

Governance

Our commitment to ethics

Our leaders see 'doing the right thing' as a fundamental principle, which is not just in the interest of our people and our clients, but also in the public interest.

Ethics and integrity are at the core of our business and important to the reputation of our firm.

Our commitment to independence, ethical behaviour and compliance is demonstrated by the tone set by our leaders, and is reinforced by carefully and consistently implementing and monitoring comprehensive policies and procedures.

Upholding ethics

The expectation to act with integrity in accordance with high ethical standards is at the core of everything we do. To this end our Global Code of Business Conduct (Global Code) and our Africa Code of Professional Conduct outline the commitment we make and the standards we adhere to as Deloitte professionals. We take any breach of these commitments and standards seriously, and any breach may result in sanctions determined in accordance with the Deloitte Africa disciplinary framework.

A dedicated Chief Ethics Officer is appointed to drive our ethics strategy and programme.

We strongly believe that the tone at the top is critical to our ethics culture and as such leadership demonstrates ethical leadership not only in word but also in the decisions and actions. As part of the drive to ensure an ethics culture, our Chief Ethics Officer regularly facilitates conversations with all partners and directors on topical issues. In the past year the conversation centred on 'Respect and Inclusion' and 'Responsible Business'.

A network of Ethics Champions has been established across the Firm to assist in driving our ethics messaging throughout all businesses and all regions across the continent.

Our annual ethics survey confirmed that 98% of respondents believe that Deloitte is an ethical workplace. The survey identified potential blind spots, which enables the ethics team to address these through targeted interventions. The Chief Ethics Officer shares the survey results with all Deloitte professionals, and presents both the results and an action plan to the Executive and the Board.

In addition to our Deloitte Africa Code of Professional Conduct, we have a number of internal policies to guide behaviour. These include Anti-corruption, Anti-harassment and Anti-discrimination, Anti-retaliation, Gifts and Entertainment and Consensual Personal Relationships. Our Anti-corruption policy was updated and confirms our zero-tolerance stance on bribery and corruption in compliance with local and global anti-corruption laws and regulations. All staff are required to complete ethics learning on an annual basis to ensure we drive awareness and a culture of ethics and integrity.

The 'Deloitte Speak Up' platform provides a confidential channel through which ethics concerns can be raised. All reports are independently investigated, and action is taken where required. The Chief Ethics Officer presents a report on the outcome of all Speak Up reports to the Executive and the Board. A targeted communication strategy resulted in increased ethics awareness and a concomitant increase in the number of Speak Up reports over the past year.

Deloitte Africa Independence

The professional services industry took root and blossomed when the capital markets determined that there was a unique, material value in hiring independent professionals to help protect the public interest. Today, external auditor independence continues to be vital to the public's trust in the integrity of the financial reporting ecosystem.

Independence is the foundation of the firm's external audit business and is the cornerstone of the Deloitte culture. It is key to the firm's success and is deeply embedded in everything we do – it is a mindset and a behaviour, not merely a compliance checklist. All professional staff have an individual ongoing commitment to independence, just as much as any other professional aspect of fulfilling their roles at the firm.

Independence is however not an audit-only concern. It is a firm concern. Our independence with respect to external audit clients is not negotiable and it is as key to our success as quality client service. Our firm and all its professionals personify an independence mindset. In practice, this means that we meet the expectations of our regulators in everything we do collectively and individually, from how we serve our clients to how we manage our firm and personal financial and business relationships.

The Global firm has developed an independence policy which is primarily based on the requirements of the International Ethics Standards Board for Accountants and the Public Company Accounting Oversight Board. Furthermore, local requirements of country specific external audit regulators and other legislation (including Companies Act requirements) have been included. The independence policy covers requirements that both the firm and professional staff (including their immediate family members) need to adhere to.

The independence policy has been updated in the past year based on regulatory changes of the aforementioned requirements. Further changes to the regulatory requirements are expected in the coming months, specifically on non-assurance services and fees for certain audit clients – the firm's policy will be aligned accordingly. Any breach of independence policies is taken seriously, and may result in sanctions determined in accordance with the Deloitte Africa disciplinary framework. A dedicated Director of Independence is appointed to oversee firm and staff compliance with the independence requirements. Support is provided by an Independence network that was established within all our businesses and regions across the Africa continent.

