2021 Inspection Deloitte & Touche LLP

(Headquartered in New York, New York)

November 4, 2022

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. 104-2022-219A
(Includes portions of Part II and Appendix A of the full report that were not included in PCAOB Release No. 104-2022-219)

PCAOB
PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

EXECUTIVE SUMMARY

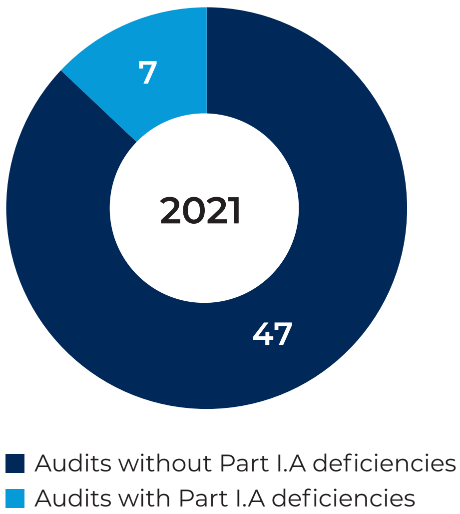
Our 2021 inspection report on Deloitte & Touche LLP provides information on our inspection to assess the firm's compliance with Public Company Accounting Oversight Board (PCAOB) standards and rules and other applicable regulatory and professional requirements. This executive summary offers a high-level overview of:

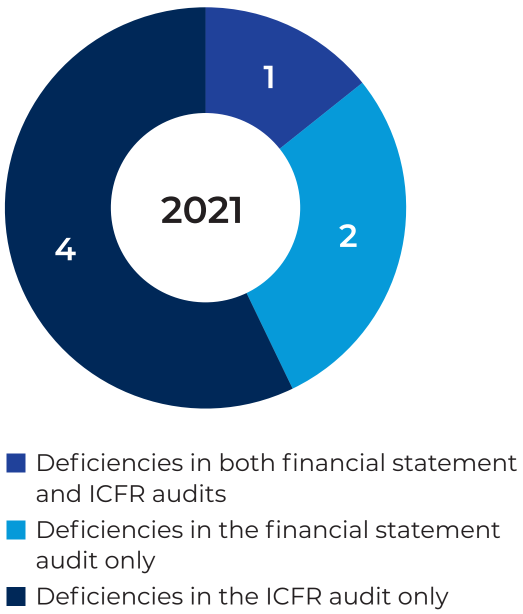
- Part I.A of the report, which discusses deficiencies ("Part I.A deficiencies") in certain issuer audits that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's 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 2021 Deficiencies Included in Part I

Seven of the 54 audits we reviewed in 2021 are included in Part I.A of this report due to the significance of the deficiencies identified. The identified deficiencies primarily related to the firm's testing of controls over and substantive testing of inventory.





The most common Part I.A deficiencies in 2021 related to testing the design or operating effectiveness of controls selected for testing and testing controls over the accuracy and completeness of data or reports used in the operation of controls.

Other deficiencies identified during the 2021 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 management representation letters, retention of audit documentation, audit committee communications, the firm's audit report, and critical audit matters.

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2021 INSPECTION

In the 2021 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 54 audits of issuers with fiscal years generally ending in 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 two reviews of interim financial information ("interim reviews"). Our reviews were performed to gain a timely understanding of emerging financial reporting and auditing risks associated with issuers that were formed by mergers between non-public operating companies and special purpose acquisition companies (SPACs). 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 2021 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.

2021 Inspection Approach

In selecting issuer audits for review, we use both risk-based and random methods of selection. We make the majority of our 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 2021, our target team focused primarily on audit areas affected by COVID-19, such as fraud and going concern, and on interim reviews of issuers that were formed by mergers between non-public operating companies and SPACs.[1]

For the interim reviews, similar to our approach for reviewing audits, our target team did not review every aspect of the interim review. Rather, its 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 Observations From the Target Team's 2021 Inspections for observations from the target team reviews.

OVERVIEW OF THE 2021 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2021 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.

