

Deloitte.



2022 Deloitte Africa
Transparency Report



ABOUT THIS REPORT

We view the 2022 Deloitte Africa Transparency Report as an important opportunity for our firm to share our progress towards our Purpose – to **make an impact that matters**.

In South Africa, the Independent Regulatory Board for Auditors supports the view that transparency reporting is “key to restoring confidence in the auditing profession”. We wholeheartedly agree with this and, as a multidisciplinary firm, have broadened the scope of our reporting to provide feedback on our advisory businesses as well.

Furthermore, as an integrated African firm we have, in this report, included measurable milestones and achievements for our businesses in Southern, East and West Africa. Where specific information is relevant only in South Africa, this is indicated as such.

We recognise that Deloitte has an important role to play in upholding trust in the economy. This report aims to provide an update on how our business operates, the green shoots of our quality journey and how we have embedded quality in everything we do. The report also looks at how we create value through our services, how we put our people at the heart of the business and how we are making a measurable impact to the broader profession, economies and communities we serve.

This multi-layered lens – with our Purpose, trust, ethics and Shared Values at the centre of our focus – has served as the framework for measuring our impact on our clients, our people, and society, and for benchmarking opportunities for continuous improvement. We have structured our report to share our quality journey through this lens.

It is important to note that while this report is retrospective in nature with our financial year end of 31 May 2022 as the reporting period, we have also provided a future-looking view of what our stakeholders can expect from Deloitte Africa. When the decade long term of service of former CEO Lwazi Bam concluded at the financial year end (31 May 2022), the new Executive Committee was constituted on 1 June 2022, under the leadership of Ruwayda Redfearn as Chief Executive Officer.

At Deloitte Africa people make a difference by being part of an exceptional team of professionals across the globe, solving some of the world’s most complex business problems and directly supporting our communities, the planet and each other. The firm has made conscious and deliberate choices to ensure that our work, and the combined strengths and passions of our people on the continent build better futures for Africa and her people. We are deeply committed to ensuring that our Purpose – **making an impact that matters** for our clients, our people and society – is embedded in every aspect of our business. This Transparency Report is an extension of the 2022 Deloitte Africa Impact Report, which contains a number of inspirational case studies and stories about how we are conducting ourselves as a responsible and purpose-led business.

We are hopeful that our Transparency Report demonstrates our desire for authentic engagement with our stakeholders. We welcome feedback and further dialogue on the contents of this report.

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Key contacts:

Deloitte Corporate Affairs

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Throughout this report, the term “Deloitte” refers to 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 visit <https://www2.deloitte.com/global/en/pages/aboutdeloitte/articles/about-the-network.html>.

In this report, the term ‘partners’ refers to partners and partner equivalents including salaried partners and partner equivalents, and directors, who also have shareholdings in Deloitte practices.

1 2022 Deloitte Africa Transparency Report at a glance

As an integrated, united, African firm, we have deliberately embedded our Purpose, **making an impact that matters** for our clients, our people and society, in every aspect of our business to increase assurance and market confidence in our firm.



Defining and integrating our Purpose – **making an impact that matters** and embracing a mindset of **Purpose beyond profit.**

Celebrating the strength of an integrated Africa firm



2022 financial highlights

Revenue in R'million

Deloitte Africa: **R6.3b**
(FY2021: R5.9b)

Deloitte Africa	FY2021	FY2022
Non-audit related services as a percentage of audit fees at Top 200 audit clients	6.8%	6.0%

We are confident that we have not impaired our independence or objectivity by delivering these essential, non-audit related services to selected audit clients.

Africa Revenue by Service Line – FY2022



The average total compensation per partner/director in the year ended 31 May 2022 amounted to **R5.0 million** before tax (31 May 2021: R4.5 million before tax).

Partner/Director compensation

Grading (FY2021 number of partners/ directors)	% Gap (mean per level)			
	White/Black*		Male/Female	
	FY2021	FY2022	FY2021	FY2022
3 (127)	8%	6%	4%	2%
2 (174)	12%	8%	4%	5%
1 (24)	-15%**	-22%**	13%	9%
Total (325)	19%	14%	18%	13%

* White/Black % gap for partners/directors of the South Africa practice.

** A negative gap indicates that, on average, black partners earn more than white partners in this category.

Our clients

Our commitment to providing quality

Quality informs every aspect of our business. Our pursuit of quality is at the centre of our culture of continuous improvement and innovation. As in previous years, this report includes our quality journey across all our businesses.

Deloitte South Africa has seen a pleasing improvement in its IRBA results on the selected and inspected audit engagement files over the past few years: from 50% in 2019, 78% in 2021 to 100% in 2022.

These results reflect the percentage of good or acceptable audit quality outcomes on the sample of engagement files selected. Deloitte South Africa also received no reportable findings at firm level in 2022 with respect to the firm's systems of quality control.

Deloitte Africa was subjected to engagement files and systems of quality control reviews in both our Namibia and Malawi practice offices, receiving satisfactory outcomes.



Our people

ALL IN

ALL IN Sponsorship Wave
Our ALL IN and Transformation (South Africa) strategy is focused on respect and inclusion, gender balance, LGBT+ inclusion, mental health and Sponsorship Wave.

Refined Deloitte Africa employee value proposition launched

In addition to shaping initiatives and conversations at a personal level for all Deloitte people.



Investing in Deloitte people and our future leaders

Continued investment in talent retention, development and attraction programmes

Critical Skills project	Limitless Lead Client Service Partner (LCSP) programme	NextGen Advisory Council	Deloitte University EMEA	Hybrid working	LGBT+ support and awareness raising	Africa Talent
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Market recognition for talent programmes

- South Africa**
#1 (Top in Industry) in the Accountancy field by business/commerce students and first among the Big Four. #4 overall in business/commerce field by business/commerce students. #5 overall in the Accountancy field by young professionals. #14 overall in the business/commerce field by young professionals. (2022 Universum South Africa Most Attractive Employer Rankings)
- Kenya**
#16 (LinkedIn Top Company Awards)
- Africa**
The Deloitte network in EMEA, of which Deloitte Africa is part of, won (amongst others) the following International Tax Review (ITR) award in 2022: Diversity and Inclusion Firm of the Year.
- South Africa**
Deloitte in the Top 25 in SA (LinkedIn Top Company Awards)
- South Africa**
#1 Employer of Choice in Management Consulting and Consulting IT sectors (2022 SAGEA SA Employer of Choice)
- Nigeria**
Certified as a Great Place to Work in the gold category

Society

In 2022 alone we invested in partnerships projected to impact 3.6 million lives across Africa by 2030.

Making an impact in society

As a firm, we are at the forefront of driving meaningful change and supporting our clients to achieve their goals and thus making a positive contribution to society. We make an impact on society through the services we provide, the people we develop in our firm, as well as through dedicated initiatives to drive positive change to communities and the environment. Through the Sustainability Office, we are ensuring closer alignment between policy and practice and living by example as a purpose-driven firm.



WorldClass

Impact 100 million lives globally and in Africa
20 million lives by 2030

- Education
- Entrepreneurship
- Agriculture



WorldClimate

Global commitment to science-based net-zero with 2030 goals

- Cut emissions
- Embed sustainability
- Empower individuals
- Engage ecosystems



Impact Every Day

How we live out our purpose, every day including humanitarian crisis relief

- Deloitte ForGood platform
- Volunteerism
- Impact initiatives

¹ These numbers are based on the following selection: partner/director, Employee, Fixed term employee (hourly and monthly), Learnerships (including trainee accountants), Fixed Term Temporary Employment Services (TES) (hourly and monthly), Secondments in and out. Excludes Independent Contractors.

² At 1 June 2022.

All information provided in this report relates to the position of Deloitte Africa for 31 May 2022 year-end unless otherwise indicated.

2 Message from our Chief Executive Officer



Ruwayda Redfearn
Chief Executive Officer
Deloitte Africa

Our quality journey has been the focal point for our firm for several years. We have made significant investments and taken tough decisions aimed at ensuring that we regain our status as a firm that delivers reliable and uncompromising quality in everything we do.

Our **2022 Deloitte Africa Transparency Report** is a source of great pride for our firm. It tells the story of our commitment to quality, integrity, excellence and demonstrates the progress made in ensuring that our primary focus is first and foremost on **servicing the public interest**. Shaped by our Purpose – **to make an impact that matters** – we have interrogated everything we do for our clients, our people and society. The results are inspiring.

While this report bears testament to the significant milestones reached in our quality journey, we will not allow any complacency to set in. We understand that our clients seek assurance, insights and ultimately, peace of mind from us. We recognise that our clients are operating in highly uncertain and complex trading conditions. The challenges arising from fluid global geo-political and economic uncertainty, as well as rising costs and inequality were further exacerbated by the COVID-19 pandemic.

Against the backdrop of extraordinarily complex and integrated ecosystems, we understand that our clients and stakeholders expect even more from us in 2022 and beyond. This is a responsibility we do not take lightly. We are listening to our clients, our professional communities and regulators, as well as our people and communities within which we live and operate. We also are measuring our impact against the goals articulated in our strategy and defined by our Purpose.

Multidisciplinary model

Our multidisciplinary model is essential in helping our clients address the complexity of their business issues, not only in the challenges they face today but also to help them remain relevant and competitive in the future. It stands to reason that stakeholders, more than ever before; require greater transparency on how we are managing governance and independence between audit and non-audit services. This also applies to how we go about delivering quality and managing risk in our firm. We are confident that our report explains our approach in detail. We also are open to further discussions with our stakeholders, should they have any additional considerations that have not been addressed in this report.

