



Network challenges and responses

Deloitte's reputation is influenced significantly by our ability to deliver consistently high-quality audits in every market and to every client, and to responsibly remedy instances when applicable standards are not met. During fiscal year 2017, Deloitte made significant efforts to enhance audit quality and address certain inappropriate conduct from past years that were wholly incompatible with Deloitte's culture and our commitment to the highest professional standards.

In December 2016, Deloitte Brazil and the US Public Company Accounting Oversight Board (PCAOB) settled a matter related to audits of two companies and certain inappropriate conduct in the course of a PCAOB inspection and investigation. As soon as Deloitte Brazil became aware of inappropriate conduct, each of the individuals at issue was suspended and subsequently separated from the firm. Deloitte Brazil is implementing a robust remediation plan that addresses the identified issues and strengthens the firm's ability to deliver consistent, high-quality audits that comply with the highest professional standards going forward.

Other matters addressed in fiscal year 2017 in the Deloitte network included matters related to the timely archiving of work papers and certain deficiencies involving independence. Technological enhancements have been put in place throughout the network to protect the integrity of archived working papers, and significant changes and improvements in systems of quality controls related to independence have been made.

In addition to changes implemented at local levels:

- Deloitte Global Audit imperatives have been adopted across the Deloitte network. They include actions and considerations that should be taken on all engagements to help achieve the highest standard of professional excellence.
- Deloitte's Global Center of Excellence for Audit Quality (GCoE), established in FY2016, aims to assist firms in the Deloitte network in creating greater consistency, enhanced audit quality and stronger accountability. The GCoE has engaged in activities to align global policies and guidance, deliver audit quality and regulatory updates, perform practice reviews, provide PCAOB inspection and remediation support, and develop and deliver focused learning.
- An enhanced, comprehensive approach to the monitoring and measurement of audit quality has been developed and adopted by all member firms. The program includes executing a number of interrelated activities which results in a globally consistent level of rigor in the assessment of audit quality and the approach to address and remedy any noted deviations from professional standards.

We remain committed to [working with regulators](#) around the world to ensure Deloitte professionals are operating in accordance with the highest professional standards and delivering the highest-quality service to our clients. We also continue to proactively [strengthen our culture of integrity](#) stressing quality and consistency across the network.

Contact us

GlobalReport@deloitte.com

Learn more

globalreport.deloitte.com

Stay connected



Deloitte.

"Deloitte," "we," "us" and "our" refer to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 264,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Touche Tohmatsu Limited.