Several systems of quality controls were developed by the Global firm to assist with the compliance and monitoring of independence requirements. These have been supplemented by the development of local systems of quality controls, where necessary. Over the past year, these have been fully centralised across the Africa regions to drive consistency.

Independence declarations

Electronic independence declarations are completed by all staff annually whereby they confirm that they have fully complied with all aspects of the firm's independence policies over the past 12 months. Similarly, each new hire completes a declaration upon joining the firm, confirming their understanding of the firm's independence policies after receiving extensive training on these. The firm also signs an annual confirmation to the Global firm, confirming firm independence compliance over the past 12 months.

Global independence monitoring system (GIMS)

The GIMS records and monitors the personal financial interests of all partners, directors and client-facing professionals of manager grade and above, including those of their immediate family members (spouses or spousal equivalents, and dependents). The system records and monitors the personal financial interests of about 2 000 GIMS users that fall within the brackets for quality monitoring. This is primarily to ensure that our client facing professionals and their immediate families do not hold prohibited financial interest in our clients.

In 2021, partners and staff were subject to financial penalties of over R1 million across our Africa Member Firm. Most of these occurrences related to individuals missing deadlines to report financial interests or business relationships.

Business relationships monitoring system (BRMS)

The BRMS records the business relationships of the firm and all staff and monitors compliance with independence policy. All proposed relationships require pre-approval through our BRMS, and certain relationships are re-evaluated and approved on an annual basis.

Inspection and testing

A sample of partners, directors and client-facing professionals of manager grade and above are selected for independence inspection and testing annually. The individual's personal compliance with the firm's independence policies is evaluated, including the accurate completion of their independence declarations and GIMS and BRMS records.

Deloitte entity search and compliance (DESC) system

The DESC system contains group structure information of all the firm's audit clients. Any new proposed non-audit service for any audit client or its affiliate is submitted to the relevant audit partner, whose role is to ensure that the scope of services complies with the relevant independence policies, and that it falls within the scope preapproved by the entity's audit committee. This is facilitated through the Service Request Monitoring (SRM) application within DESC. The information contained in the DESC system is continuously updated to ensure its accuracy and completeness. The system also allows all staff to confirm the permissibility of a new personal financial interest, before the acquisition is made.

Client & engagement acceptance monitoring

A sample of partners and directors are selected for an in-depth assessment of the individual's compliance with independence policy related to client and engagement acceptance processes.

Consultation system

Subject matter experts are available to all staff for consultation on independence matters. A record of the consultation, with supporting documentation and evidence, is available within a consultation system for future reference.

Independence learning and awareness

All staff are required to complete independence learning when joining the firm and on a continuous basis, to ensure the firm drives awareness of the independence policies and the different available systems of quality controls. Over the past year, learning courses were updated to reflect the changes in independence policy. In addition, several messages from Leadership on independence were communicated to all staff.

Reporting

The Director of Independence presents an annual report on independence compliance to the Executive and the Board.

The key elements of the system of quality control that Deloitte Africa implemented in accordance with global independence policies include the following:

- Engagement acceptance and monitoring
- Monitoring long association of partners and professionals with audited entities
- Business relationship assessments and monitoring
- Use of independence business process tools, including the Deloitte Entity Search and Compliance (DESC) system, the Service Request Monitoring (SRM) application, and the Global Independence Monitoring System (GIMS).
- An Inspection & Testing programme, and annual and special purpose independence confirmations, to monitor individuals' compliance with independence requirements
- Consultation processes including the identification of individuals who are to be contacted for independence matters
- Procedures to identify and analyse non-compliance with independence requirements and apply related disciplinary measures and actions
- Independence-related learning and communications

Long association requirements of audit partners and professionals

Long association requirements of audit partners and other professionals are currently tracked via the portfolio allocation processes.