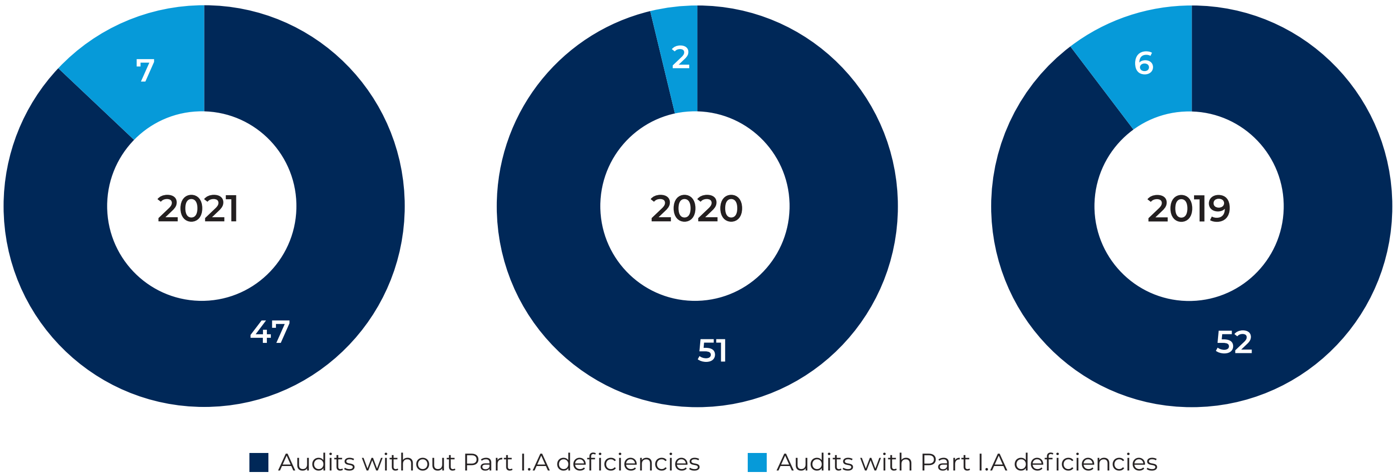
Audits Selected for Review

	2021	2020	2019
Total audits reviewed			
Total audits reviewed	54	53	58
Selection method			
Risk-based selections	25	37	39
Random selections	25	13	13
Target team selections[2]	4	3	6
Total audits reviewed	**54**	**53**	**58**
Principal auditor			
Audits in which the firm was the principal auditor	54	53	55
Audits in which the firm was not the principal auditor	0	0	3
Total audits reviewed	**54**	**53**	**58**
Audit type			
Integrated audits of financial statements and ICFR	43	50	47
Financial statement audits only	11	3	11
Total audits reviewed	**54**	**53**	**58**

[2] For further information on the target team's activities in 2020 and 2019, refer to those inspection reports.

Part I.A Deficiencies in Audits Reviewed

In 2021, four of the seven audits appearing in Part I.A were selected for review using risk-based criteria. 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.

