

7 August 2023

Senate Finance and Public Administration Committee
PO Box 6100
Parliament House
Canberra ACT 2600

By email: fpa.sen@aph.gov.au

Dear Committee Secretary

Written response to questions on notice and related matters

Thank you for the questions on notice dated 18 July 2023 forwarded to Deloitte at the request of Senator Deborah O'Neill, and for the opportunity to appear before the Committee on 17 July 2023 in relation to the inquiry into the management and assurance of integrity by consulting services.

We would like to reiterate our commitment to engage with the Committee openly and constructively through this process. We deeply respect the privilege of working with the public sector and take accountability for the outcomes we deliver for our public sector clients.

We are committed to continuing to invest in our policies, systems, controls and the training of our people to ensure we continue to fully comply with all laws, regulations and professional obligations. We regularly review our policies and procedures to ensure that they remain current and comply with the law and all applicable obligations.

As an organisation, we are proud of the work we do for our public sector clients and the positive impact we make to support public sector agendas. This is based on the provision of properly procured specialist expertise which is additive and complementary to the skills and capabilities of the public service. We understand that the provision of such services is rightfully predicated on being held accountable for the quality of the work we deliver, and also the integrity of our people and adherence to policies, procedures and standards of conduct.

Responses to the questions on notice and additional information

In connection with the inquiry, we provide the following:

- **Appendix A**, containing responses to the questions on notice dated 18 July 2023.
- **Appendix B**, containing responses to the questions on notice put to Deloitte representatives during the hearing on 17 July 2023.

We appreciate this opportunity to engage in this important review of our profession and please reach out if you require any further information or clarification.

Yours faithfully

Adam Powick
Chief Executive Officer

Tom Imbesi
Chair

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Appendix A: Responses to the questions on notice dated 18 July 2023

#	Question	Response
1	Does Deloitte have a standing policy of asking exiting staff to sign non-disclosure agreements?	Deloitte does not have a policy of asking exiting staff to sign non-disclosure agreements. Deloitte does not offer incentives to staff for the signing of non-disclosure agreements.
2	How many non-disclosure agreements have been signed with current, former, or exiting Deloitte staff in 2023? On what dates were these agreements signed?	When partners exit Deloitte (voluntarily or otherwise), they are required by the Partnership Agreement to sign a Partner Retirement Deed which contains mutual confidentiality provisions.
3	Has Deloitte offered incentives to any exiting staff in 2023 for the signing of non-disclosure agreements? If so, what incentives were offered in returning for the signing of these agreements?	In respect of staff, there may be exceptional circumstances where a separation agreement is signed on exiting the firm and these agreements also contain confidentiality provisions. All of these arrangements are subject to senior executive sign-off.
4	Are any current staff of Deloitte subject to non-disclosure agreements relating to workplace misconduct, including but not limited to the bullying and sexual harassment of another current or former Deloitte employee?	In the 2023 calendar year, no non-disclosure agreements have been signed with current, former or exiting Deloitte staff in relation to workplace misconduct. In the 2023 calendar year, 11 separation agreements were signed containing mutual confidentiality provisions, which operate to protect both parties.
5	<p>Has Deloitte proposed a non-disclosure agreement following any report/allegation of bullying and/or sexual harassment against a Deloitte staff member, either by another Deloitte employee or any other individual?</p> <p>i. If so, on how many occasions over the past five years has this occurred. Please break down your response by calendar year.</p> <p>ii. Are any non-disclosure agreements in place relating to alleged misconduct of a staff member currently employed by Deloitte?</p>	<p>We do not provide the dates of these agreements on the basis that doing so may inadvertently identify an individual and breach our confidentiality obligations to them.</p> <p>No current Deloitte staff are subject to non-disclosure agreements relating to workplace misconduct, including but not limited to the bullying and sexual harassment of another current or former Deloitte employee. For completeness, we note that staff are required to sign non-disclosure agreements from time to time in connection with client engagements, sensitive internal Deloitte projects, due diligence and other operational matters – as these do not relate to workplace misconduct, they are not captured in the above.</p> <p>As above, Deloitte does not propose non-disclosure agreements following any reports/allegations of bullying and/or sexual harassment against Deloitte staff members.</p>
6	Can you please provide information on the inception and structure of the Deloitte Human Resources Department in Australia, including a timeline of its creation and staffing level. Please also provide information on any internal Deloitte reporting structures for reporting of staff misconduct, bullying, harassment, sexual assault or any other related workplace matters.	The Deloitte Human Resources function has been in place for over 20 years and is referred to as the 'Talent team'. The Talent team currently comprises over 280 specialists led by the Chief Human Resources Officer. The Chief Human Resources Officer reports to the Chief People and Purpose Officer, a senior partner and member of the executive team. The Talent team report to the executive team monthly, and to the Board of Deloitte quarterly, in relation to a range of matters, including talent strategies focused on improving diversity and inclusion, wellbeing and leadership across the firm.