→ [Read more in this report: Multidisciplinary Model](#)

Common challenges facing our clients

Our clients are looking to us for solutions that are multi-dimensional and seamless, innovative and scalable. They share a number of common challenges that are industry-agnostic, including:

- Investor assurance and risk management
- Technology and disruptive innovation
- Data-fuelled customer centricity
- Role of private capital
- Geo-political impact on supply chains
- Future of work, workforce, and workplace
- Climate and sustainability
- Social change and consumer advocacy

Leadership focus on quality and accountability

In my first year in office as the Chief Executive of Deloitte Africa, I have the honour of continuing to build on the strong foundations of our firm's legacy and strategy to navigate some of the most challenging times in history. Since taking office on 1 June 2022, I have appointed an experienced and representative leadership team that is highly sensitised to the challenges faced by our clients. As explained in this report, our leadership team has been realigned to capacitate our service delivery and elevate accountability, with new dedicated roles for Growth, Sustainability and a refreshed approach towards Quality, Independence, Risk and Reputation.

→ [Read more in this report: Deloitte Africa Executive Committee](#)

Purpose-led decision making to restore public confidence

It is our view that Deloitte has a meaningful role to play in helping our clients and stakeholders with planning for, mitigating and solving the challenges that continue to suppress Africa's full potential. In reality, this requires great courage and a deep belief in our responsibility to serve and uphold the public interest.

Our strategic intent

Economic uncertainty in Deloitte's key African markets continues to hinder our growth ambitions over the short term. There is a level of urgency for Deloitte Africa to re-invent itself in order to remain competitive in a challenging market. However, we will not compromise ourselves with short-term wins that derail us from our long-term ambitions. Our Purpose and business strategy is supported by embracing a mindset of 'Purpose beyond profit,' a concept that is now widely accepted and understood by our professionals across the continent.

In my view, purpose beyond profit means that our ultimate goal should be one of achieving 100% of our revenue from clients and engagements that contribute responsibly to people, society and the planet, and that 100% of what we invest in is done responsibly in return. I also believe that this approach needs to be completely normalised as our way of working and serve as an important framework for making decisions. It should drive us to seek out clients, organisations and institutions that we can support to make the change needed to unlock Africa's potential. It is my fundamental belief that driving purpose beyond profit will lead to social and economic growth on the continent. It certainly does not mean that purpose and profit are two mutually exclusive constructs, but should be viewed as a synchronistic convergence of two elements of the same concept. It must mean that purposeful work can be profitable, and profitable work must be purposeful.

Quality in all its forms

We have prioritised fostering a culture of quality at all levels within the firm for some time now. This priority will not change, and further efforts will be made to ensure that our focus is intensified and our quality practices are deeply embedded in our way of working.

Using the power of technology, we will continue to deploy and adopt solutions on our global audit platforms, analytics, and tools to enable 'data-driven audits' that will increase transparency and allow for greater analysis and insights.

Our focus on proactively monitoring as well as mitigating emerging issues and risks facing our business and clients, including new accounting and auditing standards, the evolving regulatory landscape, advancements in technology, geo-political relations, and macro-economic forces, among others, will be the norm.

Importantly, the focus on our people will continue to increase. Not only are we solving today's challenges but we will continue to focus on developing the core skills of the future. The true Deloitte difference will always be experienced through our people. Embedding our Purpose as well as Shared Values in an inclusive environment that celebrates diversity and prioritises skills development, will benefit not only our people, but our clients and our firm as a whole.

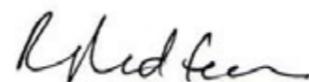
→ [Read more about the investments we have made in our people: 2022 Deloitte Africa Impact Report](#)

Impactful experiences

As Deloitte Africa, we are at an exciting time in our 177 year history. We are consciously making strategic choices that consider how we will truly make an impact that matters for our stakeholders.

We welcome the opportunity for further engagement on the contents of our Transparency Report and thank you for taking the time to read more about our quality journey.

Sincerely,



Ruwayda Redfearn
Chief Executive Officer
Deloitte Africa

Our Purpose is to **make an impact that matters** for our people, clients, and society by being an enabler of trust, growth and prosperity, and a force for good. Through collaboration, we leverage our extensive and diverse experience, insight and knowledge to deliver sustainable solutions for the most complex challenges facing our continent, while seeking out opportunities to enhance and strengthen Africa and its people.

Deloitte Africa forms part of a global network, with a long and proud history of 177 years. As a leading professional services firm, we walk the journey with our people and clients to make a positive impact - igniting meaningful change for society and the planet.

Together, we make an impact that matters.

3

Who we are and what we stand for *Our Purpose and Shared Values*

In our fast-changing, technology-driven and uncertain world, we understand that our clients expect even more from us. Our people expect – and need – more support. And society's expectations of organisations, and of our firm specifically, have expanded.

Together with our clients, we are navigating constant change. Therefore, we believe it is important for us to articulate **who we are** and **what we stand for** as a business. This helps our stakeholders to know what to expect from us as a multidisciplinary professional services firm, and to hold us to account for the achievement of certain professional standards and milestones.

Our Purpose

Our Purpose is to **make an impact that matters**. It is the reason for our existence and guides every aspect of how we do business and how we show up for each other every day.

We ascribe to living a **Purpose beyond profit**. Our Purpose drives us to make a meaningful impact on our people, our clients, and society by being an enabler of trust, growth and prosperity, and a force for good. Through collaboration, we leverage our extensive and diverse experience, insight and knowledge to deliver sustainable solutions for the most complex challenges facing our continent, while seeking out opportunities to enhance and strengthen Africa and its people.

Together, we make an impact that matters.

 <p>Firstly, and most importantly, serve the public interest</p>	 <p>Seek the hardest questions as ours to answer</p>	 <p>Lead the way with ideas that bring clarity, solutions that create tangible value, and innovations that define the future</p>	 <p>Help bring about our clients' proudest moments</p>
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"A trusted global partner in Africa with a clear ambition to facilitate the exchange of value, by playing a meaningful role in enhancing the competitiveness of our markets and clients, creating fulfilling opportunities for our people and being a socially accountable business."

Ruwayda Redfearn, Chief Executive Officer of Deloitte Africa

We are inspired by what we know to be right.

As professionals, we aim to:

- Stand firm for doing the right thing
- Deliver nothing short of the best
- Treat our clients and colleagues with genuine respect
- Reward merit alone; encourage growth, pride and achievement for all
- Behave as one
- Make the world better by our actions – community by community

Our Shared Values

Our Shared Values guide our behaviour to achieve our Purpose.

We have five global Shared Values that underpin our Purpose by creating a culture with integrity and professional conduct at its core. Our culture is reinforced from the very top of the organisation and is evident in the behaviour of professionals.

 <p>Lead the way</p> <p>Deloitte is the leading professional services organisation in the world for a reason.</p> <p>Our scale and scope is unmatched, enabling our people to consistently serve clients with distinction and help shape professional services for the future.</p>	 <p>Serve with integrity</p> <p>We believe in doing the right thing – always. That is the guiding force behind every decision we make and every action we take.</p> <p>By acting ethically and with integrity, and serving as role models in our communities, Deloitte has earned the trust of our stakeholders.</p> <p>Upholding that trust is our single most important responsibility.</p>	 <p>Take care of each other</p> <p>We place a premium on respect, fairness, and trust – working together to achieve our aspirations.</p> <p>We recognise potential, value varied skill sets and experience, reward performance, and provide opportunities for growth and leadership.</p> <p>We prioritise wellbeing, and we empower our people through mentorship and sponsorship.</p>	 <p>Foster inclusion</p> <p>We are committed to attracting, retaining, and advancing a diverse workforce, while fostering an inclusive culture where our people feel a sense of belonging and can grow.</p> <p>Accelerating diversity in leadership and strengthening our culture of inclusion requires ongoing attention and deliberate action, and we are steadfast in our commitment.</p>	 <p>Collaborate for measurable impact</p> <p>We approach our work with a collaborative mindset, teaming across businesses, industries, geographies, and skill sets to consistently deliver tangible, measurable, attributable impact.</p> <p>We play a critical role in helping clients and capital markets operate more effectively.</p>
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Our ethical framework

It is self-evident that without the basis of a strong and consistent ethical framework, our Purpose cannot succeed. We expect all Deloitte partners, directors and employees to abide by and apply our code of conduct as well as follow our risk management and ethical practices in all respects.

Our ethical framework is based on the four cornerstones of our ethics strategy:

 <p>Ethical leadership</p> <p>We expect our leaders to speak and act in line with our Purpose, Shared Values and Codes. We hold our leaders to account for creating an ethical culture, and measuring performance against key ethics criteria.</p>
 <p>World-class ethics programme</p> <p>Through our robust ethics programme, we set clear expectations and reinforce ethical behaviour so that all Deloitte professionals and stakeholders understand what we stand for and how to behave. We create enabling environments, processes and benchmarking to build ethical sensitivity and judgment, and we communicate about ethics consistently and regularly.</p>
 <p>Embed ethics in all we do</p> <p>We make ethics integral to all of our processes and decisions. At Deloitte, it is simply the way we do business. Our ethics programme has high visibility in all our policies, processes, learning, and the talent life cycle. Importantly, we ensure that we celebrate behaviours that demonstrate ethical leadership.</p>
 <p>Identify and mitigate ethical risks</p> <p>We collect and analyse ethics-related data to drive proactive responses. We learn lessons from our mistakes and share our insights to assist with deepening the comprehension of consequence management as well as reinforce a culture of ethics at Deloitte.</p>

4 How our business operates

Our business globally

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory and risk advisory services. Building on our 177 year history, Deloitte has grown tremendously in both scale and capabilities, yet our shared culture and Purpose – to make an impact that matters – remains inherent in everything we do.

We serve **90%** of Fortune Global 500® and thousands of private companies.

150 countries and territories served.

345 000 talented professionals.