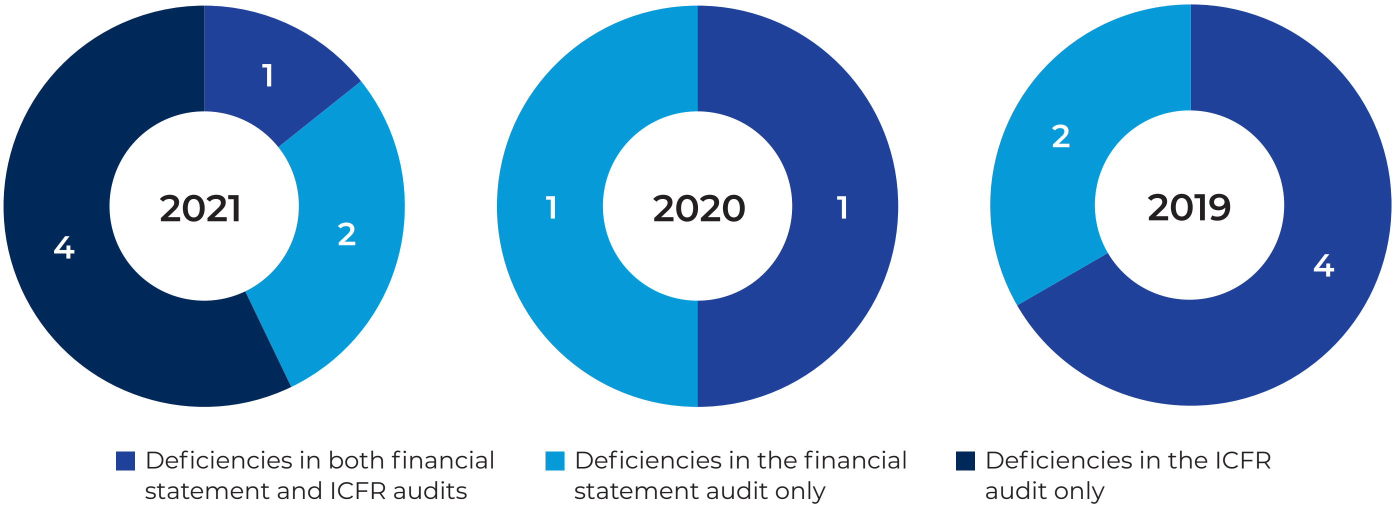


If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In many cases, the firm has performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional 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



Our 2021 inspection procedures involved one audit of an issuer that was formed by a merger between a non-public operating company and a SPAC for which the issuer, unrelated to our review, restated its financial statements to correct a misstatement and the firm revised and reissued its report on the financial statements.

The following tables and graphs summarize inspection-related information, by inspection year, for 2021 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		
	2021	2020	2019
Did not perform sufficient testing related to an account or significant portion of an account or to address an identified risk	1	1	3
Did not sufficiently evaluate the appropriateness of the issuer's accounting method or disclosure for one or more transactions or accounts	1	0	0
Did not perform sufficient procedures to address a going concern issue	1	0	0

Deficiencies in ICFR audits	Audits with Part I.A deficiencies		
	2021	2020	2019
Did not perform sufficient testing of the design and/or operating effectiveness of controls selected for testing	4	1	4
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	2	1	0
Did not identify and test any controls that addressed the risks related to a significant account or relevant assertion	1	1	1

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.

2021			2020			2019		
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	31	1	Revenue and related accounts	41	2	Revenue and related accounts	43	2
Long-lived assets	17	0	Inventory	17	0	Business combinations	14	0
Accruals and other liabilities	14	0	Goodwill and intangible assets	16	0	Goodwill and intangible assets	14	1
Goodwill and intangible assets	13	0	Going concern	14	0	Inventory	10	2
Debt	12	0	Leases	12	0	Long-lived assets	8	1

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	2021		2020		2019	
	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed	Audits with Part I.A deficiencies	Audits reviewed
Inventory	2	6	0	17	2	10
Revenue and related accounts	1	31	2	41	2	43

Inventory: The deficiencies in 2021 primarily related to substantive testing of inventory and testing controls over the existence of inventory, including cycle-count controls. The deficiencies in 2019 related to testing controls over the existence of inventory and the resulting overreliance on controls when performing substantive testing.

Revenue and related accounts: The deficiency in 2021 related to testing controls over revenue. 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.

Auditing Standards Associated with Identified Part I.A Deficiencies

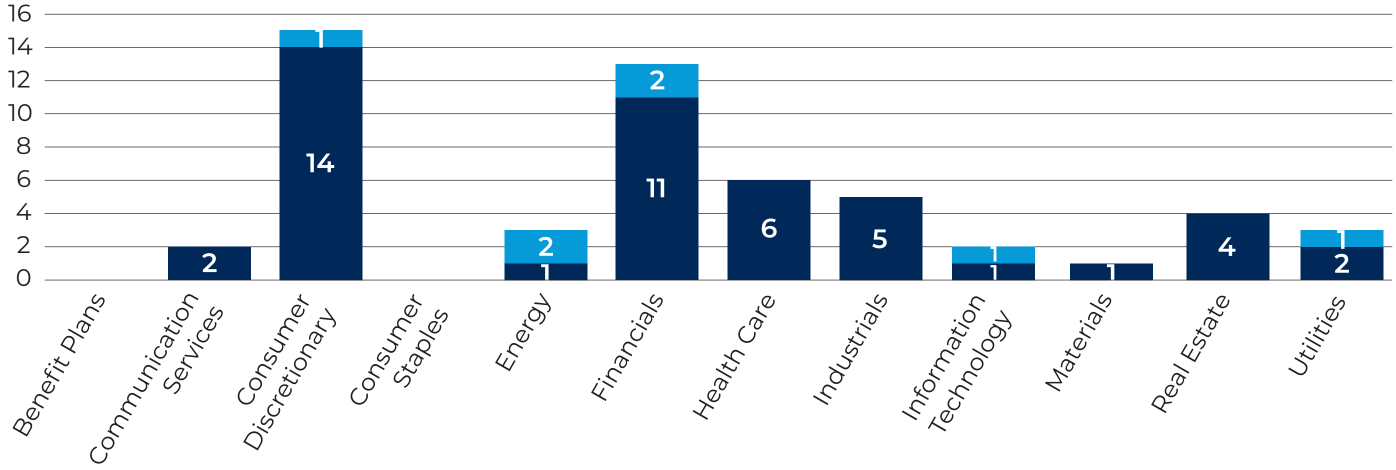
The following lists the auditing standards referenced in Part I.A of the 2021 and the previous two inspection reports, and the number of times that the standard is cited in Part I.A.