#	Question	Response
		<p>The Talent team is responsible for the strategy and operations of recruitment, employee development, workplace health and safety and employee relations, diversity, equity, inclusion and wellbeing, remuneration and recognition, workforce planning, employee experience, performance management, and coaching capability. The staffing levels within the Talent team align with the rest of Deloitte, with staff ranging from consultant level to partner, with appropriate leadership across each specialist area.</p> <p>Our people have several internal avenues through which they can report any workplace concern. This includes their coach (i.e., their line manager), any partner, the Talent team, members of the Ethics Champion Network, the Ethics and Conduct Leader, and our Confidential Speak-Up option which is a confidential hotline run by an independent third-party provider called NAVEX. NAVEX is a global provider of an incident management and reporting system used by thousands of corporations globally.</p> <p>All concerns raised are reported in the NAVEX system, regardless of the avenue through which they have been raised. All concerns are investigated and the Ethics & Conduct Leader (a senior partner in the firm), who is not a member of the Talent team, has oversight of all investigations.</p> <p>Once a concern has been raised through any of the above avenues, the following process takes place:</p> <ol style="list-style-type: none"> 1. The Employee Relations Director is notified of the concern. The Employee Relations Director is an employee relations specialist who, together with a team of specialists, advises on employee relations and workplace health and safety matters to ensure compliance with employment obligations under the applicable legislative framework. 2. Once notified, the Employee Relations Director assesses the concern and recommends whether further information or investigation is needed to understand what has occurred and whether there has been any breach of policy, legislation, or values. 3. If further investigation is needed, the Employee Relations Director will allocate two independent investigators, a Talent team member, and a partner who is not in the same part of the business as either the reporter or respondent. 4. The investigators conduct interviews and gather evidence to determine whether the alleged behaviour is substantiated and if a breach of a policy or law has occurred. The investigators also make recommendations on next steps (including potential disciplinary outcomes) in an investigation report. 5. If the matter involves employees, the Ethics and Conduct Leader in consultation with the Chief Human Resources Officer (together, the Talent Incident Committee) reviews the investigation report and determines the appropriate disciplinary actions. If the matter involves partners, the investigation report is reviewed by the Partner Ethics Committee (PEC). The members of the PEC include the Chief

