
2020 Inspection Deloitte & Touche LLP

(Headquartered in New York, New York)

September 30, 2021

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g) (2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2021-150A

(Includes portions of Part II and Appendix A of the full report that were not included in PCAOB Release No. 104-2021-150)



PCAOB
PUBLIC COMPANY ACCOUNTING
OVERSIGHT BOARD

EXECUTIVE SUMMARY

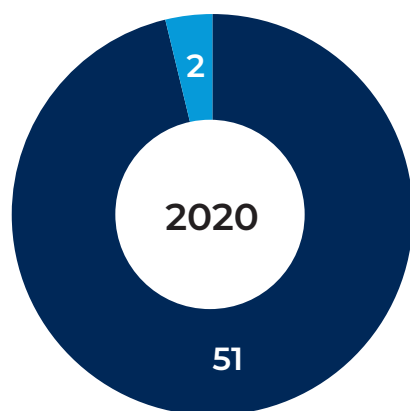
Our 2020 inspection report on Deloitte & Touche LLP provides information on our inspection to assess the firm’s compliance with Public Company Accounting Oversight Board (PCAOB) standards and rules and other applicable regulatory and professional requirements. This executive summary offers a high-level overview of:

- Part I.A of the report, which discusses deficiencies (“Part I.A deficiencies”) in certain issuer audits that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion on the issuer’s financial statements and/or internal control over financial reporting (ICFR); and
- Part I.B of the report, which discusses deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

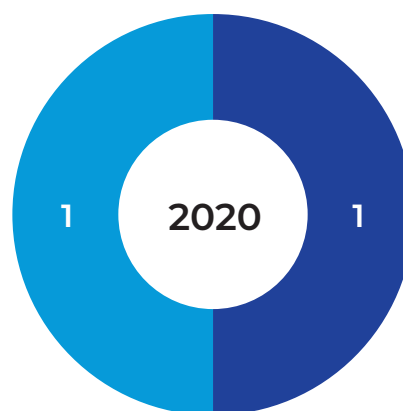
If we include a deficiency in this report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer’s financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. If we include a deficiency in Part I.A or Part I.B of this report, it does not necessarily mean that the firm has not addressed the deficiency.

Overview of the 2020 Deficiencies Included in Part I

Two of the 53 audits we reviewed in 2020 are included in Part I.A of this report due to the significance of the deficiencies identified. The identified deficiencies related to the firm’s testing of controls over and substantive testing of revenue and related accounts.



- Audits without Part I.A deficiencies
- Audits with Part I.A deficiencies



- Deficiencies in both financial statement and ICFR audits
- Deficiencies in the financial statement audit only
- Deficiencies in the ICFR audit only

The Part I.A deficiencies in 2020 included testing the design or operating effectiveness of controls selected for testing.

Other deficiencies identified during the 2020 inspection that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s), which appear in Part I.B, related to retention of audit documentation, audit committee communications, and critical audit matters.

TABLE OF CONTENTS

2020 Inspection	4
Overview of the 2020 Inspection and Historical Data by Inspection Year	6
Part I: Inspection Observations	15
Part I.A: Audits with Unsupported Opinions	15
Part I.B: Other Instances of Non-Compliance with PCAOB Standards or Rules	17
Part II: Observations Related to Quality Control	18
Appendix A: Firm's Response to the Draft Inspection Report	A-1

2020 INSPECTION

In the 2020 inspection of Deloitte & Touche LLP, the PCAOB assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies.

We selected for review 49 audits of issuers with fiscal years generally ending in 2019. In addition, to gain an understanding of how COVID-19 affected the firm's performance of audits, we selected for review four audits of issuers with fiscal years ending on or around June 30, 2020. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

We also selected for review five reviews of interim financial information ("interim reviews"). Our reviews were performed to gain a timely understanding of COVID-19's effect on firms and their procedures and to determine if we needed to issue guidance or other information to assist firms in completing audits and interim reviews during the pandemic. Although the identification of deficiencies was not the primary objective of these reviews, we did not identify any instances of non-compliance with PCAOB standards related to the interim reviews that we reviewed.

What's Included in this Inspection Report

This report includes the following sections:

- **Overview of the 2020 Inspection and Historical Data by Inspection Year:** Information on our inspection, historical data, and common deficiencies.
- **Part I – Inspection Observations:**
 - **Part I.A:** Deficiencies that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR.
 - **Part I.B:** Deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.
- **Part II – Observations Related to Quality Control:** Criticisms of, or potential defects in, the firm's system of quality control. Section 104(g)(2) of the Sarbanes-Oxley Act ("Act") restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.
- **Appendix A – Firm's Response to the Draft Inspection Report:** The firm's response to a draft of this report, excluding any portion granted confidential treatment.

2020 Inspection Approach

In selecting issuer audits for review, we use both risk-based and random methods of selection. We make most selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. We also select audits randomly to provide an element of unpredictability.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring

deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work nor of all of the audit procedures performed for the audits reviewed.

