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# TRANSPARENCY REPORT **2024**

COMMITTED TO AUDIT QUALITY

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# Foreword from the Managing Partner

Welcome to the latest edition of our Transparency Report, a vital document that underscores our unwavering commitment to audit quality and integrity.



At Grant Thornton Limited, we are steadfast in our commitment to upholding the highest standards of audit quality, integrity, and transparency. This Transparency Report for 2024 reflects our unwavering dedication to these principles and provides stakeholders with a clear and comprehensive overview of our governance, risk management practices, and the measures we take to ensure audit excellence. In an ever-evolving regulatory and business landscape, our focus remains on delivering exceptional service to our clients while safeguarding the public interest.

The past year has been one of both challenge and opportunity. We have continued to navigate the complexities of regulatory advancements, technological innovation, and heightened competition for talent and clients. Despite these dynamics, our firm has maintained a strong track record, as evidenced by positive feedback from regulatory inspections and our robust internal quality monitoring processes. This report highlights the strides we have made in embedding quality at every level of our operations, from client acceptance and engagement to the continuous professional development of our teams.

Governance and accountability are cornerstones of our approach. Our leadership team, supported by a rigorous governance framework, ensures that our policies and procedures align with both local and international standards. The report outlines the roles and responsibilities of our board, management committee, and global leadership team, emphasizing our collaborative efforts to drive strategic growth while maintaining the highest ethical standards.

We are proud of our culture of consultation and challenge, which fosters an environment where quality and independence are non-negotiable.

Risk management remains a critical priority. Our proactive approach to identifying and mitigating risks—whether related to independence, client acceptance, or regulatory compliance—ensures that we operate with resilience and foresight. The report also details our robust systems for monitoring audit quality, including internal and external reviews, root cause analysis, and action plans to address any deficiencies. These measures are integral to our goal of continuous improvement and long-term success.

Looking ahead, we are confident in our ability to adapt and thrive. The insights and observations shared in this report underscore our commitment to transparency and accountability. We extend our gratitude to our clients, regulators, and team members for their trust and collaboration.

A stylized handwritten signature in black ink, appearing to read 'A. Budworth'.

**Adam Budworth**  
Managing Partner

# Report from the Head of Audit & Assurance and Quality Control Leader

“Quality is the foundation of everything we do at Grant Thornton. Over the past year, we’ve continued to evolve — enhancing our systems, aligning with regulatory developments, and investing in both our people and the tools they need to succeed. Our audit practice continues to grow with purpose, focusing on clients and engagements where we can make a meaningful impact.

We never compromise on quality. Instead, we dedicate the time, expertise, and resources required to deliver work that meets the highest standards. Our teams approach every engagement with professionalism, insight, and care. I remain fully committed to supporting them as they deliver audits that inspire confidence — for our clients, our regulators, and our firm.”



## Our Quality Strategy

At Grant Thornton Limited, audit quality is more than a regulatory obligation — it’s a reflection of our values and our commitment to excellence. In 2024, we’ve continued to embed quality into every aspect of our practice, guided by strong leadership, a clear methodology, and a culture that champions accountability, collaboration, and continuous improvement.

We remain intentional about the clients we serve, ensuring our teams are equipped with the time, expertise, and tools to deliver audits that are insightful, efficient, and tailored to each engagement. Our approach is built on trust, transparency, and a shared commitment to doing things right.

Environmental, Social, and Governance (ESG) factors are now integral to our quality and risk frameworks, reflecting their growing relevance to our clients and stakeholders. Our systems have been further strengthened in line with ISQM 1, ensuring our audit approach remains agile and responsive to evolving risks and expectations.

Quality is not just a checkpoint — it’s the lens through which we view every engagement.

## Our Quality Monitoring Programme

We believe that trust is earned through consistency and rigour. Our quality monitoring programme is designed to uphold the highest standards across our audit practice. It includes independent internal reviews, annual cold file inspections, and a robust Internal Quality Control Review (IQCR) process led by experienced professionals across the Grant Thornton network.

Insights from root cause analysis directly inform our Audit Quality Action Plan, shaping our training, methodology updates, and policy enhancements. We welcome feedback and use it as a catalyst to raise the bar.

## The Right People at the Right Time

Quality begins with our people. Our audit teams are made up of professionals who bring deep industry knowledge, technical expertise, and a genuine commitment to delivering meaningful work. We invest in their development through structured training, leadership programmes, and hands-on learning — all underpinned by our Competency Framework.

In a competitive talent market, we focus on building diverse, balanced teams that deliver with precision and care. Our people understand their role in maintaining quality and are empowered to do it well.



### Audit and Assurance Leadership

Leadership plays a pivotal role in shaping audit quality. Our partners and directors lead from the front — challenging assumptions, supporting teams, and making key judgements when it matters most. Their visible involvement ensures that quality is driven not just by policy, but by behaviour and accountability.

Collaboration between our Audit Leadership Team, Technical Teams, and Risk & Compliance ensures that insights flow both ways — reinforcing our quality-first culture in real time.