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		<p>Risk Officer, Chief Human Resources Officer, Ethics and Conduct Leader, General Counsel and Leader of Partner Services. The PEC review the investigation report and apply the disciplinary framework to determine the appropriate disciplinary actions.</p> <p>6. Deloitte has a long-standing commitment to maintaining a workplace free from retaliation. Deloitte's non-retaliation policy applies to all partners and employees, including individuals who are contracted to assist Deloitte from time to time. All partners and staff who are involved in an investigation are reminded of this policy and the importance of its provisions.</p> <p>7. The Ethics and Conduct Leader presents any incidents of misconduct to the Board Ethics & Risk Committee which meets approximately 6 times a year.</p>
7	<p>Does Deloitte, or anybody under its direction, collect and/or aggregate data on reports made through these, or any other, internal platforms? If so, can you please provide this direct data. If such data is not immediately available, can you please take reasonable steps or to create data sets and appropriate estimates on reports made to Deloitte relating to:</p> <ul style="list-style-type: none"> i. Bullying, ii. Sexual harassment, iii. Sexual assault, iv. Racism, race-based based bullying, harassment, vilification and bullying, v. Gender based bullying, harassment, vilification and bullying, vi. Any other workplace misconduct. 	<p>Deloitte collects and aggregates data on reports made by staff and partners in the NAVEX system. NAVEX is a global provider of an incident management and reporting system used by thousands of corporations globally.</p> <p>We have previously provided a summary of this data in relation to all our incidents of misconduct in question 16 of our response dated 7 July 2023 to questions on notice.</p> <p>Whilst we always strive for the highest professional and ethical standards, and notwithstanding 98% of our staff and partners who responded to our annual 2022 Ethics Survey believe Deloitte is an ethical place to work, in an organisation of over 14,000 people issues will and do arise.</p> <p>A risk for any organisation is the potential under-reporting of cases and therefore one of our key priorities is creating an environment where people feel comfortable in speaking up when they witness misconduct and we actively take steps to encourage them to do so. Our rate of reporting of 1.3 per 100 FTE is comparable to the median rate of 1.47 per 100 FTE across all the organisations that use NAVEX globally (based on the latest available data). We build trust in the reporting and investigation process by being transparent on every matter relating to incidents of misconduct.</p> <p>All matters are investigated regardless of the level of severity and all matters are reported in the NAVEX system. If a matter is substantiated, those responsible for the misconduct are subject to appropriate disciplinary action.</p> <p>As previously provided, in FY23, there were 121 substantiated concerns across the following key categories:</p> <ul style="list-style-type: none"> • Respect and fair treatment (includes bullying and harassment): 47 • Sexual harassment: 22 • Discrimination: 12

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		<ul style="list-style-type: none"> • Misuse of Confidential or Proprietary Information: 10 <p>A further breakdown of the 47 respect and fair treatment concerns are:</p> <ul style="list-style-type: none"> • Bullying: 17 • Racism-based bullying: 1 • Gender-based bullying: 1 • Sexual orientation-based bullying: 1 <p>As previously provided, in FY22, there were 78 substantiated concerns across the following key categories:</p> <ul style="list-style-type: none"> • Respect and fair treatment (includes bullying and harassment): 25 • Sexual harassment: 16 • Misuse of Confidential or Proprietary Information: 18 • Discrimination: 6 <p>A further breakdown of the 25 respect and fair treatment concerns in FY22 are:</p> <ul style="list-style-type: none"> • Bullying: 11 • Racism-based bullying: 1 • Gender-based bullying: 2 <p>In relation to the Misuse of Confidential or Proprietary Information in FY23 and FY22, only 1 matter related to Government and this matter is further explained in Appendix B, Question 6.</p>
8	Does Deloitte have standing procedures for the referring of matters raised internally to external regulators such as ASIC and CAANZ? If so, please provide details of these procedures and policies, including any formal training materials in which these procedures are referenced.	<p>Deloitte reports matters to external regulators and professional membership organisations in accordance with its legal obligations, professional standards and the codes of conduct of those organisations.</p> <p>Deloitte has a number of standing procedures to manage matters raised internally. As part of the consideration of the action to be taken in response to a breach of the code of conduct, our policies, or any applicable law or professional standards, we consider disclosure to an external regulator in line with relevant legislation and the firm's obligations to those regulators.</p> <p>As noted in question 14 of our response dated 7 July 2023 to questions on notice, all employees and partners are required by virtue of their employment contracts and the firm's Partnership Agreement to comply with our code of conduct, our policies, and applicable professional standards (this may include an obligation to self-report serious misconduct as required by various regulators). If a suspected breach of any of these</p>