Our Portfolio Board debates and decides on the partner, engagement quality control reviewer and team allocation to our listed client portfolio, considering industry experience and capabilities, quality history, workload and business chemistry.

Long association requirements of audit partners are a key consideration when allocating a partner to a client. We have further invested in a portfolio management system which is currently in development. Going forward the rotation requirements will be built into the portfolio management system and provide a real time control to pro-actively alert the business to upcoming rotation requirements.

Privacy

We align our privacy programmes with leading accountability practices, for data-protection compliance. We work closely with the Deloitte Global Privacy and the Deloitte Global Public Policy and Regulatory teams to monitor new privacy developments affecting our clients and our firm. We also continually review available mechanisms to better facilitate and safeguard data transfers.

Confidentiality

We are dedicated to continually improving how we safeguard client confidential information and internal information about our people and operations. We work with the Deloitte Global Confidentiality team to shape a globally consistent approach. Our confidentiality leaders use a variety of strategies – for example, maturity assessments, cutting-edge technology, communication and training – to consciously shape a culture in which every Deloitte professional feels a sense of ownership in their role of protecting confidential information.

Cyber-security

The risk of a malicious cyber-attack or breach of security is an area of considerable focus. Such an event could result in Deloitte's data, or that of our clients, being lost, corrupted or disclosed to unauthorised parties, or it could prevent the firm from doing business as normal. The firm has implemented a process of monitoring, review and continuous improvement in response to this growing risk.

Africa Board and Executive Committee

Strong governance and leadership is the foundation of our firm: determining our Purpose and Strategy; setting the tone for ethical and responsible decision-making throughout the firm; and ensuring transparency and accountability to external stakeholders and to our people.

Deloitte Africa is governed by the Deloitte Africa Board, composed of Independent Non-Executive Directors, ex-officio Executives, and a cross-representation of partners of the firm. The Board provides oversight on key matters including governance, strategy, alignment to the Global firm, transformation, risk issues and regulatory matters.

The Board comprises of the below committees, which meet regularly in accordance with a workplan and report to the Board on their activities.

- Partner/Director Admissions Committee
- Direct Entry Admissions Committee
- Audit Committee
- Risk & Compliance Committee
- CEO & Chair Evaluation and Remuneration Committee
- Social, Ethics & Diversity Committee
- Partner/Director Remuneration Committee
- Africa CEO Nominations Committee

Africa Board Members



Ruwayda Redfearn
Chair
Africa



Olufemi Abegunde
Deputy Chair Africa
(1967-2021)



Nikiwe Bikitsha
Independent
Non-Executive



Ory Okolloh
Independent
Non-Executive



Ron Sonenthal
D TTL Observer



Eshak Harunani
East Africa



Doreen Mbogho
East Africa



Graeme Berry
Southern Africa



Nazeer Essop
Southern Africa



Alex Gwala
Southern Africa



Nina le Riche
Southern Africa



Pam Maharaj
Southern Africa



Alice Tembo
Southern Africa



Oduware Uwadiae
West Africa



Zama Dlamini
Specialist Member



Eric Tshabalala
Specialist Member



Lwazi Bam
Chief Executive
Officer, Ex Officio



Mike Jarvis
Chief Operating
Officer, Ex Officio

Africa Executive Committee Members



Lwazi Bam
Africa Chief Executive
Officer



Sihlalo Jordan
Africa Deputy Chief
Executive Officer



Mike Jarvis
Africa Chief Operating
Officer



Joe Eshun
East Africa Chief
Executive Officer



Fatai Folarin
West Africa Chief
Executive Officer



Andrew Mackie
Africa Audit &
Assurance Managing
Partner



Roger Verster
Africa Consulting
Managing Director



Karin Hodson
Africa Financial
Advisory Managing
Partner



Navin Sing
Africa Risk Advisory
Managing Director



Delia Ndlovu
Africa Tax & Legal
Managing Director



Justine Mazzocco
People & Purpose
Managing Partner



Murray Dicks
Africa Reputation
& Risk leader



Anne Muraya
Responsible Business
and Public Policy
Managing Partner