### What sets us apart

We don't aim to be the biggest — we aim to be the best. Our commitment to tailored, high-quality audits is what differentiates us. With consistent methodology, sector expertise, and strong client relationships, we challenge constructively and add value beyond the audit report.

Feedback from regulators and clients confirms that our approach delivers. Whether it's leveraging technology, refining methodology, or deepening insight — we remain focused on quality that endures.

### Looking ahead

The audit landscape continues to evolve — with new standards, technological innovation, and shifting client expectations. We're embracing these changes with confidence, supported by a strategy that prioritises quality, responsiveness, and growth aligned with our values.

We continue to engage openly with regulators, including the Financial Reporting Council (FRC) and the ICAEW, and welcome their feedback. Our focus remains clear: to grow sustainably, uphold audit quality as our highest priority, and stay attuned to both risk and opportunity.

### Wynand Pretorius

**Head of Audit & Assurance and Quality  
Control Leader**



# Structure and governance



# Legal structure and ownership

Grant Thornton Limited (GTL) was incorporated under the Companies (Jersey) Law 1991 on 9 October 2007 with company number 98924.

Its registered office is Kensington Chambers, 46/50 Kensington Place, St Helier, Jersey. It is subject to audit regulation under the FRC and the ICAEW, under the Crown Dependencies' Audit Rules. The company is owned by 10 shareholders all of whom are located in the Channel Islands and are individuals. All the shareholders are active participants in the business. All the shareholders were active participants in the business.

GTL has recently joined Grant Thornton Advisors LLC platform, a growing international network delivering cross border, advisory, tax and assurance services across Europe, the Middle East and Americas. This growth is supported by an investor group led by New Mountain Capital, a growth-oriented investment firm with approximately \$55 billion in assets under management.

GTL has three principal subsidiaries, LSI Secretaries Limited, Castle Nominees Limited and LSI Nominees Limited all of which are regulated under the conduct of Trust Company Business in Jersey by the Jersey Financial Services Commission under a Category O license.

We are a full member firm of Grant Thornton International Limited (GTIL) which is a private company limited by guarantee, incorporated in England and Wales. It is a non-practising international coordinating entity that does not provide services to clients. GTIL is one of the world's leading organisations of independently owned and managed accounting and consulting firms.



# Governance

## Grant Thornton International Limited (GTIL)

The board of governors provides the principal and overriding authority for the network. The board has a number of responsibilities including:

- approving and overseeing the implementation of the global strategic direction and policies;
- overseeing member firms including approving new member firms, suspending rights and expelling firms; and
- overseeing the financial health of GTIL, enterprise risk management, technology and innovation strategy and general governance.

The chair of the board (the chair) is a proactive role, with a focus on ensuring that the board functions as a coordinated group in support of the CEO to deliver on the global strategy. Judith Sprieser was appointed chair as of 1 January 2020, for a term of three years, and she was reappointed for a second term as chair as of 1 January 2023 for a term of two years.

Judith is GTIL’s first independent chair. The role of the chair is pivotal to creating the conditions necessary for a highly effective board, focused on the global strategic development of the Grant Thornton network.

### Independent board members

Their role is to support the networks recognition of public interest responsibilities. The networks attitude towards quality, risk management and governance, as well as assessing the network’s effectiveness in executing its strategic goals and market position.

### Chief Executive Officer

The CEO is appointed by the GTIL board for an initial term of up to five years, renewable once for a further period of up to three years. In 2017, the board appointed Peter Bodin, formerly the CEO of the Swedish member firm, to be the GTIL CEO for a term of five years, as of 1 January 2018. The board reappointed Peter for a second term of three years, as of 1 January 2023, as CEO he is responsible for the:

- leadership of GTIL;
- development and recommendation of strategy priorities for the board to ratify; and
- appointment of the global leadership whom he works closely with to implement the strategy including monitoring global policies and procedures.

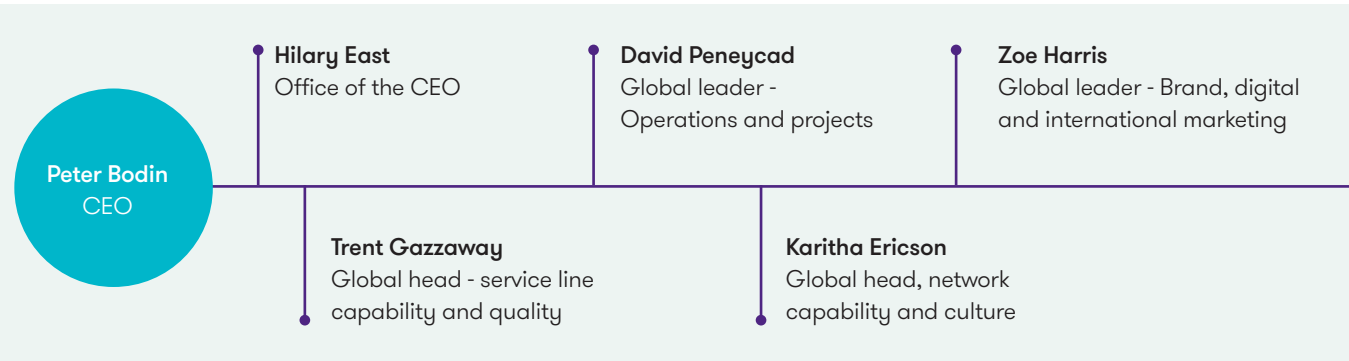
Peter Bodin’s two consecutive terms is the maximum term allowed under GTIL rules. Greg Keith, current CEO of Grant Thornton Australia will succeed as CEO of GTIL from 1 January 2026.