PCAOB Auditing Standards	2021	2020	2019
AS 1105, *Audit Evidence*	1	0	0
AS 2101, *Audit Planning*	0	1	0
AS 2201, *An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements*	7	6	9
AS 2301, *The Auditor's Responses to the Risks of Material Misstatement*	1	2	3
AS 2305, *Substantive Analytical Procedures*	0	1	0
AS 2315, *Audit Sampling*	0	0	2
AS 2415, *Consideration of an Entity's Ability to Continue as a Going Concern*	1	0	0
AS 2501, *Auditing Accounting Estimates* (effective for fiscal years ending before December 15, 2020)	0	0	2
AS 2510, *Auditing Inventories*	0	0	1
AS 2810, *Evaluating Audit Results*	1	0	1

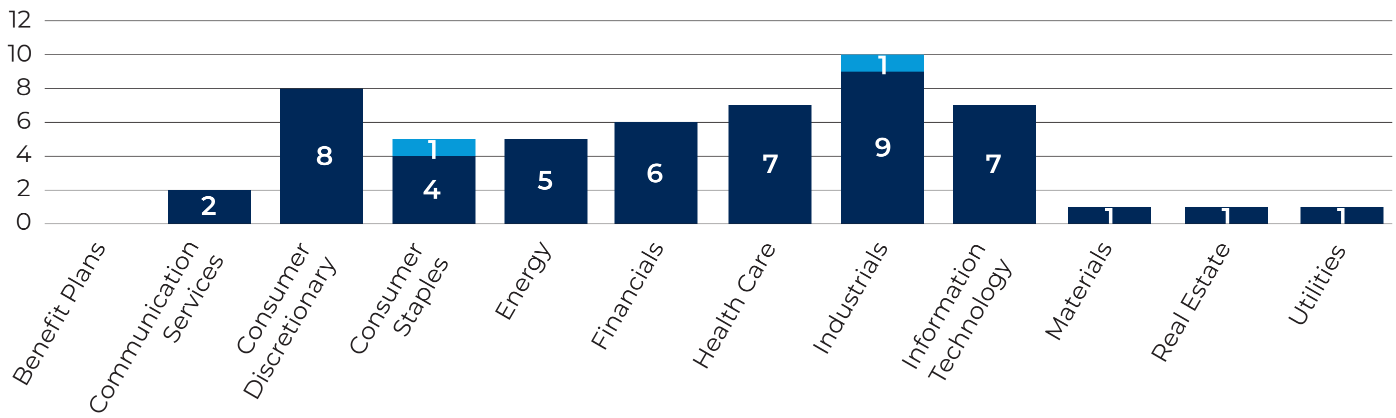
Inspection Results by Issuer Industry Sector

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.

