

Director talent standard

Audit

Building a *globally uniform level of quality and capability* in our core services so that our clients experience a *consistent, exceptional Deloitte* is critical to become the undisputed leader in professional services. The following standard defines the capabilities required at the Director level for our Audit business.

Leadership capabilities

We expect practitioners at all levels to embrace and live our purpose by challenging themselves to identify issues that are most important for our clients, our people, and for society and *make an impact that matters*. There are seven Leadership capabilities that we require from all Directors across the organization, regardless of service line. Behavioral anchors for each capability are described below.

Capability	Description	Behavioral anchors
Living Our Purpose	Fosters broad commitment to our purpose and values; inspires peers and teams to make an impact that matters	<ul style="list-style-type: none"> Recognized as a leader who personifies our purpose and values Brings the best of Deloitte to deliver exceptional value to our clients, colleagues and communities Promotes a sense of community and inspires others to live our purpose
Talent Development	Manages the development of a strong pipeline of talent for current/ future success; owns and drives a talent experience that differentiates Deloitte	<ul style="list-style-type: none"> Identifies emerging talent needs based on business objectives and leads the development of a strong pipeline of talent and future leaders Actively supports the development of leaders at all levels, including peers Uses a wide array of approaches to build and sustain a distinctive talent experience that differentiates Deloitte
Performance Drive	Builds a high performance culture by cultivating individual and team strengths; drives outstanding client service, often through large cross-business and/or cross-border teams	<ul style="list-style-type: none"> Provides visible leadership to build and sustain a high performance culture, creating opportunities to capitalize on individual and team strengths Brings together the right mix of diverse cross-business and cross-border teams to deliver the best of Deloitte to our clients Holds people and teams accountable to deliver superior results and provides the right incentives and recognition to drive excellence
Influence	Builds long-term, trust-based relationships with senior stakeholders and influencers, and uses highly developed influencing skills to drive impact, often in complex situations	<ul style="list-style-type: none"> Draws on their extensive internal/ external network to build coalitions and gain support for proposals Makes persuasive arguments and seeks 'win-win' solutions that meet the needs and interests of key stakeholders Stands their ground in difficult situations; navigates challenging interpersonal or organizational dynamics while maintaining productive long-term relationships
Strategic Direction	Sets & communicates strategic direction, excites people around the vision and goals and aligns diverse, cross-functional and cross-border teams to achieve success	<ul style="list-style-type: none"> Articulates a compelling strategy and vision for the business/service/ service line in alignment with Global, Business and Member Firm strategies Energizes people across diverse, cross-functional and cross-border teams on the vision and aligns people around shared direction and goals Anticipates change and makes bold strategic choices for the future
Competitive Edge	Anticipates market and competitor trends to develop and deliver bold and innovative solutions that differentiate Deloitte with clients	<ul style="list-style-type: none"> Understands business strategies of key players and can anticipate and plan for their competitive moves Anticipates future trends and leads development of innovative products and services Challenges and mobilizes peers and teams to develop and embrace market-leading solution(s)
Inspirational Leadership	Leads from the front, acting as an exemplary role model for leaders at all levels; promotes a strong sense of loyalty and followership and energizes others to act	<ul style="list-style-type: none"> Motivates and energizes diverse, cross-business and/or cross-border teams with ample positive energy and proactivity Inspires people to be their best and exemplifies the kind of leader people want to work with Engages individuals at all levels of the organization and sets a tone at the top that fosters integrity, respect, and appreciation of strengths and differences

Technical and Professional capabilities

Below are the Technical and Professional capabilities for Audit Directors:

Capability	Definition	Behavioral anchors
Stakeholder Focus	Anticipates the implications of the future regulatory and risk advisory landscape to meet the diverse needs of senior stakeholders	<ul style="list-style-type: none"> • Leverages their eminence to build trust and challenge organisations, both new and existing relationships, on their business processes whilst striving to maintain stakeholder relationships • Creates new propositions by providing an objective point of view about the dynamics of the regulatory and risk landscape and the implications for the entity
Become experts in risk assessments and audit responses	Applies expertise in risk assessment, including understanding of the industry and economic environment, to lead the team in obtaining deep understanding of the entity's processes and controls and planning appropriate audit responses	<ul style="list-style-type: none"> • Critically evaluates whether planned audit procedures are tailored to appropriately respond to both normal and significant risks identified • Executes review of internal control documentation early in the audit cycle so that procedures and conclusions are clear, and to allow for timely identification and evaluation of control deficiencies and related changes to planned substantive procedures • Engages the entity's management team in topical horizon scanning discussions. Shares perspectives on the future direction of corporate reporting and the impact that market disruptions may have on their business • Shares industry knowledge and other economic and business knowledge with the engagement team during planning, to help with risk identification, including fraud risks. Drives the team to adopt a mindset of professional scepticism that is alert to conditions that may indicate misstatements • Directs the engagement team in the identification and articulation of significant risks and the planned responses to those risks, including those that will be mentioned in the Audit Committee Paper and/or Enhanced Audit Report. Drives and checks for consistency between the audit file and the externally issued reports • Challenges teams to consider changes that would improve risk assessment procedures by discussing the risk assessment during the engagement team discussions. Reviews documentation to determine that improvements have been implemented and documented
Integrate engagement teams and manage referred work	Secures and leads a balanced engagement team, including experts and specialists, with the competencies to execute an audit of the highest quality	<ul style="list-style-type: none"> • Understands the expert's field of expertise sufficiently well to determine the nature, scope and objectives of their work. Explicitly evaluates the competency, capability and objectivity of the expert to perform that work and the adequacy of the work performed • Understands the experts'/specialists' procedures, conclusions and the basis for the judgements through discussion and review of documentation. Discusses the impact of findings • Leads the performance of joint activities with specialists early to identify risks, understand relevant controls and substantive procedures, and agree on the division of responsibilities, including planned tests of IPE. Promotes effective two-way communication and integration with specialists early in the audit cycle • Holds in-person meetings with component auditors to discuss current areas of focus and how those areas will be addressed during the current audit. Reviews documentation of the oversight of component auditors and checks for completeness. Communicates the importance of component auditors implementing the Global Audit Imperatives on their engagements • Leads team in planning where other assurance work might be needed to help meet the entity's identified need. • Where required engages with other assurance specialists in a timely manner – for example, may consider whether sustainability factors require extended assurance • Is sufficiently acquainted with the engagement partners assigned to significant components to enable effective collaborative working; follows the appropriate policies and requirements, including understanding their qualifications and experience