Our target team performs inspection procedures in areas of current audit risk and emerging topics and focuses its reviews primarily on evaluating the firm's procedures related to that risk or topic. In 2020, to gain an understanding of how COVID-19 affected how the firm performed its procedures, our target team focused on audits of issuers with fiscal years primarily ending between March 31 and June 30, 2020 and interim reviews of issuers for quarterly periods ending on or before June 30, 2020.¹

For the interim reviews, similar to our approach for reviewing audits, we did not review every aspect of the interim review. Rather, our review procedures focused on a portion of the firm's procedures.

View the details on the [scope of our inspections and our inspections procedures](#).

¹ Refer to [Staff Observations and Reminders during the COVID-19 Pandemic](#) for observations from the target team reviews.

OVERVIEW OF THE 2020 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2020 inspection as well as data from the previous two inspections. We use a combination of risk-based and random methods to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from year to year and firm to firm. As a result of this variation, we caution that our inspection results are not necessarily comparable over time or among firms.

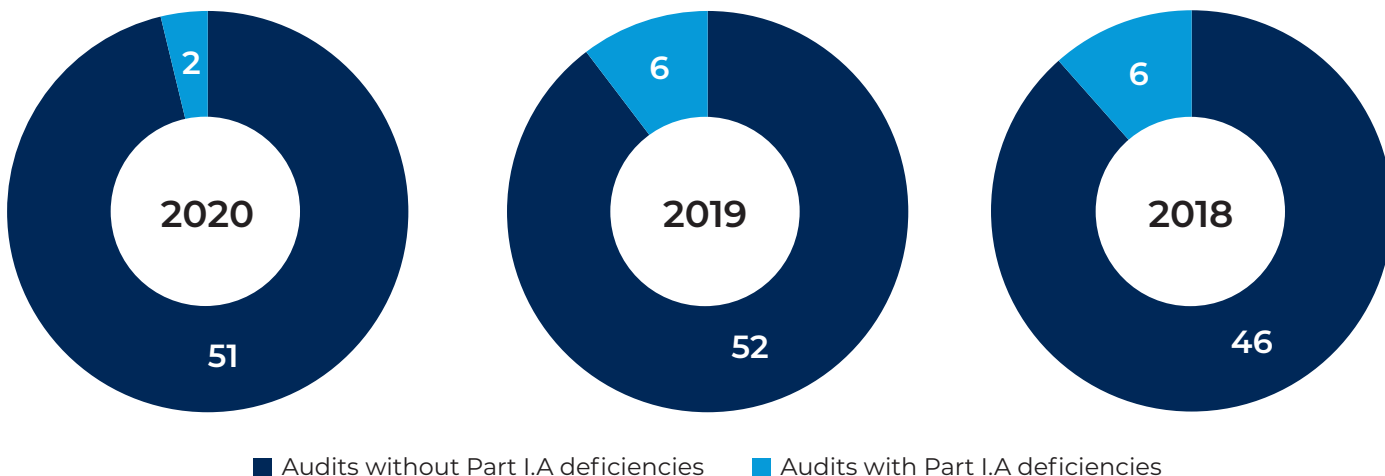
Audits Selected for Review

	2020	2019	2018
Total audits reviewed			
Total audits reviewed	53	58	52
Selection method			
Risk-based selections	37	39	42
Random selections	13	13	10
Target team selections ²	3	6	0
Total audits reviewed	53	58	52
Principal auditor			
Audits in which the firm was the principal auditor	53	55	51
Audits in which the firm was not the principal auditor	0	3	1
Total audits reviewed	53	58	52
Audit type			
Integrated audits of financial statements and ICFR	50	47	49
Financial statement audits only	3	11	3
Total audits reviewed	53	58	52

² For further information on the target team's activities in 2019, refer to that inspection report.

Part I.A Deficiencies in Audits Reviewed

In 2020, both of the audits appearing in Part I.A were selected for review randomly. In 2019, five of the six audits appearing in Part I.A were selected for review using risk-based criteria. In 2018, all audits appearing in Part I.A were selected for review using risk-based criteria.

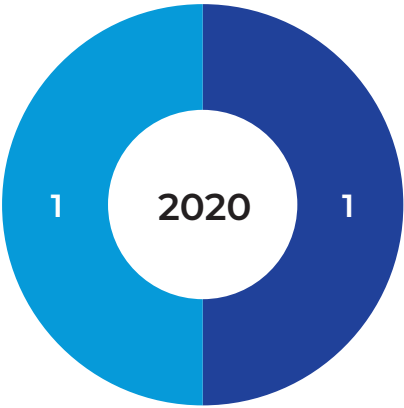


If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the issue was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

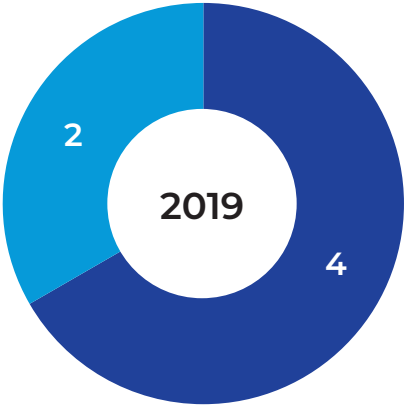
Our inspection normally includes a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.