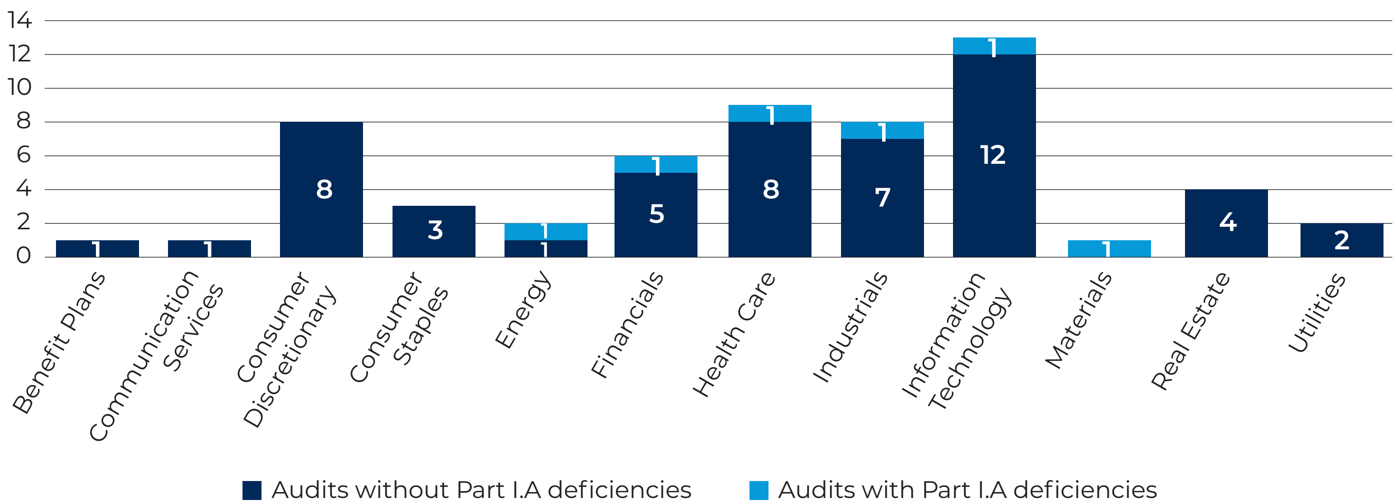
2021



2020

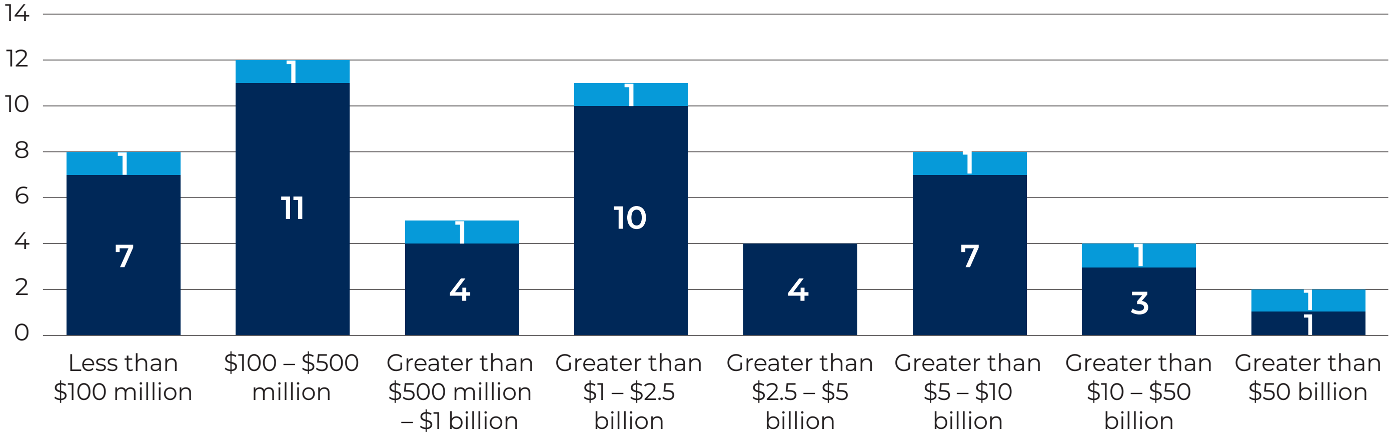


2019

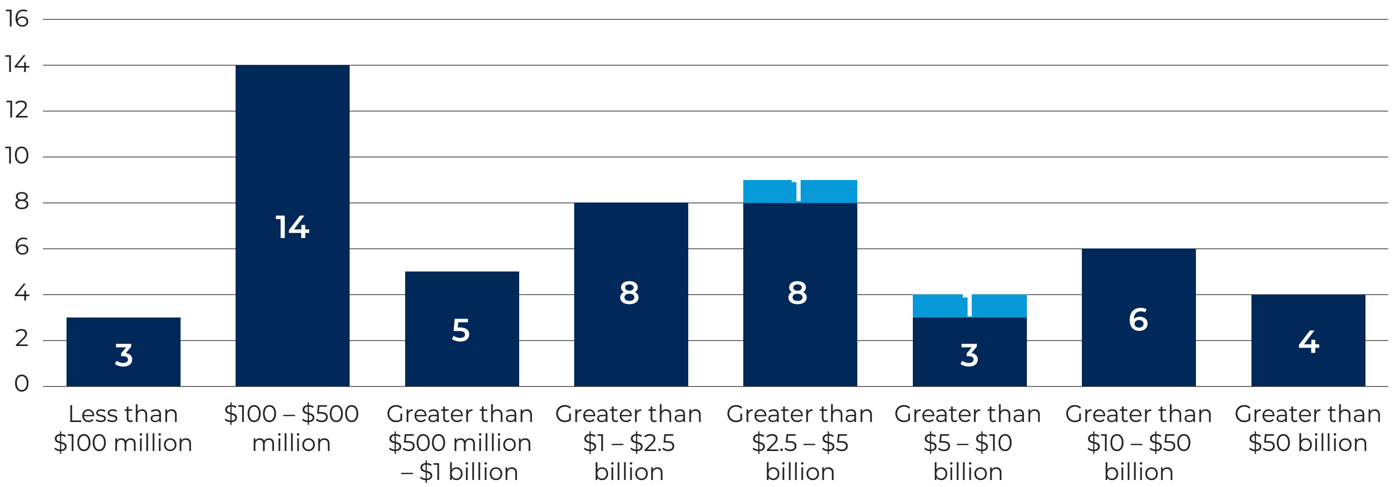


Inspection Results by Issuer Revenue Range