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		requirements by an individual is identified, or a matter is reported through Deloitte's ethics reporting platform SpeakUp, an investigation is undertaken.
9	<p>How many referrals of Deloitte employees have been made to external regulatory bodies over the past 12 months?</p> <p>i. On what basis were these referrals made?</p> <p>ii. Please provide all letters, if any exist, of referral to regulatory bodies made by Deloitte as a result of staff misconduct.</p>	<p>In the last two years, we have reported two matters to an external regulatory body.</p> <p>Further detail in relation to these matters is included in the response to Question 3 of Appendix B.</p>

Appendix B: Responses to the questions on notice put to Deloitte representatives during the hearing on 17 July 2023

#	Question	Internal Discussion	Reference
1	Would you take on notice to reconsider and provide your salary structure in \$50,000 increments, please.	We have responded to this question under the cover of a separate letter in confidence and request that it not be made available for public viewing or dissemination.	Senator Pocock – numbered page 16
2	I invite you to provide the Committee, as PWC have done, with your Partnership Agreement	We have provided this document to the Committee under the cover of a separate letter in confidence and request that it not be made available for public viewing or dissemination.	Senator O'Neill – numbered page 20
3	Provide: <ol style="list-style-type: none"> 1. A list of entities that Deloitte is required to report to 2. The number of occasions, in the last 10 years, that you have reported people to those entities. 3. The action that followed the reporting to those entities 4. The context of the report and the actions taken 	<p>The entities to whom Deloitte is required to report in various capacities are included in the list below.</p> <p>Due to the wide variety of services provided by Deloitte, this list includes some bodies that require reporting to by Deloitte, as well as those that require reporting to by individual practitioners in their professional capacity, including where they provide services overseas (for e.g., Migration Agents Registration Authority).</p> <p>We have excluded some regulators that are the regulators to organisations more generally (for example, WorkSafe Victoria, Australian Sanctions Office etc.), as well as those that are general oversight bodies or regulators (for example, the AFP).</p> <ul style="list-style-type: none"> • ASIC • CAANZ • PCAOB (US) • Tax Practitioners Board • Australian Restructuring Insolvency and Turnaround Association • ATO • Clean Energy Regulator • Office of the NSW Legal Services Commissioner (NSW) • Victorian Legal Services Board (VIC) • Legal Profession Conduct Commissioner (SA) • Legal Practice Board (WA) • Legal Services Commission (QLD) • Financial Reporting Council (UK) 	Senator O'Neill – numbered page 21

#	Question	Internal Discussion	Reference
		<ul style="list-style-type: none"> • Canadian Public Accountability Board (Canada) • Financial Markets Authority (NZ) • Australian Charities and Not-for-profits Commission • Australian Boarder Force (Customs broker licencing) • Migration Agents Registration Authority • Australian Financial Security Authority • NZ Companies Office • Australian Government Security Vetting Agency • AUSTRAC • Australian Cyber Security Centre • NZ Immigration Advisers Authority <p>In relation to parts 2, 3 and 4 of this question, there are two matters that have been reported over the course of the last two years.</p> <p>Report to ARITA Deloitte reported one person to ARITA (the Australian Restructuring Insolvency and Turnaround Association) in 2021 after identifying significant fraudulent conduct in 2021, as the individual was a member of this professional body – the referral was managed openly and transparently with ARITA.</p> <p>Deloitte took immediate action. We notified ASIC, filed civil proceedings, referred the matter to the police and terminated the employment of the individual responsible. We also worked with ASIC to take appropriate steps to remedy the situation as it related to clients.</p> <p>Our expense system has several controls in place that provide protection against expense errors and fraud, and it was one of these internal Deloitte controls that triggered this investigation and uncovered the fraud. Deloitte commissioned an independent review of our expense controls framework and adopted those recommendations to further strengthen our control environment, which included updates to our expense system and policy.</p> <p>We note that certain Deloitte personnel have been liaising with authorities in relation to this matter and given the ongoing nature of the investigation by authorities it would not be appropriate for Deloitte to provide further details to avoid compromising those investigations.</p>	