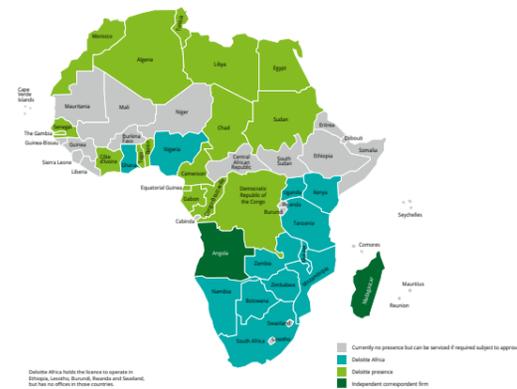
USD59.3b in revenue (for the year ended 31 May 2022) a 19.6% increase in local currency from FY2021. In seven years, Deloitte revenue has grown USD24b, or 69%, in USD terms.



Our business in Africa

Deloitte has a network of integrated clusters collaborating to service 12 countries across the African continent. Given the importance of Africa to our global firm, we have integrated multiple country practices on the continent into one consolidated and integrated firm managed by one Executive team.

Our multi-national audit and advisory practices are well-placed to serve clients in the regions they operate in on the continent. Our clients benefit from our integrated Deloitte firm structures with the objective of a consistent methodology, quality control, service delivery and accountability.



Foundation of **177 years**

history reinforces public trust in capital markets, enables clients to transform and thrive, leading the way toward a stronger economy, a more equitable society and a sustainable world.

We serve clients in markets grouped as **East Africa, Southern Africa and West Africa**, in an integrated approach in 18 offices across 12 countries.

In Africa our offerings support private and listed clients, private entities, governments and government agencies as well as non-profit organisations through more than **6 855 talented professionals** delivering value of **R6.3b** (revenue for the year ended 31 May 2022), representing growth of 7.7% with a relentless focus on quality, risk management, and creating an **impact that matters for our clients, our people and our communities.**

4.1 Our multidisciplinary model helps attract and retain the best skills, drives innovation and solves complex problems

Opinions vary widely on whether or not professional services firms should offer multidisciplinary services. The issues our clients are dealing with are becoming increasingly complex, requiring a multidisciplinary – and diverse – approach and specialist skills. Where regulation and Deloitte risk management policies allow, we offer solutions on an integrated basis, bringing together a variety of experiences and competencies. We bring the best and the brightest minds, across disciplines, together to generate innovative solutions to solve complex matters and make an impact that matters.

As you will read in this report, we have gone to great lengths to ensure that the building blocks of a strong multidisciplinary model are established, enabled and carefully governed.

We believe our multidisciplinary model and private partnerships approach will continue to be the preferred strategy and operating model for us looking ahead.

Our multidisciplinary model is at the core of the legacy we have built, enabling Deloitte to service clients with distinction, take care of our people, give back to our communities and uphold public trust.

Benefits of our multidisciplinary model



Cross-functional insights
We develop insights through multiple lenses, enhancing our understanding of the business risks.



Access to specialists
We have immediate access to specialised resources and expertise in the various businesses in our firm. This promotes quality as our professionals in Audit & Assurance can tap into the knowledge of dedicated advisory professionals who are skilled in subjects that are complex and specialised.



Attract and retain talent
A diverse organisation helps attract and retain premier talent, and provides access to intellectual capital which resides within the broader Deloitte network.

4.2. Operating structure for client delivery

We bring our services to clients through five areas of our business, with the following key service areas listed for each:



Audit & Assurance
Delivering consistent, high-quality, risk-based audit services.



Consulting
Unlocking opportunities from issue to impact, through strategy, innovation, human capital, technology and managed services.



Financial Advisory
Providing expertise in transaction support services, valuations, mergers and acquisitions, debt and infrastructure advisory, and restructuring services.



Risk Advisory
Realising opportunity by managing risk for our clients through integrated solutions comprising data analytics, cyber-security, governance, regulatory compliance, business and technology risk, controls and assurance.



Tax & Legal
Delivering integrated tax & legal solutions and insights according to the global common storefront for tax & legal, which includes outsourced compliance, technology consulting and advisory and transaction services.

4.3 How we govern our business

Strong governance and leadership is essential to deliver our Purpose, vision and strategy, set the tone for ethical and responsible decision-making, and ensure transparency and accountability to external stakeholders and to our people.

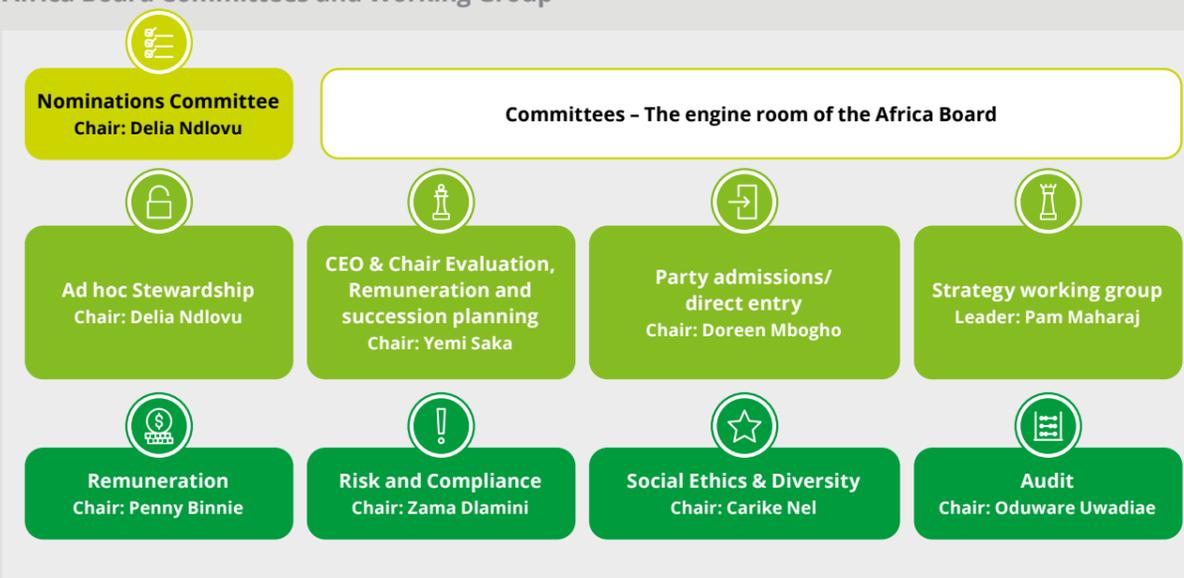
Deloitte Africa Board

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. On 1 December 2021, Delia Ndlovu was appointed as the Chair of the Deloitte Africa Board, succeeding Ruwayda Redfearn who was appointed as Chief Executive Officer of Deloitte Africa on 1 June 2022.

The Board provides oversight on key matters including governance, strategy, alignment to Deloitte Global, transformation, risk issues and regulatory matters.

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

Africa Board Committees and Working Group



Africa Board composition as at 1 June 2022

11 Elected members

 Delia Ndlovu Chair Africa	 Yemi Saka Deputy Chair West Africa	 Eshak Harunani East Africa	 Doreen Mbogho East Africa	 Oduware Uwadiae West Africa	 Penny Binnie Audit & Assurance Southern Africa
 Alice Tembo Non-RSA Practice Southern Africa	 Wesley Govender Risk Advisory & Financial Advisory Southern Africa	 Alex Gwala Tax & Legal Southern Africa	 Pam Maharaj Consulting Southern Africa	 Carike Nel Non-Gauteng Practice Office in South Africa	

2 Specialist members

 Zama Dlamini Specialist Member	 Fatima Abba Specialist Member
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2 Ex-Officio members

 Ruwayda Redfearn Chief Executive Officer <i>Ex-Officio</i>	 Graeme Berry Chief Operating Officer <i>Ex-Officio</i>
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1 Deloitte Global Observer

 Bob Chapman Deloitte Global Observer
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2 Independent Non-Executive members

 Nikiwe Bikitsha Independent Non-Executive	 Ory Okolloh Independent Non-Executive
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Board secretary:

Robert Bolz

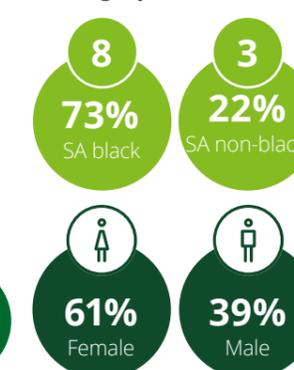
Subject matter experts advising the Africa Board include:

Murray Dicks (Africa General Counsel)
Johan Erasmus (Africa Ethics Officer)

Geography:



Demographics:



Deloitte Africa Executive Committee

Ruwayda Redfearn was appointed as Chief Executive Officer of Deloitte Africa effective from 1 June 2022, succeeding Lwazi Bam who held this role for 10 years. The new Executive Committee for Deloitte Africa assumed their respective roles at the same time. The Executive Committee is representative of all markets and businesses in Deloitte Africa, and has been constituted to support Deloitte’s business priorities.

						
Ruwayda Redfearn Chief Executive Officer	Graeme Berry Chief Operating Officer	Joe Eshun Managing Director Businesses	Lungile Mahluza Chief People Officer	Navin Sing Chief Risk Officer/ Capability Centre Lead	Ashleigh Theophanides Chief Sustainability Officer	Nina le Riche Chief Growth Officer
						
Eric Tshabalala Audit & Assurance Managing Partner	Arun Babu Consulting Managing Director	Temitope Odukoya Financial Advisory Managing Partner	Gregory Rammego Risk Advisory Managing Director	Itireleng Kubeka Tax & Legal Managing Director	Fatai Folarin West Africa Managing Partner	Anne Muraya East Africa Managing Partner



Legal structure in South Africa

Deloitte South Africa forms part of the Deloitte Africa firm. It is, however, a separate partnership that is funded, owned and managed by South African partners and directors.