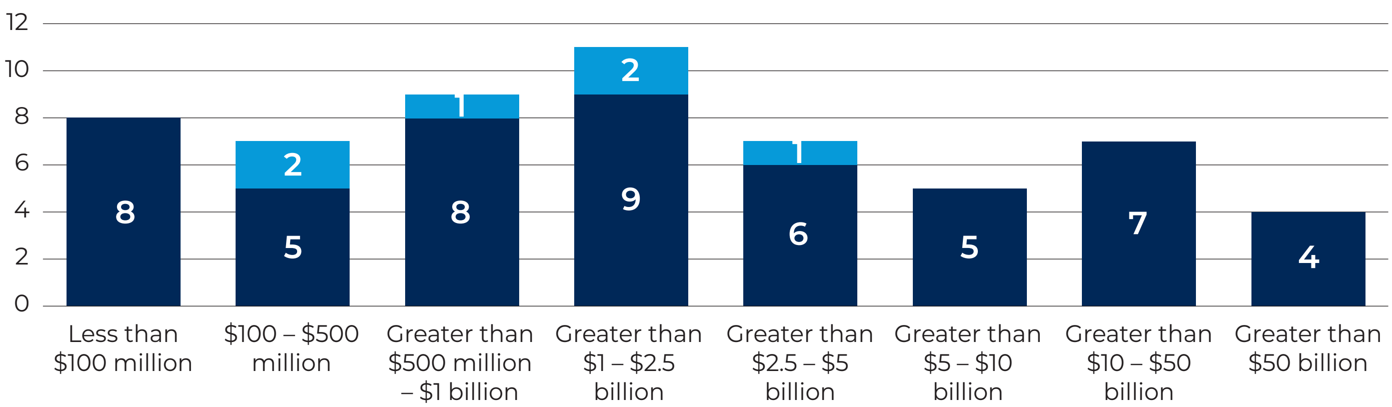
2021



2020



2019



■ 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 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.