#	Question	Internal Discussion	Reference
		<p>Notification to PCAOB</p> <p>We also had one matter involving an individual that Deloitte considered to be a Public Company Accounting Oversight Board (PCAOB) 'Reportable Event'.</p> <p>The matter related to ASIC initiating confidential Companies Auditors Disciplinary Board (CADB) proceedings against a Partner of the firm.</p> <p>We notified the PCAOB within the required timeframe and advised ASIC that we had done so. The Partner also advised CA ANZ as part of their professional obligations.</p> <p>The individual remains a partner of the firm but has agreed with ASIC not to perform the duties of a Registered Company Auditor whilst these proceedings are ongoing, or until further orders of the CADB.</p>	
4	How many people have you separated on NDAs over the last seven years and the reasons for those NDAs and separations?	<p>We do not have a policy of asking exiting staff to sign non-disclosure agreements. There may be exceptional circumstances where a separation agreement is signed by an employee on exiting the firm and these agreements also contain confidentiality provisions.</p> <p>In relation to the period 1 June 2021 to 31 May 2023, we had 18 separation agreements, relating to our staff. 2 related to personal health matters, 12 related to performance management and 4 involved allegations of sexual harassment, bullying, or discrimination.</p> <p>We are not in a position to provide further details around reasons for these employment separation deeds, as these may inadvertently breach privacy legislation in relation to an individual's personal circumstances.</p> <p>Additionally, every partner who retires from the firm is required to execute a partner retirement deed, which contain confidentiality provisions.</p>	Senator O'Neill – numbered page 26
5	For the last seven years, provide a year-by-year outline of each contract that you have received, the department it was with, what the dollar value of that was, what process you undertook for your conflict assessment and whether you then rejected or accepted that.	<p>Deloitte fully complies with Australian Government procurement processes and AusTender contains details regarding all contracts awarded to Deloitte and their value.</p> <p>Over the course of the last 12 months, Deloitte received more than 2,000 requests for tender from the Australian government and, after going through a preliminary qualification process,</p>	Senator O'Neill – numbered page 27

#	Question	Internal Discussion	Reference
		<p>Deloitte responded to approximately 700 of these requests. Of the 700, 212 were successful based on the outcomes of appropriate government procurement processes.</p> <p>With respect to conflict assessment, as outlined in our submission dated 20 April 2023, Deloitte has a detailed qualification process for opportunities with the Australian Government. Our approach to qualification of tenders:</p> <ul style="list-style-type: none"> addresses the specific requirements of the <i>Public Governance Performance and Accountability (PGPA) Act</i>, Commonwealth Procurement Rules, Panel Terms & Conditions, as well as the specific requirements detailed in the request for tender; involves an assessment of the value we can bring to the public sector through the engagement – this can be in the form of outcomes delivered through the engagement that are complementary to the capabilities within the public sector, or in the form of knowledge and skills transfer; and requires an assessment of conflicts of interest to determine whether to respond to the request for tender or, if we do respond, whether any safeguards (e.g., client consent) can be implemented to address threats created by any conflicts of interest. Our submission dated 20 April 2023 contains further information regarding the process for the identification and management of conflicts of interest. <p>The qualification process commences shortly after a request for tender is issued, and a decision regarding whether Deloitte will respond to the tender is usually made within a short timeframe after the request to ensure time is not spent preparing a tender response for an engagement that we ultimately decide not to proceed with. There are a variety of reasons why Deloitte may choose not to respond to a request for tender, including in circumstances where there may be a conflict of interest.</p>	
6	Provide the name of the Government Department and/or contract that the misuse of government information on the record relates to, what specific government information was misused, by whom and with what consequences (in terms of the outcome of the misuse and the consequences for the parties that were involved, whether they were in the public or in your own entity).	<p>The Government Department was the Department of Defence. Further details on this matter are as below;</p> <ul style="list-style-type: none"> The circumstances involved: <ul style="list-style-type: none"> a protected document was shared by one team member with another team member without following the correct security protocols or seeking the relevant approvals from the Department; 	Senator Pocock – numbered page 30