Our partners and directors fund the partnership through personal capital contributions in cash, based on a percentage of his or her annual earnings. There is no global dividend.

Our partner/director model in South Africa

Deloitte South Africa is wholly owned by its partners and directors. The title of partner is given to owners of the business. Our partners are all qualified chartered accountants (CA(SA)), registered with the South African Institute of Chartered Accountants (SAICA) and with the Independent Regulatory Board for Auditors (IRBA).

Directors are also owners of the business, but in compliance with the Audit Professions Act are not registered with the IRBA which requires only qualified chartered accountants to have the title of partner. Our directors have the same rights and voting powers as our partners, except for matters pertaining to the audit business.

Global co-operation

As a member of the Deloitte Global network, we benefit from shared activities, investments and resources. These enhance our ability to provide core services to key local and global clients, as well as development opportunities for our people. We also use the Deloitte brand, eminence and intellectual property to ensure high standards are consistently met across our regions and around the globe.

5 Creating value through our services

5.1 Quality, integrity and professional excellence in everything we do

Quality, integrity and professional excellence inform every aspect of our business and are at the centre of our culture of continuous improvement and innovation. As in previous years, this report includes our quality journey across all our businesses.

Audit & Assurance

With regards to Audit & Assurance, we are committed to our critical public interest role of instilling trust and confidence in the capital markets. We bring quality and excellence to everything we do, so as to have an impact beyond the expected. This means always doing the right thing. Furthermore, it means consistently harnessing the full breadth and power of Deloitte's experience, knowledge and skills in the delivery of our audits worldwide.

Overall, we view continuous improvement of audit quality as a collective mind set in on our ongoing journey with our clients.

Our quality strategy remains anchored around three pillars – Culture of Quality, Audit Excellence, and Operational Excellence – and continues to address the fundamental principles that drive our commitment to quality.

Impact of our audit quality journey

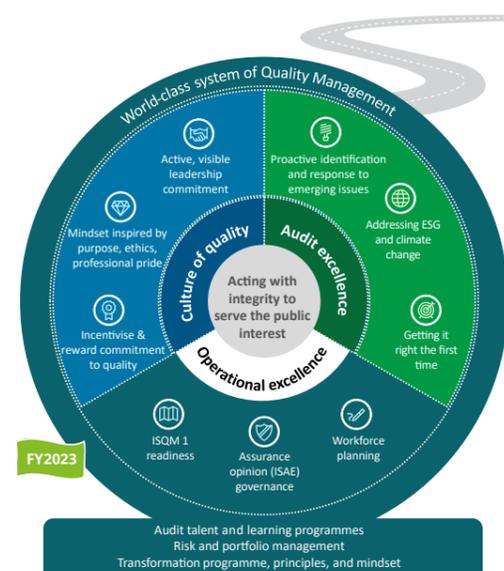
Deloitte Africa has seen its Future Fit investment in audit quality pay off. Working with local and global advisors with deep experience in Audit Quality, through this project, Deloitte Africa undertook a complete assessment of the strategic direction and the operational structures and processes within its audit & assurance practice. This led to us putting in place solutions and innovative processes to address many of the root causes of the challenges encountered.

The impact of our journey towards uncompromising quality is evident in significant improvements on our recent regulator inspection quality results. South Africa has seen a steady improvement in its IRBA results on the selected and inspected engagement files over the past few years: **from 50% in 2019, 78% in 2021 to 100% in 2022**. These results reflect the percentage of good or acceptable audit quality outcomes on the sample of engagement files selected. Deloitte South Africa also received no reportable findings at firm level in 2022 with respect to the firm's systems of quality control. Furthermore, Deloitte Africa was also recently subjected to engagement files and systems of quality control reviews in both our Namibia and Malawi practice offices, receiving satisfactory outcomes.

The following diagram presents our key internal processes to ensure consistent execution of high-quality audits, including client acceptance and continuance, team allocation, execution, monitoring, evaluation, and our overall tone at the top.

Deloitte Global Audit & Assurance quality approach

The three pillars of Culture of Quality, Audit Excellence and Operational Excellence are supported by world-class systems of quality management, global audit talent, learning programmes, risk and portfolio management, our audit transformation programme and a mindset centred on acting with integrity to serve the public interest as our primary objective.



“The Deloitte brand embodies a commitment to integrity and serving the public interest. We have reset the tone at the top with quality being the number one key performance indicator for me and every single professional in our business. We also embarked on a deep, firmwide initiative to significantly shift the dial on audit quality. We were able to do this by leveraging global funding and expertise. We are on a new path and we are a stronger firm for it.”

Ruwayda Redfearn, Chief Executive Officer of Deloitte Africa

How Deloitte compares to the market on external regulatory reviews for good or acceptable quality outcomes

	Deloitte	Other JSE accredited firms
	IRBA	
2022	100%	Not yet published
2021	78%	46%
2020	87%	46%
2019	50%	40%

Quality highlights for our financial year ended 31 May 2022 include:

- 100%** Improvement in engagements rated good/ acceptable quality since 2019
- 67%** Decrease in average number of external inspection deficiencies since 2019
- 55%** Improvement in systems of quality control based on Deloitte Global internal inspection since 2019
- 256** Risk-sensing reports issued across Africa
- 137** Clients to whom the risk sensing lens was applied in performing continuance and acceptance procedures
- 341** Africa Public Interest Entities (PIEs) subject to an independent client review board
- 6%** Africa PIE clients terminated or proposals rejected due to risk ratings
- 36%** Increase in our Africa Quality and Risk Office headcount, providing integrated support to our audit teams
- 24/7** Allowing measurement of real-time overall engagement file quality via quality dashboards

How we sustain audit quality

Accountability to our people, our clients, the market and our profession



* Engagement Quality Control Review

Accountability is the obligation of an individual or organisation to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. This framework aims to provide a consistent, fair and unbiased assessment of the accountability of individuals including the partner, engagement quality control reviewer, systems of quality control owners and our firm for reportable findings raised as part of a engagement review or systems of quality control review. We also incentivise and reward commitment to quality. The outcome of our robust accountability framework across our Africa Audit & Assurance business included:

- 86% of Africa partners and associate directors achieved a good quality outcome.
- We have a robust remediation plan for partners with negative quality outcomes to meet our quality standards within a defined timeline. Nineteen partners with negative quality outcomes that were not able to be appropriately remediated are no longer with the firm.
- Quality is our #1 priority in our key performance indicators for audit professionals.

Continuous improvement

Significant investments			
	2019	2022	2025
International Financial Reporting Standards (IFRS) annual financial statement reviews	Reactive review	Proactive review all South African listed clients	Proactive review all Africa listed clients
Engagement quality control review	Reactive support to certain listed clients	Embedded support all South African listed clients	Embedded support all Africa listed clients
Technical engagement support structure (IFRS, Audit and EQCR)	Reactive technical support	Integrated and proactive support	Integrated and proactive support all listed clients in Africa
Audit Quality Indicators	No formal process in place Conducted on an activity-based approach	Proactive process driving leading quality insights on South African listed clients	Process will be embedded across all listed clients
Quality and Risk headcount	66	101	117

Why this matters for our clients



“We are committed to working tirelessly to be at the forefront of contributing to the reforms undertaken by the profession. We continue to transform our audit business by investing in firmwide controls, technology and processes. We remain committed to playing our role in leading change that embraces audit quality, improves choice and restores trust in the profession.”

Eric Tshabalala, Audit & Assurance Managing Partner of Deloitte Africa

Advisory businesses

Approach to risk and quality management

Our approach to risk and quality management in our advisory businesses, namely Consulting, Tax & Legal, Financial Advisory, and Risk Advisory, is based on the following key principles:

1. Upholding the public trust:

Our culture of consultation and consideration of the impact of our decisions ensures that we have embedded risk and quality management into every aspect of our business. This is reflected in the calibre of leaders in our businesses, the processes we follow for client pursuits and acquisitions, the scope of services offered, our independence, and the value we deliver to our clients.

Our world-class, integrated systems and tools ensure that we have oversight of all risk indicators and monitor these at a micro- and macro-level.

Our ongoing investment in the professional development of our people ensures that they meet global benchmarks for risk and quality management, without exception.

2. Ethics and integrity:

Qualities of ethics and integrity are demonstrated in the behaviours and choices made by our leaders and our people. Under the leadership of the Deloitte Africa Chief Ethics Officer, all employees and partners are required to undergo regular ethics training. Managers and team leaders are trained and coached to identify and address behaviours that do not meet our standards of professional conduct. Our professionals are supported with integrated risk and quality management tools to guide decision-making and provide the necessary approvals and consultation with leadership to make the right choices.

3. Accountability:

Our leaders and our people understand that they are accountable for their actions and decisions. The firm provides various systems and tools, and has embedded a number of processes to monitor, manage, and reward good choices that support risk and quality management, and exit people from the firm who do not meet our professional standards of conduct.

4. Governance and transparency:

All our advisory businesses have embedded the firm's risk and quality management framework to support the specific needs of their businesses, in addition to enhanced business-specific requirements prescribed

by the respective global risk functions in each of the businesses. This ensures that there are strong governance frameworks established within each advisory business, where increased risk thresholds require the approval of senior decision-makers. This may involve going beyond the advisory business and elevating the risk to the firm's Africa Chief Risk Officer and Africa Executive Committee. We ensure that there is transparency around risk compliance and quality standards so that our people and partners are aware of our risk management performance and their role in meeting the required standards.

Deloitte Global conducts practice reviews on our advisory businesses to understand and assess the firm's overall Quality Risk Management (QRM) programme. This includes the operating effectiveness of the risk management and quality procedures in place having consideration for applicable Deloitte Global, business and local policies, methodologies, laws and regulations, as well as inspecting a sample of engagement files.