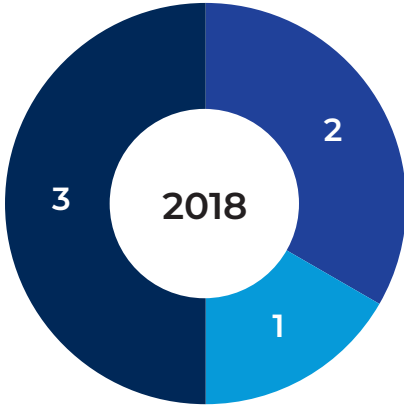
Audits Affected by the Deficiencies Identified in Part I.A



■ Deficiencies in both financial statement and ICFR audits



■ Deficiencies in the financial statement audit only



■ Deficiencies in the ICFR audit only

The following tables and graphs summarize inspection-related information, by inspection year, for 2020 and the previous two inspections. We caution against making any comparison of the data provided without reading the descriptions of the underlying deficiencies in each respective inspection report.

Most Frequently Identified Part I.A Deficiencies

Deficiencies in audits of financial statements	Audits with Part I.A deficiencies		
	2020	2019	2018
Did not perform sufficient testing related to an account or significant portion of an account or to address an identified risk	1	3	0
Did not perform sufficient procedures related to the scoping of the audit, including multi-location audits	1	0	0
Did not perform sufficient roll-forward procedures	1	0	0
Did not perform sufficient, appropriate analytical procedures when analytical procedures were intended to provide substantive evidence	1	0	0

Deficiencies in ICFR audits	Audits with Part I.A deficiencies		
	2020	2019	2018
Did not perform sufficient testing of the design and/or operating effectiveness of controls selected for testing	1	4	2
Did not identify and test any controls that addressed the risks related to a significant account or relevant assertion	1	1	0
Did not identify and/or sufficiently test controls over the accuracy and completeness of data or reports that the issuer used in the operation of controls	1	0	3
Did not perform sufficient procedures related to the scoping of the audit, including multi-location audits	1	0	0

Audit Areas Most Frequently Reviewed

This table reflects the five audit areas we have selected most frequently for review in each inspection year (and the related Part I.A deficiencies). For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2020			2019			2018		
Audit area	Audits reviewed	Audits with Part I.A deficiencies	Audit area	Audits reviewed	Audits with Part I.A deficiencies	Audit area	Audits reviewed	Audits with Part I.A deficiencies
Revenue and related accounts	41	2	Revenue and related accounts	43	2	Revenue and related accounts	47	1
Inventory	17	0	Business combinations	14	0	Business combinations	17	0
Goodwill and intangible assets	16	0	Goodwill and intangible assets	14	1	Inventory	16	0
Going concern	14	0	Inventory	10	2	Goodwill and intangible assets	12	0
Leases	12	0	Long-lived assets	8	1	Income taxes	10	0

Audit Areas with Frequent Part I.A Deficiencies

This table reflects the audit areas with the most frequently identified Part I.A deficiencies in each inspection year with the corresponding results for the other two years presented.

Audit area	2020		2019		2018	
	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed
Revenue and related accounts	2	41	2	43	1	47
Inventory	0	17	2	10	0	16
Investment securities	0	7	1	7	1	7
Goodwill and intangible assets	0	16	1	14	0	12
Insurance-related assets and liabilities, including insurance reserves	0	1	0	4	3	5

Revenue and related accounts: The deficiencies in 2020 related to substantive testing of revenue and accounts receivable and testing controls over revenue. The deficiencies in 2019 related to substantive testing of revenue, including a chargeback accrual, and testing controls over this accrual. The deficiencies in 2018 related to testing controls over revenue.

Inventory: The deficiencies in 2019 related to testing controls over the existence of inventory and the resulting overreliance on controls when performing substantive testing.

Investment securities: The deficiencies in 2019 related to substantive testing of, and testing controls over, the valuation of investment securities. The deficiency in 2018 related to testing controls over the valuation of investment securities.

Goodwill and intangible assets: The deficiency in 2019 related to evaluating intangible assets for possible impairment.

Insurance-related assets and liabilities, including insurance reserves: The deficiencies in 2018 related to substantive testing of, and testing controls over, the accuracy of claims data used by the issuer to determine the estimated liabilities.