#	Question	Internal Discussion	Reference
		<ul style="list-style-type: none"> - both individuals had security clearance, but the receiving individual did not have a “need to know” basis for receiving the document; - no information left the engagement team; - the matter was identified by Deloitte’s systems and reported to the department within 48 hours; - Deloitte conducted a thorough investigation, in consultation with the client, and it was found that the incident had limited potential to cause damage to an individual, organisation or government. • This assessment was based on the following criteria: <ul style="list-style-type: none"> - the document on its own did not provide enough information to create an issue without additional information and/or critical knowledge of the client environment to contextualise; and - the document was released to an individual who was an approved resource on the project and to their corporate email. • Our investigation revealed that the individual who sent the document made a mistake, and there was a failure of process which led to the incident. To remediate this and mitigate the risk of future incidents, we completed the following activities: <ul style="list-style-type: none"> - we confirmed with the 2 individuals involved that they had permanently deleted the document; - all project resources, including the individual who sent the document, were formally reminded of their security clearance obligations, and especially with respect to the labelling and handling of confidential client information; - the identified individual was required to re-take training related to the handling and labelling of confidential client information; and - we removed the individual who sent the document from the project and advised the client that they were no longer on the project. • At the conclusion of our investigation the Department was satisfied with the actions taken and the matter was closed. 	

#	Question	Internal Discussion	Reference
		<ul style="list-style-type: none"> We note that, during the hearing on Monday 17 July 2023, a Deloitte representative referred to the relevant staff member 'standing down' following this incident. For the avoidance of doubt, we would like to clarify that this was in relation to the engagement but not from their employment. 	
7	Provide information in relation to the state government department investigation that has been commissioned in relation to a Deloitte secondment relating specifically to conflict of interest.	<p>This matter does not involve a secondment. The individual is on an approved leave of absence from Deloitte.</p> <p>As part of any leave of absence arrangement individuals are still bound by their employment contract obligations (including confidentiality) and required to return all firm property (security access cards, laptops, and any Deloitte resources or work documents) prior to embarking on the leave.</p> <p>We have not been briefed by the Department on this matter and are not a party to this investigation.</p>	Senator Pocock – numbered page 31
8	Compare and contrast the protocols adhered to by legal practitioners in relation to conflicts of interest compared to Deloitte's general practice.	<p>Deloitte employs a number of legal practitioners within Deloitte Legal Pty Ltd who are involved in the provision of legal services to clients.</p> <p>These legal practitioners are bound by professional rules regarding the management of conflicts of interest, and these are consistent with and covered by Deloitte's conflicts policy and protocols.</p>	Senator O'Neill – numbered page 33
9	Over the last seven years, how many people from Deloitte have gone to the ATO and to what roles? Also detail how many people have gone from the ATO to Deloitte, your recruitment practices around that, how many people you have brought in at the partnership level and if you had any relationship with them in terms of negotiating settlements prior to bringing the individual over.	<p>We understand that hiring partners and staff from the ATO may bring pre-existing confidentiality and non-compete obligations which must be honoured.</p> <p>To mitigate these risks, specific approval must be obtained for each hire where the candidate has been employed by the ATO in the last five years prior to being considered for a role at Deloitte. The sponsoring partner for the proposed hire is accountable for securing approval from the relevant Lead Client Service Partner and the Regulatory Leader in accordance with our hiring protocols outlined in our Anti-Bribery and Corruption Policy. This includes obtaining approval from our Global Regulatory Office and informing the ATO of the proposed hire. This practice has been in place since January 2019.</p> <p>Since January 2019, 18 former ATO employees have joined the firm in various roles, with 13 of these in our Tax & Legal business unit and 4 joining as Partners. Of these 4 joining us as Partners,</p>	Senator O'Neill – numbered page 33