Furthermore, the principles of upholding the public trust, ethics, and accountability, are realised through the day-to-day governance and management practices within each of our advisory businesses. This ensures that standards of professional excellence prevail and that we instil a culture of continuous improvement and innovation across our business to help our clients responsibly address their complex business challenges.

Enhancing quality assurance

Consulting

In the past year, Deloitte Consulting has further focused on enhancing Engagement Quality Assurance Review processes, from pursuing market opportunities through to client service and project delivery.

Our selection of pursuits is proactively managed within a framework that is monitored by a Deal Review Board. This requires our potential pursuits to qualify against all relevant criteria before permission is granted for pursuit initiatives to proceed. Advanced risk sensing practices, supported by close engagement with quality and risk champions are enabled by technology that provides an early alert watchlist. Consulting pursuit teams focus their efforts only on bids where we believe Deloitte can add value and make an impact that matters in the client organisation.

In terms of client service delivery, an African delivery centre of excellence has been capacitated towards mobilising, monitoring, and coaching projects, which is essential to successful delivery and making an impact that matters. Furthermore, Engagement Quality Assurance Reviews are conducted with client

stakeholders on all large client projects at regular intervals to monitor risks and quality on project outcomes.

Our Consulting Quality Management team has been recognised for the application of innovative approaches that bolster existing policies and processes, such as the addition of regular project pulse surveys with Deloitte project teams to manage risks and sustain project health.

In 2021, Deloitte Africa Consulting was globally recognised for the maturity and success of Engagement Quality Assurance Reviews, validating the benefits of the quality process enhancements on client outcomes.

Financial Advisory

Our Financial Advisory business measures quality through an Internal Practice Review (IPR) process. The goal of the IPR assists practitioners in ensuring compliance with, and consistency in the application of Deloitte Global and Deloitte Africa policies and methodologies. The IPR provides the leaders in Financial Advisory with the necessary oversight to take appropriate action to improve quality and manage the risks associated with the findings.

IPRs are led by the Financial Advisory Business Risk Leader, and are performed by the Financial Advisory Quality and Risk Management team. The review covers areas such as client and engagement acceptance, contracting, project planning, quality of deliverables and recording of documentation and workflows.

Risk Advisory

Our Risk Advisory business is focused on continuously improving our quality processes and enhancing our In-flight Review (IFR) process. The goal of the IFR is to provide greater assurance on the quality of our delivery and to validate that client engagements are on a trajectory to meet our clients' quality expectations and our firm's risk management standards.

The findings and recommendations from IFRs provide critical information to the Risk Advisory leadership to identify risk mitigations, manage risk in client and engagement portfolios, and improve the quality of services to our clients.

Risk Advisory also measures quality through an Internal Practice Review (IPR) process. This process is based on global risk management best practice methodologies and tools, and is applied to IPR assessments of client assignments and individuals working on the assignments. All Risk Advisory partners are required to undergo a peer review every three years, which considers technical compliance and quality outcomes on client assignments.

Tax & Legal

Our Tax & Legal business measures quality through an IPR process, which is split into a Compliance review and a Quality review.

The Compliance review is based on our internal policy adherence and is applied to all services and assignments delivered in Tax & Legal.

The Quality review is a peer review based on the deliverables of the files under review. Reviewers are subject matter experts who are senior members of staff or partners with experience in the area of specialisation. Every three years, all Tax & Legal partners, directors or signing associate directors undergo a quality review. Peer reviews include assessments such as:

- Technical accuracy
- Consultation with specialists and senior partners
- Conducting of concurring reviews on high risk assignments
- Use of required methodologies and tools
- Application of legislative requirements
- Level of client satisfaction

The Tax & Legal Deal Review Board provides approvals for client pursuits and acquisition. Specialised technical training is conducted regularly, and technical committees are established to formulate house views for Deloitte practitioners to apply in maintaining quality client deliverables. This is closely monitored on various systems and health checks on an ongoing basis.

Deloitte Africa Tax & Legal earned a number of accolades in the past year:

- 2022 Africa Tax Firm of the Year by *International Tax Review* at the Europe Middle East and Africa (EMEA) Tax Awards 2022. This is the second consecutive year of winning this award.
- In the EMEA region, *International Tax Review* also recognised our Tax and Legal business for:
 - 2022 Diversity and Inclusion Firm of the Year
 - 2022 Tax Technology Provider of the Year
 - 2022 Tax Compliance and Reporting Firm of the Year
 - 2022 Tax Innovator of the Year
 - 2022 Indirect Tax Firm of the Year
- *International Tax Review* recognised 12 Deloitte Africa Tax & Legal directors in the 2022 Leaders Guides across the Indirect Tax Leaders and Women in Tax Leaders categories.
- *Euromoney* recognised four Tax & Legal directors in its 2022 Guide to the World's Leading Tax Advisers.
- Two of our professionals were recognised in the *2021 Transfer Pricing Advisers Guide* for their leadership in Transfer Pricing.

Reputation

As Deloitte we have used the past reputational events as an opportunity for deep reflection – not only to set ourselves on a self-correcting path, but to also contribute constructively and positively to the profession's reform initiatives. We are intentional and uncompromising in our journey to self-correct – transparently sharing our experiences and lessons.

The most significant reputational matters outstanding are set out below with the status update for each. We are fully cooperating with all investigations. We acknowledge that, as periodic developments on these are reported on, our brand will remain a focus whenever these unfold in the media.

- The **Steinhoff** matter is still under investigation by the IRBA, however the global settlement process has been implemented, and is nearing completion.
- The **Tongaat** IRBA investigation remains ongoing. The South African prosecution authorities have recently brought criminal charges against a former partner of Deloitte, related to audit work performed for Tongaat. These charges are against the former partner, who is independently advised, in his individual capacity. Deloitte has not discovered any evidence to support the criminal charges.

Since late 2021, Deloitte and Tongaat have been engaged in confidential discussions relating to any legal claims, with the objective to settle any civil claims by Tongaat against Deloitte. Tongaat has given an indication during these discussions, that it is likely to bring a claim, but have continued to engage in discussions to settle the matter. Deloitte remains committed to seeking a mutually acceptable negotiated settlement with Tongaat.

Zondo Commission reports

The Zondo Commission finalised the reports relating to State Capture in April 2022. We cooperated fully with the State Capture Commission throughout. In relation to the irregular contracts awarded by Transnet to Neotel, the Zondo Commission report acknowledged Deloitte as among the earliest detectors of State Capture for our role in the Neotel Audit and Homix Payment. In part the report says:

“For present purposes it suffices to point out that Neotel's auditors, Deloitte, identified payments made by Neotel to Homix in connection with these contracts as reportable irregularities that gave rise to reasonable inferences of corruption. Indeed, it was through Deloitte's professional approach to their auditing responsibilities in their Neotel audit, that the Gupta Enterprise's corrupt influence over public enterprises first came to light.”

The Commission has made no other findings or recommendations in relation to Deloitte.

5.2 Risk management

At Deloitte, risk management is considered essential to our business model. Navin Sing, previous Managing Partner of Risk Advisory and Executive member was appointed on 1 June 2022 as the firm's Chief Risk Officer. He oversees the various risk management strategic priorities that not only identify but help the firm to mitigate and manage risks proactively. Since Navin has taken on this role a number of additional priorities have been implemented to assist us in meeting our ambitions of enabling the firm, protecting and enhancing our brand and reputation, as well as delivering accretive value. These additional priorities include enhancing efficiency through process optimisation and automation, working with the business around culture and behaviour shifts and continuation of using learnings to refine and reinforce requirements.

“The business environment across Africa has been impacted by global events, in various ways, and both we and our clients seek to find the most impactful and sustainable solutions to these challenges. Some of these threats can also be viewed as opportunities, in particular for Deloitte Africa, and African businesses, to rise to the occasion and develop unique solutions to solve African challenges.”

Navin Sing, Deloitte Africa Chief Risk Officer and Capability Center Lead of Deloitte Africa

Deloitte leads its risk management through two functions namely a) Quality, Independence, Risk and Reputation and b) Office of General Counsel for legal matters. These two functions work as an integrated capability-led team, built on the foundations of forward-looking risk management, regulatory compliance assurance and practice protection.

The team has the responsibility for implementing the firm's strategy, policies, systems and procedures, as well as capacitating, testing and monitoring these key functions for Deloitte Africa with Executive and Board oversight.

Enterprise Risk Framework with mitigations

Deloitte Africa has a comprehensive Enterprise Risk Management programme. This is to proactively identify, assess, prioritise, manage and monitor its risks (internal and external), including its most significant risks (Priority Business Risks (PBRs)) to achieve its strategy, protect the Deloitte brand and uphold the public interest.

Our approach to risk identification is systematic and consistent across all dimensions of the firm. A Risk Universe has been established and is used in aiding the assessment of risks. Once the risk assessment has been completed, PBRs are prioritised and the current exposure is assessed. We proactively monitor PBRs to identify changes in risk exposure, which includes, where appropriate, the qualitative and quantitative consideration of the effectiveness of risk treatment strategies and/or the need for additional or alternative strategies to manage the PBR in line with the PBR's expected exposure.

Like many of our clients and the profession in general, Deloitte Africa is not immune to challenges that include the retention of critical skills, reputation and brand management, and cyber security, which rank high on our risk of PBRs.