Make appropriate use of tools, guidance and methodology

Directs and steers the team to ensure that tools, guidance and methodology are used to deliver all phases of the audit effectively

- Drives the audit team in a robust approach to revenue testing by: utilising process flow diagrams for material revenue streams, gaining a deep understanding of the entity's recognition policies and how they relate to terms and conditions, actively considering the appropriateness of a controls reliance approach, and developing a tailored approach to address the risk of fraud
- Drives the team to adopt a robust approach to journal entry testing, linking the selection of characteristics of interest to the fraud discussion and leveraging computer-assisted auditing techniques where appropriate
- Navigates EMS with ease to perform effective reviews of documentation and the audit approach
- Steers the team in performing robust substantive procedures, making full use of new innovation tools, and asks questions to check their understanding of work performed

Manage project plans to optimize engagements

Holds self and the team accountable to the project plan and provides strategic direction through the use of measurable goals and milestones, actively monitoring the results of the plan

- Holds self and the team accountable to the project plan through the use of measurable goals
- Performs early primary, overriding or EOC reviews prioritising challenging areas to help facilitate the application of professional scepticism; raises succinct review notes such that it is clear how the matter is to be addressed. Discusses more complex areas with the engagement team to agree further work
- Leverages engagement team based learning to challenge how the audit plan will optimise audit execution, including use of project management resources, optimisation of interim work, use of new innovation tools and resources including Centres of Excellence/Analytics and integration
- Shares the audit plan and establishes project management protocols, including review expectations, and practices early in the audit and communicates these with the extended engagement team
- Actively monitors the results of the plan including the engagement team's compliance with Audit Quality Milestones
- Volunteers to pilot audit innovation and improvement opportunities on audit engagement, including next generation applications, audit analytics or other engagement delivery methods
- Modifies the project plan to reflect changes in scope due to issues faced during the audit process with full understanding of the consequential impact on the extended engagement team
- Exercises oversight of the file closedown and archival process including timely filing of paper documentation

Formulate reasonable judgements and conclusions in order to deliver informative and timely outputs

Leads by example when making professional judgements by asking probing questions, challenging, reviewing work in a timely manner and instilling an attitude of professional skepticism in the engagement team

- Identifies areas of the audit where the most significant judgements have been made and challenges whether documentation demonstrates the application of professional scepticism, without over-relying on prior audit knowledge or management's representations, and fairly reflects the application of the concepts applied in reaching a conclusion
 - Facilitates application of professional scepticism by driving early consultation with relevant facts in areas where consultation is either mandatory or necessary for the relevant experience, objectivity and knowledge to be applied in forming a judgement
 - When reviewing work, considers whether guidance material in relevant guides, practice aids, authoritative literature and tools has been demonstrably applied to support the conclusions reached
 - Checks appropriate documentation is retained on file to support discussions of significant matters with management, those charged with governance and others, and that the documentation includes their own involvement
 - Role models professional judgment and scepticism by asking probing questions and reviewing work in a timely manner. Shares situations from professional experience to help educate the engagement team. Discusses potential biases and barriers to scepticism
 - When reviewing a judgement, considers the application of professional scepticism by assessing the consistency between the effort spent in the process of forming the judgement, the extent of documentation relating to it, and the significance and complexity of the judgement reached
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**Apply Ethical
and
Professional
Standards**

Acts as a role model of ethical behaviour, challenging unethical behaviour, and ensuring that every aspect of the audit is compliant with the firm's standards

- Provides the engagement partner with all the facts before recommending acceptance of new work and sufficient evidence is gathered to support completion of client acceptance procedures. Is able to negotiate appropriate fees and liability caps
 - Reviews independence risks associated with potential assurance options. Puts safeguards in place to address threats prior to acceptance and consults with the Ethics Partner where there is doubt about the acceptability of an engagement
 - Commits to professional competence by keeping up to date with international professional practice developments (for example, regarding independence) and using knowledge of accepted practice in industry sector, and applies them to their engagements
 - Drives the application of professional scepticism and commitment to audit quality, individually and together, through encouraging the relentless gathering of facts on the part of the engagement team, and alertness in reviewing those facts and the judgements made based on them, even at busy stages of the audit
 - Commits to professional competence by participating in delivering Essential Professional Update, EQCR webcasts or other technical training, providing accurate and relevant advice to colleagues and contributing to the firm's industry or sector content
 - Exercises oversight of the firm's practice protection procedures, as they apply to their engagements, including the take-on process, updating of RED/ARM, quality control reviews
 - Completes compliance training and responds promptly to compliance requests by deadlines. Understands their personal independence responsibilities, including business relationships, and complies with them
 - Encourages discussion of ethical behaviours and supports others in the application the firm's ethics policy; appropriately challenges observed unethical behaviour
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