#	Question	Internal Discussion	Reference
		<p>2 had a role at the ATO that involved settlements and they were not involved in any matter involving Deloitte in the preceding 12 months prior to joining us.</p> <p>Over the last seven years, we have not had any partners leave Deloitte to join the ATO.</p> <p>A Confidential Information Management Plan (CIMP) is also required for each ATO hire prior to commencement. This enables us to proactively manage potential conflicts of interest, including mandatory cooling off periods, where appropriate, supported by the relevant Business Unit Quality & Risk team.</p>	
10	<p>Do you prepare your participants – they’re not consultants at the federal level – in the Public Service when they come in from your entity to meet the APS Standards? If not, how do the APS standards differ from the level of ethical preparation that you provide them with.</p>	<p>The Deloitte Code of Conduct aligns with the principles and requirements of the Australian Public Sector (APS) Code of Conduct. We expect our partners and employees to act with honesty and integrity, treat all information confidentially and to take all reasonable steps to avoid conflicts of interest which are fundamental principles set out in the APS Code of Conduct.</p> <p>Deloitte partners and employees, where required, hold an Australian Government Security Clearance. Over 2,700 of our partners and employees hold such a clearance. Applying for and maintaining a security clearance requires our partners and employees to provide an evidence base that sufficiently allows the Australian Government to have confidence in their ability to protect Government resources and information which align with the security principles of the APS Code of Conduct. The Australian Government Security Vetting Agency has specific reporting requirements for Deloitte, partners and employees to maintain security clearances and specific reporting requirements relating to ethical obligations outlined in the APS Code of Conduct.</p> <p>The firm has robust policies and processes in relation to conflicts, confidentiality and integrity as outlined in our formal submission. The following additional measures relate specifically to the Public Sector:</p> <ul style="list-style-type: none"> • Formal approval is required by the firm’s Regulatory Leader for all senior hires from the APS (EL2 and above). As of 1 June 2023, we are also maintaining a register of these hires from the APS. • Confidential Information Management Plans must be in place for each hire to mitigate against any potential conflicts of interest. • The firm’s Regulatory Leader maintains a register of all appointments to any government consultation panels and committees. Note that our policies prohibit partners or employees from joining any government boards. 	<p>Senator O’Neill – numbered page 33</p>

#	Question	Internal Discussion	Reference
		<ul style="list-style-type: none"> Tailored training specific to the requirements of the public sector. As an example, in 2022 we delivered training to all our senior professionals on procurement and probity protocols as it relates to public sector procurement. This is on top of our annual mandatory training requirements. Mandatory “certified to serve” onboarding for all senior professionals prior to them working on their first APS engagement is being introduced. We have a documented governance framework that captures key matters in relation to our expectations on how the firm engages with the APS. Specifically, it articulates the requirement that all Deloitte partners and staff at all times apply the highest levels of ethics and integrity when engaging with the public sector and shall in no way whatsoever be involved, whether directly or indirectly, in any illegal, illicit, unethical, irresponsible, reputationally damaging or questionable behaviour. The firm’s Public Sector Leader is accountable for this framework, and we require annual confirmation by practitioners working with the Public Sector that they have read, understood and complied with this framework. 	
11	Although not specifically requested by the Senate, there is certain information Deloitte considers relevant to the inquiry that would be beneficial to the Senate.	<p>Corporate entities and partnerships pay tax in different ways.</p> <p>Currently, a corporate entity pays income tax at a rate of 30%, unless the entity is a small or medium business, when it pays tax at a rate of 25%. Corporate entities are able to retain after-tax profits and it is only when an entity declares a dividend that these profits are distributed to shareholders in the form of dividends. At this time, additional tax may be paid, subject to the individuals personal income.</p> <p>A partnership on the other hand distributes 100% of its profits to the partners each year, and tax is paid on these amounts at the individual partners’ effective tax rate. In most circumstances, the effective tax rate for partners is well in excess of the corporate tax rate.</p> <p>Partners are owners of the business similar to shareholders in a corporate entity. They are not salary and wage earners. State payroll tax is levied on payrolls, not profit, and therefore partnerships do not incur payroll tax on their profits. This is similar to corporate entities who do not incur payroll tax on profits or dividends.</p> <p>Deloitte pays payroll tax in compliance with all state laws and in a similar manner to equivalent corporate entities. In FY23, Deloitte paid a total of \$85.75 million in payroll taxes.</p>	