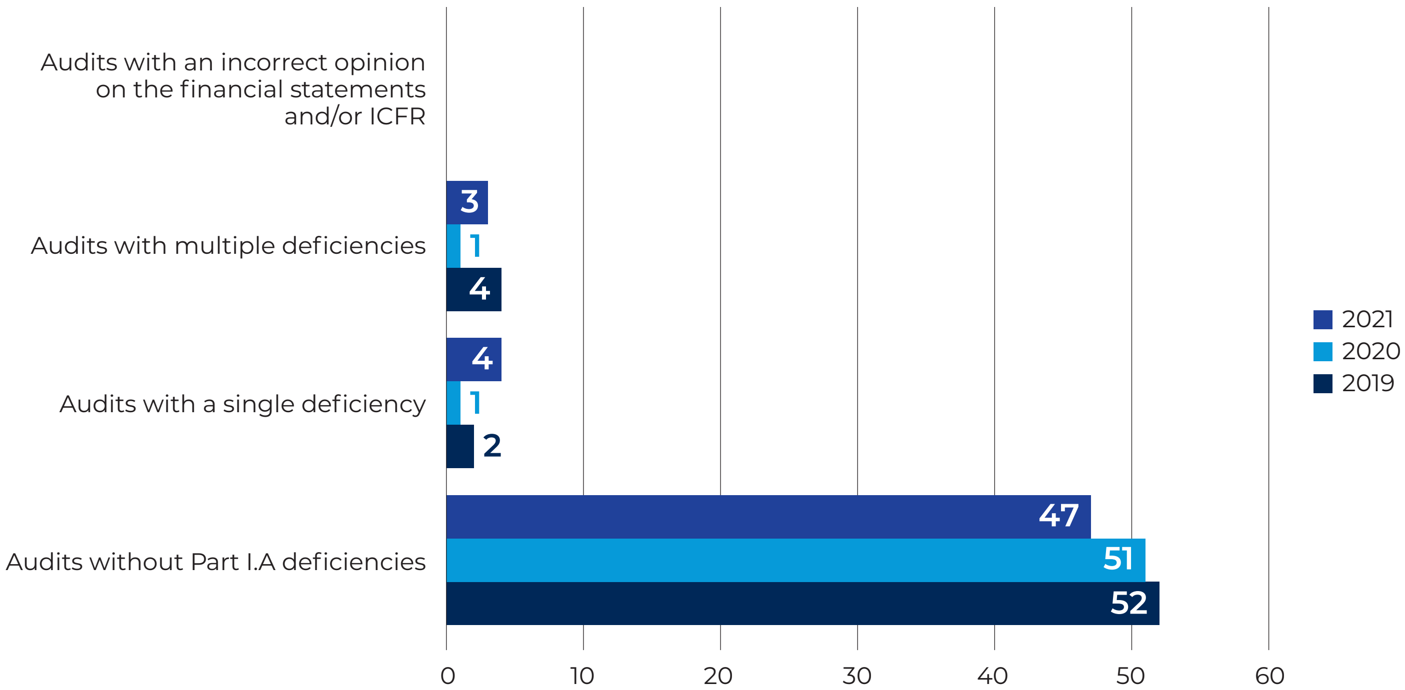
Audits with Multiple Deficiencies

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(s) 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(s) 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 – Information Technology

Type of audit and related area affected

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

Description of the deficiencies identified

With respect to work-in-process inventory at one of the issuer's business units, which the firm designated as subject to more extensive audit procedures, the following deficiencies were identified:

- The firm did not identify and test any controls over this inventory. (AS 2201.39)
- The firm did not perform any substantive procedures to test this inventory. (AS 2301.08)

The firm designated certain of the issuer's other business units as subject to less extensive audit procedures. With respect to these business units, the firm selected for testing a control that included quarterly reviews of financial information, including inventory. The firm did not evaluate the specific review procedures that the control owners performed to determine whether items identified for follow up were appropriately resolved. (AS 2201.42 and .44)

Issuer B – Consumer Discretionary

Type of audit and related area affected

In our review, we identified deficiencies in the ICFR audit related to **Inventory**.

Description of the deficiencies identified

The issuer performed cycle counts of certain inventory held at various locations. The firm selected for testing a control that consisted of the issuer's reviews of the cycle-count results. 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) In addition, the firm did not identify and test any controls over the accuracy and completeness of the reports that the control owners used in the operation of this control. (AS 2201.39)

Issuer C – Financials

Type of audit and related area affected

In our review, we identified deficiencies in the ICFR audit related to the **Allowance for Credit Losses (ACL)**.