Auditing Standards Associated with Identified Part I.A Deficiencies

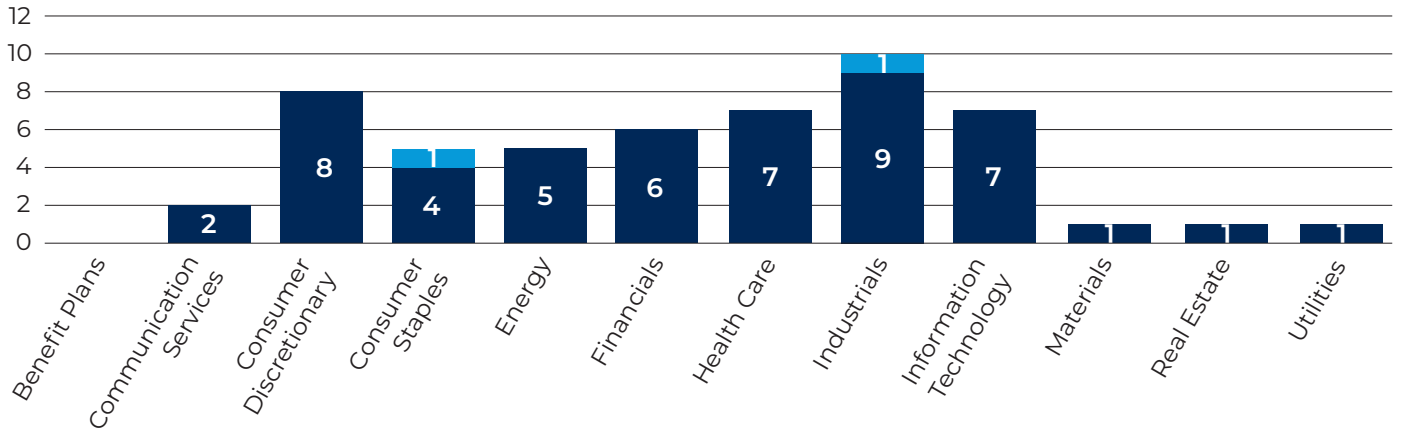
The following lists the auditing standards referenced in Part I.A of the 2020 and the previous two inspection reports, and the number of times that the standard is cited in Part I.A.

PCAOB Auditing Standards	2020	2019	2018
<i>AS 1105, Audit Evidence</i>	0	0	2
<i>AS 2101, Audit Planning</i>	1	0	0
<i>AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements</i>	6	9	5
<i>AS 2301, The Auditor's Responses to the Risks of Material Misstatement</i>	2	3	0
<i>AS 2305, Substantive Analytical Procedures</i>	1	0	0
<i>AS 2310, The Confirmation Process</i>	0	0	1
<i>AS 2315, Audit Sampling</i>	0	2	0
<i>AS 2501, Auditing Accounting Estimates</i>	0	2	0
<i>AS 2510, Auditing Inventories</i>	0	1	0
<i>AS 2810, Evaluating Audit Results</i>	0	1	0

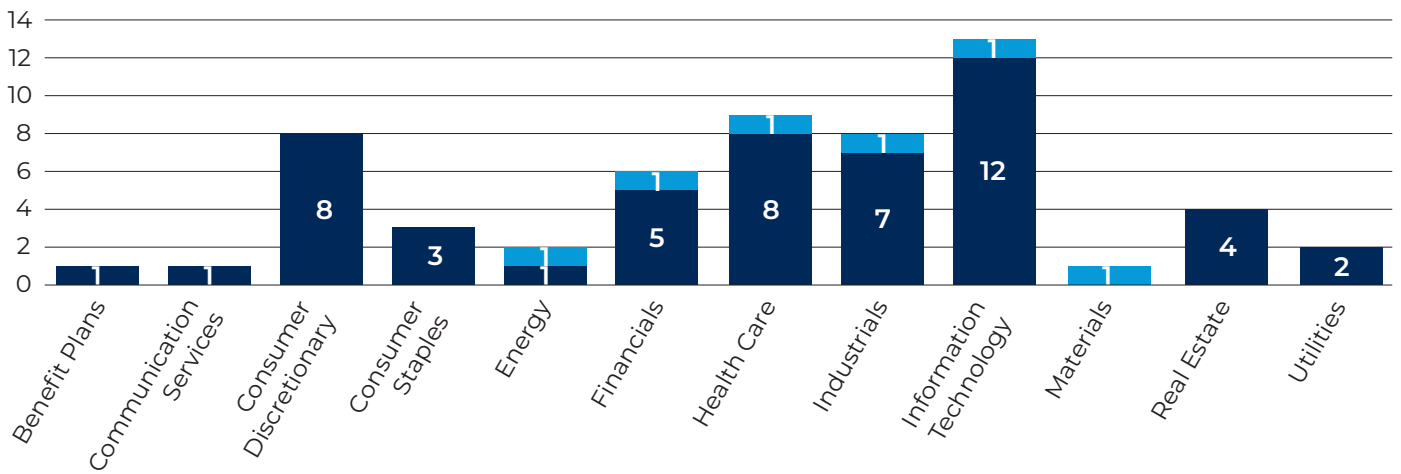
Inspection Results by Issuer Industry Sector

The majority of industry sector data is based on Global Industry Classification Standard (GICS) data obtained from Standard & Poor's (S&P). In instances where GICS data for an issuer is not available from S&P, classifications are assigned based upon North American Industry Classification System data.