Managing risk for results

For the year ended 31 May 2022, Deloitte Africa achieved several milestones related to various aspects of risk management. The following are worth noting:

- Deloitte Africa received a “Meets Expectations” rating based on Deloitte’s Global Standards assessment across multiple domains and criteria assessed.
- Implementation of a revised Risk radar heatmap that identifies the impact of each priority business risk categorised by three risk exposure dimensions; Risks impacting our brand, reputation, and/or public interest obligations; risks impacting our strategic success or market differentiation, and risks impacting our people, Purpose, and Shared Values.
- A revised risk dashboard places greater emphasis on proactive and forward-looking perspectives on risks that are closely aligned to our strategic priorities and are business focused. The dashboard places particular emphasis on anticipating the risk profile of Deloitte Africa’s priority business risks now based on the strategic choices we are making and an assessment of external developments.
- A number of additional monitoring and testing initiatives have been implemented to drive proactive insights based risk management processes.
- We further strengthened the partner and director Accountability Dashboard that is used to monitor, reward and manage quality and the consequences of behavioural choices in risk management.
- Enhanced features of ‘Public Sector Procurement’ requirements and new ‘Global Government and Public Sector Anti-Corruption’ requirements have been built into the risk management tool used by the firm.

These revised changes have been implemented to move compliance from “tick the box” exercise to a more value accretive service. This will result in proactive and insight risk-driven management process that is also forward looking so as to anticipate what lies ahead.

Risk sensing

Deloitte Africa invests in risk sensing across the firm that assists in the proactive identification of issues and trends that may impact the firm’s ability to deliver quality outputs. The risk team uses a real-time Integrated Risk Sensing Model and other broader research or subject matter expert knowledge that are analysed at a client and industry level.

Deal Review Board / Client Review Board

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.

As such, Deloitte Africa has an established a Deal Review Board (DRB) / Client Review Board (CRB) process as an additional risk management tool to the firm’s current general client and engagement acceptance and/or continuance process.

The DRB/CRB panel is independent from the engagement team, and ensures robust and probing deliberations resulting in unbiased decisions relating to client acceptance or continuance.

As part of the DRB/CRB assessment, opportunities undergo scrutiny from a responsible business perspective by considering the wider impact on the public interest and alignment with our Purpose and Shared Values. In certain instances, opportunities are escalated to the Africa Responsible Business Committee for further consideration before proceeding.

Based on defined criteria, qualifying clients and engagements are escalated to the Executive Committee for assessment and approval.

5.3. Independence

At Deloitte, independence is a mindset and a behaviour, not merely a compliance checklist. In practice, this means that we aspire to meet the expectations of our regulators in everything we do, collectively and individually, from how we serve our clients to how we manage our personal financial and business relationships.

Independence is not an audit-only concern as it relates to all aspects of the Deloitte business. Our independence with respect to external audit clients is not negotiable and it is as key to our success as quality client service.

The cornerstones of our independence approach can be summarised as follows:

<p>Rotation</p> <p>Long association requirements of audit partners and professionals is monitored by a Portfolio Governance Board</p>	<p>Independence confirmations</p> <p>Electronic independence confirmations are completed by all staff annually</p>
<p>Global independence monitoring system</p> <p>Global independence monitoring system 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)</p>	<p>Business relationships monitoring system</p> <p>Business relationships monitoring system records the business relationships of the firm and all staff and monitors compliance with independence policy</p>
<p>Inspection and testing</p> <p>A sample of partners, directors and client-facing professionals of manager grade and above are selected for independence inspection and testing annually. Furthermore, the Board and the Executive Committee are subjected to even more regular testing.</p>	<p>Deloitte entity search and compliance system</p> <p>Deloitte entity search and compliance system contains group structure information of all the firm’s audit clients</p>

→ [Read More in this report: Appendix](#)

5.4. Ethics

Ethics and integrity are at the core of our business and are important to the reputation of our firm. Our commitment to independence, ethical behaviour and compliance is demonstrated by the tone set by our leaders. This commitment is reinforced by comprehensive policies and procedures that are consistently monitored.

World-class ethics programme

Deloitte expects all its partners, directors and employees to act with integrity in accordance with high ethical standards. To this end our [Global Code of Business Conduct \(Global Code\)](#) and our [Africa Code of Professional Conduct Code of 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, ranging from counselling and coaching to termination of employment.

The Chief Ethics Officer reports to the Chief Risk Officer with a secondary reporting line to the Chief Executive. The Chief Ethics Officer is tasked with driving our ethics strategy and programme. 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 the firm's Shared Values'. The Chief Ethics Officer is supported by a network of Ethics Champions that has been established across the firm.

Our annual ethics survey confirmed that 94% of respondents in 2022 believe that Deloitte is an ethical workplace. The survey identified potential blind spots, enabling the ethics office 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.

"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 their decisions and actions."

Johan Erasmus, Chief Ethics Officer of Deloitte Africa

In addition to our Deloitte Africa Code of Professional Conduct, we have a number of internal policies that guide behaviour. These policies include, among others:

- Anti-corruption and bribery
- Anti-harassment
- Anti-discrimination
- Anti-retaliation
- Gifts and Entertainment
- Consensual Personal Relationships

All staff are required to complete ethics learning on an annual basis. This is to ensure that 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.

Digital innovation in audit delivery

Deloitte is building on the strong foundation of trust and confidence that the capital markets place on today's audits. With the assistance of innovative and enabling digital solutions, clients have an opportunity to see further and deeper into their businesses. By harnessing the solutions of our digital audit capabilities, we are able to elevate quality, provide objective insights and deliver a differentiated audit.



Through Deloitte Innovation we aim to:

- Digitise audits through transitioning to Deloitte Omnia, Deloitte Lewia and Deloitte Cortex, in addition to adopting new supporting global tools and solutions.



Deloitte Omnia is our next generation cloud-based audit delivery platform



Deloitte Levvia is a tailored solution to support our non-complex audits



Powered by Deloitte Cortex is our new data management platform built to support the data needs for engagements of all sizes

- Work smarter with the Deloitte Way Workflows, including our suite of innovation tools, data analytics, and integration with delivery centres. This will drive effectiveness and efficiencies, provide an improved experience, deliver greater value and fuel marketplace opportunities.
- Shift to a value-based mindset: In addition to reflecting our investments in both quality and technology enablement, this values the quality and excellence of the work we do over and above the time it takes.
- Centralise our work to drive greater standardisation, automation, and profitability. We plan to scale up delivery centres and increase services, further automation capabilities and drive greater usage across Deloitte.

→ [Click here to read more about our use of innovative technology and digital transformation in the 2022 Deloitte Africa Impact Report](#)

5.5. Regulatory & public policy

A notable highlight in FY2022 was the series of Fireside Chats on Corporate Reporting Reform to advance the conversation on promoting trust and confidence in the corporate reporting ecosystem. The fireside chats were led by former Chief Executive Lwazi Bam with prominent global influencers and thought shapers on corporate reporting, include Sir Donald Brydon, author of the UK Brydon report on the scope and quality of audit, Megan Zietsman, former board member of the PCAOB and, Sir Jon Thompson, CEO of the UK Financial Reporting Council. The conversations focused on the lessons learnt from corporate reporting reform efforts across the UK and USA, and their applicability to Africa.

→ [Further information and thought leadership on this series can be found here.](#)

6 People at the heart of our business

Deloitte Africa remained unwavering in support of our people in a post-pandemic world of work, while at the same time undertaking bold initiatives to attract and retain the best talent to serve our clients.

The demand for professional skills has increased globally and African professionals are in high demand. This requires a refreshed approach to our talent attraction and retention strategies, development of our people and focus on transformation, culture, diversity and inclusion.

We are creating opportunities to be part of a vibrant and diverse organisation for graduates and experienced professionals alike. Opportunities to work with people who are forward thinking, collaborative and committed to making a difference. We are steadfast in meeting the needs that people value today and into the future through delivering unparalleled experiences to our professionals, allowing them to enhance their existing capabilities, gain new skills, explore new career paths and continue delivering a multidisciplinary model of services of the highest quality.

Our collaborative and high-performance culture drives us to invest in our people, giving them opportunities to grow, thrive, and achieve their professional goals. We offer a variety of internal and external learning programmes in addition to development programmes and global mobility opportunities.

Africa Talent

In February 2022, Deloitte Africa in a joint venture with Deloitte Netherlands established Africa Talent, a Deloitte initiative that was grown out of a distinctive and clear purpose for making an impact on the African continent by identifying, training and developing local talent to provide global solutions to our clients.

This joint venture, which is underpinned by the Deloitte ethos of purpose beyond profit and an appetite to innovate and deliver creative, high impact solutions to urgent global client talent challenges seeks to tap into the continent's youthful and growing population, using hybrid and remote working technology to service the talent needs in areas characterised by an ageing working population, like Western Europe. Africa Talent aims to recruit graduates with limited experience and those without employment. It also aims to give experienced hires who wish to gain international experience without leaving the continent.

→ [Read more in the 2022 Deloitte Africa Impact Report](#)

Unwavering commitment to Transformation, Diversity, Equity and Inclusion

We are committed to a diverse workforce and an inclusive culture where our people can make an impact, individually and collectively. The Deloitte Africa Transformation, Diversity, Equity & Inclusion strategy is underpinned by the principles of respect and inclusion. Our goals in the following six focus areas are outlined below:

 <p>Equity & Transformation</p> <p>To create a workplace where everyone is treated fairly and with respect</p> <p>In South Africa, to achieve transformation targets, ownership targets and B-BBEE level 1</p>	 <p>Gender Balance</p> <p>To promote gender equality and support the development of female employees in all that we do</p>
 <p>LGBT+ Inclusion</p> <p>To create awareness and provide support to our LGBT+ employees and allies</p>	 <p>Employee Wellbeing</p> <p>To foster a workplace that creates awareness, support and direction for mental wellbeing</p>
 <p>Inclusive Culture</p> <p>To build a more inclusive culture through living our Shared Values</p>	 <p>Inclusion of Persons with Disabilities</p> <p>To create awareness of the challenges and provide an inclusive environment for persons with disabilities</p>

→ [Read more in the 2022 Deloitte Africa Impact Report](#)

Deloitte Africa talent footprint



Investing in Deloitte people and our future leaders

Continued investment in talent retention, development and attraction programmes

 Critical Skills project	 Limitless LCSP programme	 NextGen Advisory Council	 Deloitte University EMEA	 Hybrid working	 LGBT+ support and awareness raising	 Africa Talent
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→ [Read more about the investments we have made in our people: 2022 Deloitte Africa Impact Report](#)

Achievements for the year ended 31 May 2022 against strategic priorities

ALL /N

Our ALL /N and Transformation (South Africa) strategy is focused on respect and inclusion, gender balance, LGBT+ inclusion, mental health and Sponsorship Wave.