Description of the deficiencies identified

The firm selected for testing controls that consisted of the issuer's validation of the models that the issuer used to estimate the quantitative component of the ACL for loans collectively evaluated for impairment. As part of the review to validate these models, the control owners performed various tests of (1) the models, such as sensitivity analyses and benchmark comparisons to other models, and (2) the data used to develop the models and any underlying assumptions. The firm did not evaluate the specific review procedures that the control owners performed to (1) conduct, and evaluate the results of, these tests and (2) verify the accuracy and completeness of the data the control owners used in these tests. (AS 2201.42 and .44)

Audits with a Single Deficiency

Issuer D – Energy

Type of audit and related area affected

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

Description of the deficiency identified

During the audit, the firm did not identify, and appropriately address, that the issuer's accounting for warrants as equity was not in conformity with FASB ASC Topic 815, Derivatives and Hedging. (AS 2810.30)

Unrelated to our review, the issuer reevaluated its accounting for these warrants and concluded that a material misstatement existed that had not been previously identified. The issuer subsequently corrected this misstatement in a restatement of its financial statements, and the firm revised and reissued its report on the financial statements.

Issuer E – Financials

Type of audit and related area affected

In our review, we identified a deficiency in the ICFR audit related to **Derivatives**.

Description of the deficiency identified

The issuer used models to value certain derivatives. The firm selected for testing a control that consisted of the issuer's review of the fair values determined by these models. The firm did not evaluate the specific review procedures the control owner performed to assess the reasonableness of the resulting fair values for certain of these derivatives. (AS 2201.42 and .44)

Issuer F – Utilities

Type of audit and related area affected

In our review, we identified a deficiency in the ICFR audit related to **Revenue**.

Description of the deficiency identified

The issuer generated certain revenue from the sale of electricity. The firm selected for testing a control over the volumes of electricity delivered that consisted of the issuer's comparison of adjusted monthly volumes to the corresponding prior-period adjusted volumes. The firm did not test the aspect of this control that addressed the accuracy and completeness of the information the issuer used to calculate the adjustments to the volumes delivered. (AS 2201.42 and .44)

Issuer G – Energy

Type of audit and related area affected

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

Description of the deficiency identified

In evaluating whether there was substantial doubt about the issuer's ability to continue as a going concern, the firm did not sufficiently test the reliability of the issuer's forecasted cash outflows that the firm used in its evaluation. The firm compared the forecasted cash outflows to the issuer's current-year cash outflows, adjusted for certain one-time charges, but did not perform any procedures to evaluate whether those adjusted current-year cash outflows would be representative of future cash outflows. Further, the firm also considered in its evaluation the amount of credit that the issuer expected to have available but did not perform any procedures to evaluate whether this expected amount was reasonable. (AS 1105.04 and .06; AS 2415.03)

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 one of 10 audits reviewed, the firm's foreign affiliates had obtained letters of representation from management for certain of the issuer's non-U.S. components, but the firm, as the principal auditor, did not review and retain one of these letters. In this instance, the firm was non-compliant with AS 1205, *Part of the Audit Performed by Other Independent Auditors*.
- In two of 54 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 one audit reviewed, the firm did not document in its work papers that it had provided the management representation letter to the issuer's audit committee. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In one of 13 audits reviewed, the year the firm began serving consecutively as the company's auditor that was included in the firm's audit report was incorrect. In this instance, 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*.
- In three of 46 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 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 December 31, 2020, the firm identified that 20% of the partners and principals and 33% 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.

Deloitte.

30 Rockefeller Plaza
New York, NY 10112
USA

October 12, 2022

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 2021 Inspection (PUBLIC)

Dear Mr. Botic:

Deloitte & Touche LLP is pleased to submit this response to Part I of the Public Company Accounting Oversight Board's (the PCAOB) draft report on the 2021 Inspection of Deloitte & Touche LLP (the Draft Report). 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 PCAOB'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. We are dedicated to continuous improvement at all levels of our organization and unwavering in our efforts to enhance quality at every step of the audit process. In order to drive continuous improvements in quality, we are digitizing the audit, transforming the way we work, and fostering the development of our people, to fulfill our role of providing high-quality audit and assurance services to the capital markets. Our quality is underpinned by a strong system of quality control that continues to be enhanced by the implementation of International Standard on Quality Management (ISQM) 1. We are confident that our ongoing digital transformation, inclusive of the investments we are making in our audit and assurance 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

Deloitte.

30 Rockefeller Plaza
New York, NY 10112
USA

October 12, 2022

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 2021 Inspection (NON PUBLIC)

Dear Mr. Botic:

Deloitte & Touche LLP is pleased to submit this response to Part II of the draft Report on the 2021 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