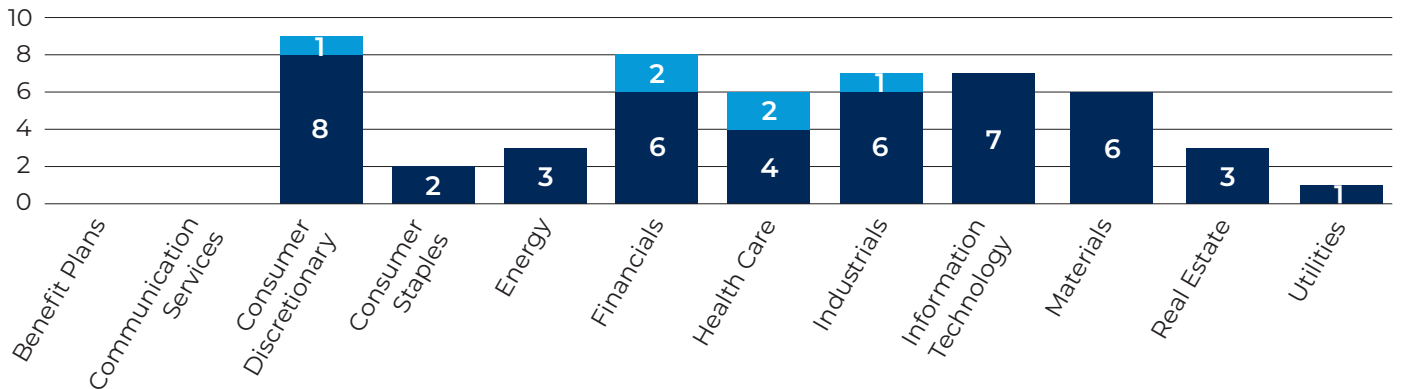
2020



2019



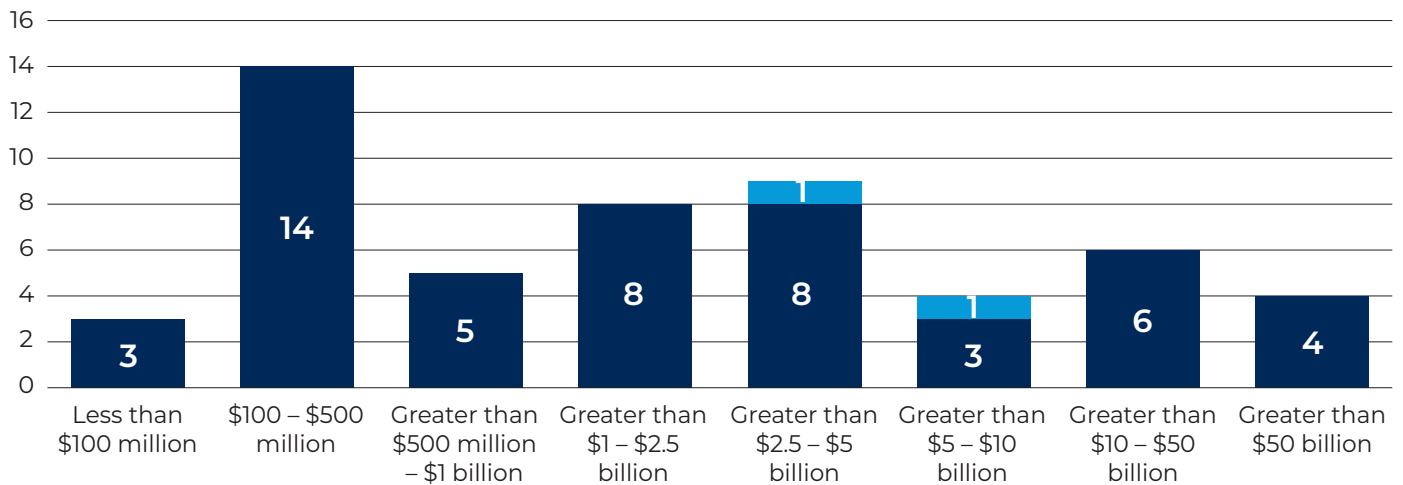
2018



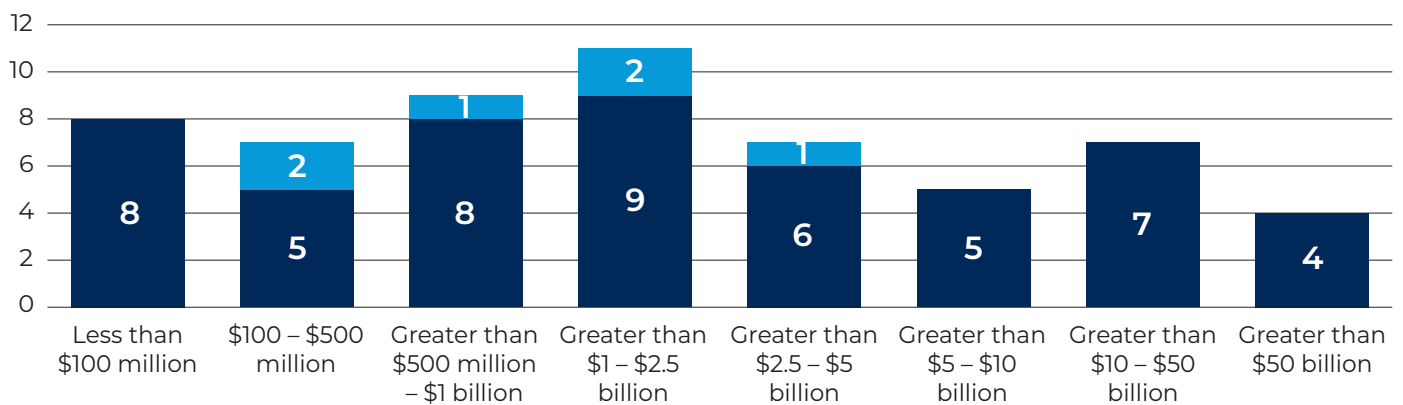
■ Audits without Part I.A deficiencies ■ Audits with Part I.A deficiencies

Inspection Results by Issuer Revenue Range

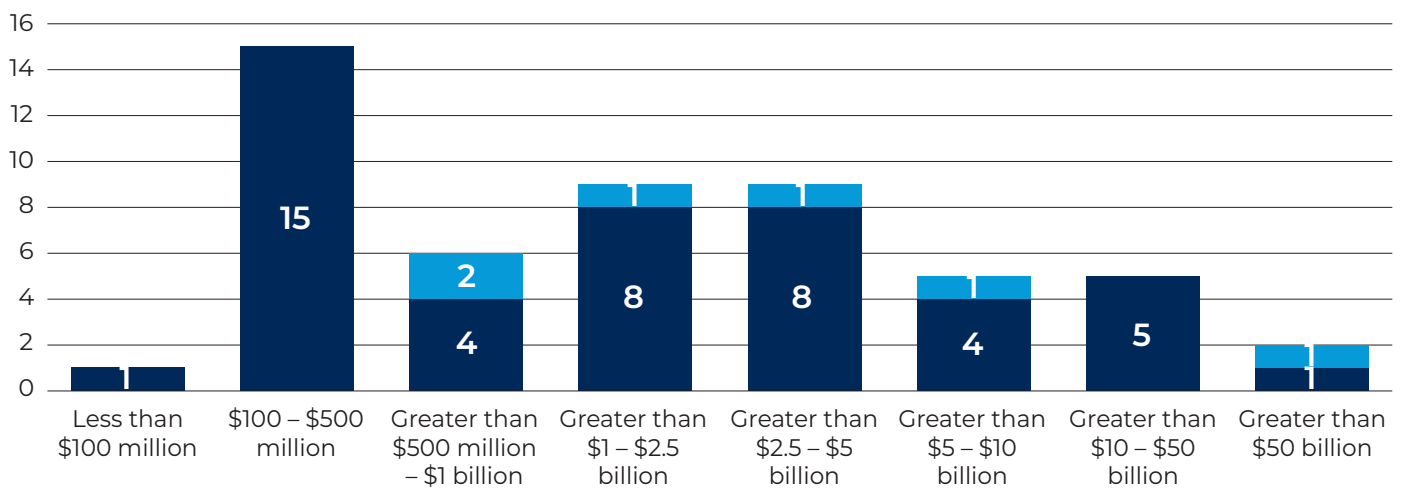
2020



2019



2018



■ Audits without Part I.A deficiencies
 ■ Audits with Part I.A deficiencies

Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The sole purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR. This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

