clients and the turnover related to billings by other Deloitte member firms:

Turnover	€m
Statutory audit (PIEs or PIE subsidiaries)	0.9
Statutory audit (non-PIEs or non-PIE subsidiaries)	17.3
Non-audit services (audited PIEs or PIE subsidiaries)	0.3
Non-audit services (audited non-PIEs or non-PIE subsidiaries)	6.7
Non-audit services (other entities)	23.1
Total	48.3



01

02

03

04

05

A

B

C

Ω≡

Appendix C | Public Interest Entities

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

Public Interest Entities Audited for Statutory Purposes by Deloitte Limited in the Financial Year 2022:

	FYE ⁷
ALPHA BANK CYPRUS LIMITED	31/12/2021
ANCORIA BANK LIMITED	31/12/2020
BANK OF BEIRUT S.A.L. (Cyprus Branch)	31/12/2020
BANKMED SAL (Cyprus Branch)	31/12/2020
BANQUE BEMO SAL (Cyprus Branch)	31/12/2020
BANQUE SBA (Cyprus Branch)	31/12/2021
C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED	31/12/2021
COMMERCIAL GENERAL INSURANCE LIMITED	31/12/2021
CPLP SHIPPING HOLDINGS PLC	31/12/2021
ETALON GROUP PLC	31/12/2021
HMS HYDRAULIC MACHINES & SYSTEMS GROUP PLC	31/12/2021

	FYE ⁷
IBL BANK S.A.L. (Cyprus Branch)	31/12/2020
JORDAN KUWAIT BANK (Cyprus Branch)	31/12/2021
JORDAN AHLI BANK (Cyprus Branch)	31/12/2021
KEO PLC	31/12/2021
LORDOS UNITED PLASTICS PUBLIC LIMITED	31/12/2021
LOUIS PLC	31/12/2021
O1 PROPERTIES FINANCE PLC	31/12/2019
PHILOKTIMATI KI PUBLIC LTD	31/12/2021
THE CYPRUS DEVELOPMENT BANK PUBLIC COMPANY LIMITED	31/12/2021
THE LONDON P&I INSURANCE COMPANY (EUROPE) LIMITED	20/02/2022



01

02

03

04

05

A

B

C



⁷ Financial Year End

Contacts



Pieris Markou
Chief Executive Officer
Tel: +357 22 360607
pmarkou@deloitte.com



Maria Paschalis
Audit & Assurance Leader
Tel: +357 22 360656
mpaschalis@deloitte.com



Andreas Andreou
National Professional Practice
Director, Audit & Assurance
Tel: +357 22 360686
aandreou@deloitte.com



Alexis Agathocleous
Audit Risk Leader,
Audit & Assurance
Tel: +357 25 868710
alagathocleous@deloitte.com



01

02

03

04

05

A

B

C





This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte & Touche (M.E.) LLP (DME) is the affiliate for the territories of the Middle East and Cyprus of Deloitte NSE LLP (“NSE”), a UK limited liability partnership and member firm of DTTL.

Deloitte Limited, a private limited liability company registered in Cyprus (Reg. No. 162812) is the sub-licensed affiliate of Deloitte NSE for Cyprus. Deloitte Limited is among the leading professional services firms in Cyprus, providing audit & assurance, consulting, financial advisory, risk advisory, tax and related services, as well as a complete range of services to international businesses through over 750 people in Nicosia and Limassol. For more information, please visit www.deloitte.com/cy.

Deloitte provides industry-leading services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s more than 345,000 people worldwide make an impact that matters at www.deloitte.com.

Deloitte Limited would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte Limited accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Offices: Nicosia, Limassol

© 2022 Deloitte Limited