- Transformation in South Africa**
 - Maintained level 1 B-BBEE scorecard rating for 5th consecutive year. Achieved highest overall score of the Big 4 with 105.68 points.
 - Black ownership (South Africa): 48.5% (2021: 43%), Target 2024: 51%
 - Black representation (South Africa) on the Africa Board: 73%
 - Black representation (South Africa) on the Africa Executive Committee: 36%

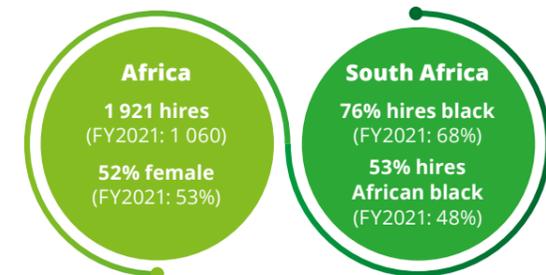
- Diversity, Equity and Inclusion**
 - First female Chief Executive in Deloitte Africa: Ruwayda Redfearn appointed on 1 June 2022
 - Female ownership (Africa): 37% (2021: 34%), Target 2024: 40%
 - Female representation on the Africa Board: 61%
 - Female representation on the Africa Executive Committee: 43%

- ALL /N Sponsorship Wave**
 - There are 20 high performing women in the programme, six of whom have progressed into elevated roles. The purpose of the programme is to accelerate women into senior leadership roles.

Talent acquisition

Supporting our business sustainability and growth in hiring critical and scarce skills.

The global talent shortage of professional skills has resulted in increased demand for recruitment aimed at replacing skills lost to other markets and meeting business growth needs.



- Critical skills project launched**
 - Talent attraction
 - Team acquisitions
 - Deloitte Africa Graduate Academy
 - Global mobility
 - Reward and recognition

- Learnerships for people with disabilities**
 - We have invested over R31 million since our commencement in 2016.

- NextGen Advisory Council**
 - Established an Advisory Council of young leaders from across markets and businesses. They provide input into strategic executive decisions such as retention of talent.

Refreshing the talent experience

Focusing on operationalising the hybrid working model and refreshing our Employee Value Proposition has been a major priority to support employee wellbeing, resilience and work-life integration.

 Our Talent Experience reinforces our Purpose and Shared Values, bringing these to life for our people. Employees' perceptions are measured annually through our Global Talent Experience survey.

Our employee value proposition is focused on four areas:



Resilience and Wellness

Our holistic wellbeing approach gives our people the support and flexibility to make daily choices that help them deliver impact where it matters on a sustainable basis. At Deloitte, we take care of each other by making wellbeing a priority. We believe that all our people should thrive both in their work and personal lives. Our wellbeing programme provides the resources and tools for our leaders to be able to build resilience, focus on the wellness of their teams and lead with distinction.

 Mental health of our employees remains a key concern for the firm

100 Over 100 wellbeing warriors onboarded to drive the Wellbeing Warrior Programme

 The firm continues to provide various means of COVID-19 support and guidance for employees and hybrid working policies

Reimagining learning and development

We are continuously reimagining learning and development through a digitally-enabled, holistic development strategy that differentiates Deloitte and drives digital fluency across the business

 **High Performance Leadership Programme** continued with candidates who receive bespoke learning and individualised coaching. The goal is to assist their accelerated appointment to partnership.

 **Deloitte University EMEA** 669 participants benefited from virtual Deloitte University EMEA learning experiences (2021: 536)

 **Digital mastery programmes** 5 790 participants completed various Digital Masterclasses in 2022 (2021: 4 800)

 **Assessment and Development Centres**

- 568 candidates assessed as part of talent acquisition process in 2022
- 69 candidates (2021: 57) attended the Leadership Assessment Development Centre, of which 46% were female
- 145 candidates (2021: 54) attended the Management Assessment and Development Centre, of which 44% were female

Talent brand

We have increased our efforts to ensure our Talent brand remains visible and eminent to support our talent retention and attraction initiatives.

Market recognition for talent programmes



#1 (Top in Industry) in the Accountancy field by business/commerce students and first among the Big Four. **#4** overall in business/commerce field by business/commerce students. **#5** overall in the Accountancy field by young professionals. **#14** overall in the business/commerce field by young professionals. (2022 Universum South Africa **Most Attractive Employer** Rankings)

#1 Employer of Choice: Management Consulting and Consulting IT sectors (2022 SAGEA SA Employer of Choice)



Deloitte in the Top 25 in SA (LinkedIn Top Company Awards)

Nigeria: Certified as a **Great Place to Work** in the gold category



Kenya: #16 (LinkedIn Top Company Awards)

The Deloitte network in EMEA, of which Deloitte Africa is part of, won (among others) the following **International Tax Review (ITR) award in 2022: Diversity and Inclusion Firm of the Year.**

7 Making a positive impact on society

Unwavering commitment to making a positive societal impact that matters

As a firm, we are at the forefront of driving meaningful change and supporting our clients to achieve their goals and thus making a positive contribution to society. We make an impact on society through the services we provide, the people we develop in our firm, as well as through dedicated initiatives to drive positive change to communities and the environment. Through the Sustainability Office, we are ensuring closer alignment between policy and practice and living by example as a purpose-driven firm.

Below we provide a more focused lens on our social impact through our *WorldImpact* efforts, across *WorldClass*, *WorldClimate* and *Impact Every Day*.

The establishment of the *WorldImpact* office is the firm's effort to reinforce how we truly live our Purpose through programmes such as *WorldClass*, *WorldClimate* and *Impact Every Day*.

Making an impact in society



WorldClass

Impact 100 million lives globally and in Africa
20 million lives by 2030

- Education
- Entrepreneurship
- Agriculture



WorldClimate

Global commitment to science-based net-zero with 2030 goals

- Cut emissions
- Embed sustainability
- Empower individuals
- Engage ecosystems



Impact Every Day

How we live out our purpose, everyday including humanitarian crisis relief

- Deloitte ForGood platform
- Volunteerism
- Impact initiatives

WorldClass

The widening gap in the education sector, coupled with challenges in increasing inequality and unemployment, and the impact of climate change – particularly with regards to the threat to food security – cements the need to identify affordable, sustainable, practical yet scalable solutions across our strategic pillars of education, entrepreneurship and agriculture.

We are cognisant of the power that can be unlocked through strategic partnerships and remain optimistic that in spite of these challenges, we will make a sustainable impact on our continent, as we journey towards impacting 20 million Africans by 2030. In 2022 alone we invested in partnerships projected to impact 3.6 million lives across Africa by 2030. Some of the initiatives we support include:

- **Uplink WorldClass Education Challenge:** To elevate our efforts in education, we partnered with the World Economic Forum Uplink Challenge to launch the *WorldClass* Education Challenge. It aims to identify innovative and practical solutions for equitable and accessible quality education, to upskill teachers and invest in equipping students with skills for the future across Africa. Twelve innovators were identified across the globe. We are currently supporting five of the 12 innovators, based in Africa, with scaling their solutions across the continent, this through the provision of *pro-bono* professional services.
- **Education Reimagined:** Leveraging the Education challenge, we activated our education pillar through an inaugural Education Reimagined event. The event brought together key stakeholders in the education sector to discuss solutions to Africa's education challenges and the shared responsibility of enabling equitable access to quality education.
- **Jenga na Deloitte:** This initiative, which means 'build with Deloitte', is our entrepreneurs flagship initiative which seeks to upskill entrepreneurs across the continent through leveraging our partnerships, capabilities and resources. The Jenga na Deloitte hub, which will launch in FY2023 in Kenya, is projected to impact 680 000 lives by 2030.
- **Tony Elumelu Foundation Entrepreneurship Programme:** We partnered with the Tony Elumelu Foundation (TEF) to develop a platform to impact 250 000 entrepreneurs by 2025. In addition, we are leveraging our talent through providing mentorship support to the next cohort of entrepreneurs under the TEF across Africa.

WorldClimate

Despite our continent having one of the lowest contributions to greenhouse gas emissions, we remain the most vulnerable continent. The myriad of socio-economic challenges already faced by African countries, we cannot afford to add to the list climate change related challenges such as frequent droughts, food insecurity, severe flooding, displacements, and land degradation. Climate change is not a choice. It is billions of them.

Deloitte Africa recognises the necessity of collective action to effectively tackle the climate crisis and is committed and aligned to our Global commitment to achieving science based net-zero emissions and we currently have a 1.5° C near-term (2030) goal in place, validated by the Science Based Targets initiative.

Included below are some of the firm's key initiatives in 2022:

- As a part of our broader emission reduction goals, all carbon emissions resulting from our operations (Fuel) and business travel in FY2021 and FY2022 were offset through the purchase of third party verified carbon credits. In addition, we purchased Renewable Energy Certificates to offset our electricity usage. Although we recognise that purchasing offsets is not a final solution, these are solutions that contribute to improving sustainability goals.
- Furthermore, to enhancing our internal business practices to embed more sustainable practices, we partnered with organisations supporting afforestation initiatives across the continent and planted over 7 600 trees.

Impact Every Day

Deloitte ForGood platform

Deloitte employees participate in a number of causes of their choice where they donate goods, money and/or volunteer time. In South Africa, the greatest need was in KwaZulu-Natal, which was besieged by July unrests followed by devastating floods.