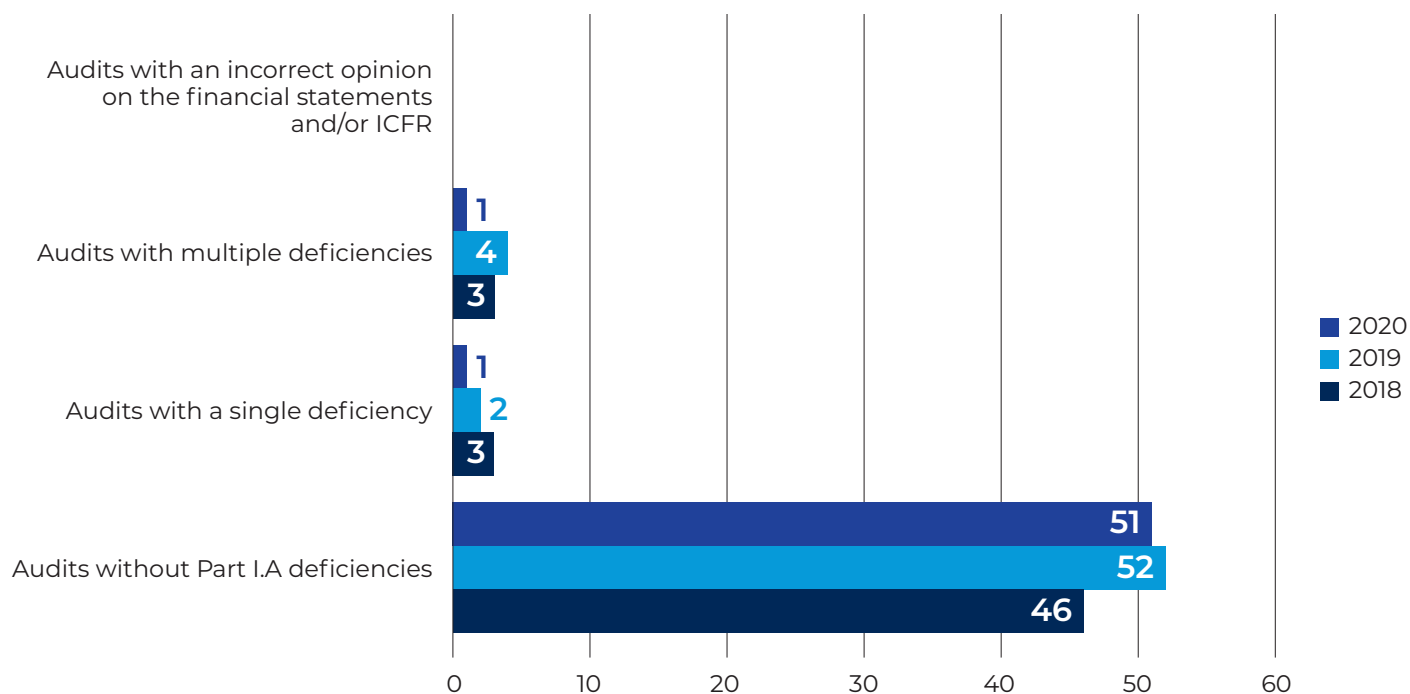
Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

Number of Audits in Each Category



PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion on the issuer's financial statements and/or ICFR.

Part I.B discusses deficiencies that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

Consistent with the Act, it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II.

PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion on the issuer's financial statements and/or ICFR.

We identify each issuer by a letter (e.g., Issuer A) and industry sector. Each deficiency could relate to several auditing standards, but we reference the PCAOB standard(s) that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

Audits with Multiple Deficiencies

Issuer A – Industrials

Type of audit and related area affected

In our review, we identified deficiencies in the financial statement and ICFR audits related to **Revenue**.

Description of the deficiencies identified

With respect to four types of revenue, the following deficiencies were identified:

- The firm did not identify and test any controls over the accuracy and completeness of the customer order information from various source systems that the issuer used to record revenue. (AS 2201.39)
- The firm's substantive procedures to test three of these types of revenue consisted of substantive

analytical procedures. The firm used revenue data that were based on information from the various source systems to develop its expectations but did not test, or (as discussed above) identify and test controls over, the accuracy and completeness of these revenue data. (AS 2305.16)

- The firm selected for testing controls that consisted of the issuer's reviews of financial results, including comparisons of each type of revenue to prior-period revenue and, for three of these types of revenue, to forecasted revenue. The firm did not evaluate the review procedures that the control owners performed, including the procedures to identify items for follow up and the procedures to determine whether those items were appropriately resolved. (AS 2201.42 and .44)
- The firm selected for testing controls over the forecasted revenue used in the operation of the controls discussed above. The firm did not evaluate the specific review procedures that the control owners performed to assess the reasonableness of the forecasted revenue. (AS 2201.42 and .44) In addition, the firm did not identify and test any controls over the accuracy and completeness of the forecast reports used in the operation of these controls. (AS 2201.39)

With respect to other types of revenue that were recorded at certain of the issuer's business units ("other revenue types"), the following deficiencies were identified:

- The firm did not evaluate whether specific risks of material misstatement existed for these other revenue types, including whether the risks of material misstatement that the firm associated with revenue types at other business units subject to more extensive audit procedures also applied to these other revenue types. (AS 2101.11 and .12; AS 2201.B10)
- The firm selected for testing a control that consisted of the issuer's reviews of financial results, including these other revenue types. The firm did not evaluate the review procedures that the control owners performed, including the procedures to identify items for follow up and the procedures to determine whether those items were appropriately resolved. (AS 2201.42 and .44)
- The firm did not perform any substantive procedures to test these other revenue types. (AS 2301.08)

Audits with a Single Deficiency

Issuer B – Consumer Staples

Type of audit and related area affected

In our review, we identified a deficiency in the financial statement audit related to **Accounts Receivable**.