We leveraged our Deloitte ForGood platform during the July 2021 social unrest and provided humanitarian relief responses to flood relief efforts. The monetary and in-kind donations, as well as volunteer time spent, impacted 585 000 lives.

[→ Please click to read our 2022 Deloitte Africa Impact Report and the impact we have made on the societies in which we operate within.](#)

8 Business sustainability and financial information

Financial information

Our financial performance reflects the success of our multidisciplinary model. It drives the delivery of audit, consulting, financial advisory, risk advisory, and tax and legal services.

Financial highlights

Deloitte Africa's financial information has been extracted from our financial records for the financial year ended 31 May 2022 (FY2022).

Our revenue represents amounts recovered or recoverable from clients for statutory audits, audit-related services and advisory services during FY2022 and FY2021, excluding VAT. Recoverable amounts reflect the fair value of the services provided, based on the stage of completion of each client engagement, including expenses and disbursements, as at the balance sheet date.

Deloitte Africa	R'm FY2021	R'm FY2022
Total revenue	5 901	6 352
Top 200 clients	3 637	3 792
Advisory clients*	2 264	2 303
Audit clients*	1 373	1 489
Non-audit related services as a percentage of audit fees at Top 200 audit clients	6.8%	6.0%

* The split between Advisory clients and Audit clients represented above is for the firm's Top 200 clients, who constitute the majority of the revenue.

Annually, a portion of the revenue is committed towards strengthening our risk and quality management processes. For example, in audit, 5.9% of the Audit & Assurance business' FY2022 revenue (3.8% of FY2021 revenue) was reinvested into audit quality.

Only 6.0% of revenue earned from audit clients is made up of non-audit services. We are confident that we have not impaired our independence or objectivity by delivering these essential, non-audit related services to selected audit clients.

Remuneration of partners/directors

Key measures incorporated for KPIs is around quality.

A partner or director's total compensation includes salary, medical aid, shares in profits, retirement and group life benefits,

All partners/directors are subject to partner grading, which is reviewed annually. Each level of grade describes the skills, attributes and broad performance expected of a partner/ director. Each level reflects a wide band of total remuneration units so that relative contributions can be recognised.

Partner/director performance is evaluated, beginning with the Africa Board's approval of the total remuneration strategy proposed by the Africa Executive Committee and concluding with the Board's review of the recommended profit allocation and grading for each individual partner/director. These outcomes are disclosed in full with all partners and directors.

The Remuneration Committee of the Board oversees the process, with a focus on consistent and equitable treatment.

Partner/director compensation

The average total compensation per partner/director in the year ended 31 May 2022 amounted to R5.0 million before tax (31 May 2021: R4.5 million before tax).

Partner/director pay gap

The pay gap percentage is calculated based on the average remuneration per partner/director (per demographic grouping) at each partner grading level. The pay gap figures shown in the table below are linked to the current demographics of the partnership, which will gradually be improved on as we reach our transformation targets. This area will continue to be the focus of the firm.

Grading (FY21 number of partners/ directors)	% Gap (mean per level)			
	White/Black*		Male/Female	
	FY2021	FY2022	FY2021	FY2022
3 (127)	8%	6%	4%	2%
2 (174)	12%	8%	4%	5%
1 (24)	-15%**	-22%**	13%	9%
Total (325)	19%	14%	18%	13%

* White/Black % gap for partners/directors of the South Africa practice.

** A negative gap indicates that, on average, black partners earn more than white partners in this category.

Independent non-executives

We pay our firm's independent non-executives fees based on attendance at Africa Board meetings.

Partner remuneration

Execution of high-quality audits is expected from all professionals 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 professionals' overall evaluations are measured.

In assessing performance, a role-model contribution in Quality, Risk and Performance is expected from all partners/directors. This is essential, regardless of the level of their contribution in other areas. In the case of audit partners, we have designed the appraisal and promotion processes and considerations to establish a solid link between audit quality and partner remuneration. Partners who provide audit services are not evaluated or remunerated for selling non-audit services to audit clients. This approach aims to preclude financial considerations from driving actions and decisions, which would create a negative effect on audit quality, objectivity and independence.

9 Appendix

Ethics

All Deloitte professionals 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 professionals make regarding ethical standards. It also explains each individual's responsibilities to their clients, colleagues, and society.

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 pivotal to the reputation of our firm.

Our commitment to independence, ethical behaviour and compliance is demonstrated by the tone set by our leaders and reinforced by comprehensive policies and procedures that are consistently monitored.

Deloitte Africa Independence

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 (PCAOB). Furthermore, local requirements of country specific external audit regulators and other legislation (including Companies Act requirements) are included. The independence policy covers requirements that both the firm and professional staff (including their immediate family members) need to adhere to.

As a result of updated regulatory requirements, the independence policy will be updated and effective from 15 December 2022. These relate specifically to non-assurance services and fees for Public Interest Entity (PIE) audit clients. Any breach of independence policies is taken seriously and may result in sanctions determined in accordance with the Africa Independence Transgression and Liability policy.

A dedicated Director of Independence oversees firm and staff compliance with the independence requirements. Support is provided by an Independence network that was established in all our businesses and regions across the continent.

Several systems of quality controls were developed by Deloitte Global 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 confirmations

Electronic independence confirmations 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 confirmation 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

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 1 700 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 interests 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.

A digital application for use on smartphone/tablet devices has been rolled out to assist professionals with their disclosure requirements.

Business relationships monitoring system

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.

Inspections 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 confirmations and GIMS and BRMS records.

Deloitte entity search and compliance 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 affiliates 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 pre-approved 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 and 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 for future reference. 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 quality controls systems available. Over the past year, learning courses were updated to reflect the changes in independence policy. In addition, several messages on independence from the firm's leadership were communicated to all staff.

Reporting

The Director of Independence presents an annual report on independence compliance to the Executive Committee 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 DESC system, the SRM application, and the GIMS
- An Inspection and Testing programme coupled with annual and special purpose independence confirmations to monitor individuals' compliance with independence requirements
- Consultation processes that include 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.

We established a Portfolio Governance Board, convened to debate and decide 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 real time control to pro-actively alert the business to upcoming rotation requirements.

Privacy

For data-protection compliance, we align our privacy programmes with leading accountability practices. 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 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. It could also prevent the firm from doing business as normal. The firm has implemented a process of monitoring, reviewing and continuous improving in response to this growing risk.

Financial Crime

We understand that our clients require the highest degree of ethics, integrity and quality in the performance of our services. We also understand that our clients may be subject to laws that prohibit bribery, corruption, money laundering or breaches of sanctions or export controls laws (collectively 'Financial Crime'). We may be subject to similar laws, regulations and other codes of professional conduct, and as such have our own internal policies, which prohibit illegal or unethical behaviours and procedures which are aimed at mitigating risks associated with Financial Crime.

In pursuance of the above we have implemented various Financial Crime related programmes and also process elements aimed at mitigating the risk of Financial Crime.

The Deloitte Financial Crime programme includes:

1. Financial Crime related policies, procedures and guidelines
2. Financial Crime training, communication and awareness building
3. Financial Crime risk assessments
4. Financial Crime due diligence on clients and non-client third parties (e.g. vendors and subcontractors)
5. Financial Crime internal audits
6. An anonymous whistle-blower reporting platform
7. Non-retribution policy for bona fide reporting of Financial Crime
8. Annual Financial Crime compliance confirmations for all staff
9. Financial Crime governance body reporting

In connection with the performance of services for our clients, we undertake to uphold the highest standards of ethics and integrity. We do not offer, promise or give any financial or other advantage to another person with the intention of inducing them to perform improperly or to reward improper, and we undertake to comply with all applicable Financial Crime laws and regulations, both local and international (including the Foreign Corrupt Practices Act (FCPA) and UK Bribery Act).

We conduct our business activities according to the following principles:

- We are committed to compliance with all applicable Financial Crime laws;
- We are committed to working in an ethical, lawful, and professional manner; and
- We do not violate Financial Crime laws, nor do we facilitate or otherwise cause others to do so.

10 Glossary

B-BBEE	Broad-based Black Economic Empowerment
BRMS	Business relationships monitoring system
CA(SA)	Chartered Accountant (South Africa)
CEO	Chief Executive Officer
Companies Act	Companies Act 71 of 2008 (South Africa)
COVID-19	Coronavirus disease
CRB	Client Review Board
DESC	Deloitte entity search and compliance system
DRB	Deal Review Board
DTTL	Deloitte Touche Tohmatsu Limited
DUE	Deloitte University EMEA
EMEA	Europe Middle East and Africa
EQCR	Engagement Quality Control Review
ESG	Environmental, social and governance
FCPA	Foreign Corrupt Practices Act (United States of America)
GIMS	Global independence monitoring system
IFR	In-flight Review
IFRS	International Financial Reporting Standards
IPR	Internal Practice Review
IRBA	Independent Regulatory Board for Auditors
ISAE	International Standard on Assurance Engagement
ISQM	International Standard on Quality Management
ITR	International Tax Review
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
KZN	KwaZulu-Natal, South Africa
LCSP	Lead Client Service Partner
LGBT+	Lesbian, gay, bisexual, transgender, queer
PBR	Priority Business Risk
PCAOB	Public Company Accounting Oversight Board
PIE	Public Interest Entity
QRM	Quality Risk Management
R	South African rand
SAGEA	South African Graduate Employers Association
SAICA	South African Institute of Chartered Accountants
SRM	Service Request Monitoring
TEF	Tony Elumelu Foundation
TES	Temporary Employment Services
UK	United Kingdom
UK Bribery Act	United Kingdom Bribery Act of 2010
USA	United States of America
USD	United States dollar
WEF	World Economic Forum

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