Description of the deficiency identified

The firm's substantive procedures to test accounts receivable as of an interim date consisted of performing confirmation procedures for a sample of invoices. The firm did not perform sufficient procedures to extend its conclusions from the interim date to year end because its procedures were limited to performing confirmation procedures for a small sample of invoices recorded as accounts receivable at year end. (AS 2301.45)

PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses any deficiencies we identified that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In five of 53 audits reviewed, the firm did not include all relevant work papers in the final set of audit documentation it was required to assemble. In these instances, the firm was non-compliant with AS 1215, *Audit Documentation*.
- In two of 34 audits reviewed, the firm did not make a required communication to the issuer's audit committee related to the issuer's critical accounting policies and practices or critical accounting estimates. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In 12 of 34 audits reviewed, the engagement team performed procedures to determine whether or not matters were critical audit matters but did not include in those procedures one or more matters that were communicated, or required to be communicated, to the issuer's audit committee and that related to accounts or disclosures that were material to the financial statements. In these instances, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. These instances of non-compliance do not necessarily mean that other critical audit matters should have been communicated in the auditor's report.

PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

Policies for Financial Holdings Disclosures

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that the firm and its personnel will comply with the firm's policies and procedures with respect to independence-related regulatory requirements. (QC 20.04, .09, and .10)

The firm conducts periodic audits of a sample of its personnel to monitor compliance with certain of its independence policies. In the audits conducted during the twelve-month period ended August 31, 2020, the firm identified that 25% of the partners and principals and 39% of the managing directors and managers who were audited had not reported financial relationships that were required to be reported in accordance with the firm's policies. This high rate of non-compliance with the firm's policies, which are designed to provide compliance with applicable independence regulatory requirements, provides cause for concern, especially considering that these individuals are required to certify on a semi-annual basis that they have complied with the firm's independence policies and procedures.

APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.



30 Rockefeller Plaza
New York, NY 10112
USA

September 16, 2021

Mr. George Botic
Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006

Re: Deloitte & Touche LLP – Response to Part I of Draft Report on 2020 Inspection (PUBLIC)

Dear Mr. Botic:

Deloitte & Touche LLP is pleased to submit this response to the draft Report on the 2020 Inspection of Deloitte & Touche LLP (the Draft Report) of the Public Company Accounting Oversight Board (the PCAOB or the Board). We believe that the PCAOB's inspection process serves an important role in the achievement of our shared objectives of improving audit quality and serving investors and the public interest. We are committed to continuing to work with the PCAOB to further strengthen trust in the integrity of the independent audit.

We have evaluated the matters identified by the Board's inspection team for each of the issuer audits described in Part I of the Draft Report and have taken actions as appropriate in accordance with PCAOB standards to comply with our professional responsibilities under AS 2901, *Consideration of Omitted Procedures After the Report Date*, and AS 2905, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*.

Executing high quality audits is our number one priority. In order to drive continuous improvements in quality, we are transforming the audit to leverage innovative technologies, along with enhancing the skillsets of our talent to prepare them for a digitally driven future. We are confident that our ongoing digital transformation, inclusive of the investments we are making in our audit processes, our people, and our technology, are resulting in significant, sustainable enhancements to our audit quality.

Sincerely,

Lara Abrash
Chair and Chief Executive Officer
Deloitte & Touche LLP

Joseph B. Ucuzoglu
Chief Executive Officer
Deloitte

In the United States, Deloitte refers to one or more of the US member firms of Deloitte Touche Tohmatsu Limited, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Please see www.deloitte.com/us/about for a detailed description of our legal structure.

Member of
Deloitte Touche Tohmatsu Limited



30 Rockefeller Plaza
New York, NY 10112
USA

September 16, 2021

Mr. George Botic
Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006

Re: Deloitte & Touche LLP – Response to Part II of Draft Report on 2020 Inspection (NON PUBLIC)

Dear Mr. Botic:

Deloitte & Touche LLP is pleased to submit this response to Part II of the draft Report on the 2020 Inspection of Deloitte & Touche LLP (the Draft Report) of the Public Company Accounting Oversight Board (the PCAOB or the Board). We believe that the PCAOB's inspection process serves an important role in the achievement of our shared objectives of improving audit quality and serving investors and the public interest. We are committed to continuing to work with the PCAOB to further strengthen trust in the integrity of the independent audit.

We appreciate the professionalism exhibited by the inspection staff throughout the inspection and hope the inspection staff found our support and responsiveness to be consistent with our commitment to continuous improvement.

We will continue to design and execute actions that address and remediate the deficiencies cited by the Board. We welcome the opportunity to advise the inspection staff and the Board of our progress during the remediation period.

Sincerely,

Lara Abrash
Chair and Chief Executive Officer
Deloitte & Touche LLP

Joseph B. Ucuzoglu
Chief Executive Officer
Deloitte

In the United States, Deloitte refers to one or more of the US member firms of Deloitte Touche Tohmatsu Limited, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Please see www.deloitte.com/us/about for a detailed description of our legal structure.

Member of
Deloitte Touche Tohmatsu Limited