### Global Leadership Team (GLT)

The GLT is a full-time management group that is chaired by the CEO and develops and drives the implementation of the global strategy. The team have global development, service lines, functional and regional responsibilities.

A critical role of the GLT is working with member firms to implement the global strategy. Through the network’s Growing Together strategy, our ambition is to be known worldwide as the leading adviser to dynamic organisations.

The GTIL network had 76,000+ people in over 156+ markets and 750+ offices worldwide, and its latest reported revenue was USD8bn.





# Governance

## Member firms for EU and EEA

A list of EU/EEA Grant Thornton member firms who perform statutory audits of annual and consolidated annual financial statements.

Country	Legal entity	Country	Legal entity
Austria	Grant Thornton Austria GmbH Wirtschaftsprüfungs und Steuerberatungsgesellschaft	Hungary	Grant Thornton Audit Kft.
Austria	Grant Thornton ALPEN-ADRIA Wirtschaftsprüfung GmbH	Iceland	Grant Thornton
Belgium	Grant Thornton Bedrijfsrevisoren BV	Ireland	Grant Thornton
Bulgaria	Grant Thornton OOD	Ireland	Grant Thornton (NI) LLP
Croatia	Grant Thornton revizija d.o.o.	Italy	Ria Grant Thornton S.p.A.
Cyprus	Grant Thornton (Cyprus) Ltd	Latvia	Grant Thornton Baltic Audit SIA
Czech Republic	Grant Thornton Audit s.r.o.	Lichtenstein	Grant Thornton AG, Schaan
Denmark	Grant Thornton, Godkendt Revision- spartnerselskab	Lithuania	Grant Thornton Baltic UAB
Estonia	Grant Thornton Baltic OÜ	Luxembourg	Grant Thornton Audit & Assurance
Finland	Grant Thorton Oy	Malta	Grant Thornton Malta
Finland	Advico Finland Oy	Norway	Grant Thornton Revisjon AS
France	Grant Thornton SAS	Poland	Grant Thornton Frąckowiak PSA
France	AEG Finances Audit Expertise Gestion SAS	Poland	Grant Thornton Polska PSA
France	IGEC SAS	Portugal	Grant Thornton & Associados, SROC,Lda
France	Tuillet Audit SAS	Romania	Grant Thornton Audit SRL
France	Grant Thornton Audit SAS	Slovak Republic	Grant Thornton Audit, s.r.o.
France	Carib Audit & Conseil	Slovenia	Grant Thornton Audit d.o.o.
Germany	Grant Thornton AG	Spain	Grant Thornton, S.L.P.
Greece	Grant Thornton SA		

Total assurance revenues attributable to EU/EEA member firms is USD 732m\* (approximately 21% of total global assurance revenues of USD 3.5bn) as at 30 September 2024.

## Grant Thornton Limited

GTL board consists of 13 members, being the Chairman, Managing Partner and 11 other partners and directors. The Board met at least quarterly. It is the Board's responsibility to steward the business, manage the statutory affairs and direct strategy. The Board delegates certain activities to the Management Committee to action between full meetings of the Board. Pursuant to an agreement between the board and the shareholders of GTL, certain matters are required to be approved by the partners. Examples of such matters are the commencement of a new service line, major capital investments, the prospective appointment of new directors and the approval of the firm's strategy.

### Management of our business

The firm is run on a day-to-day basis by the Managing Partner, Adam Budworth, who is assisted by a Management Committee, made up of certain partners, directors and senior staff. Adam is responsible for:

- ensuring the firm operates according to the firm's Strategy; and
- the management of the firm in a manner consistent with the interests of clients, our people and the firm's values and ethical standards.

Adam is ultimately responsible for the firm's system of quality management.

The appointment of the Managing Partner is made by simple majority vote of the partners. Adam was appointed Managing Partner with effect from 1 October 2018.

### Management Committee



The Committee is appointed by the Managing Partner. It is comprised of Service Line leaders and operational heads from all functions.

The Managing Partner may also select a Chairperson, subject to majority approval of the directors, to chair meetings of the directors and assist the Managing Partner with managing the practice during their term in office. The Committee is responsible for:

- coordinating the opportunities for value creation and allocating resources to those expected to utilise them; the preparation and implementation of agreed business plans;
- reviewing management information and processes; communicating information;
- ensuring that the decisions of the directors in relation to the operation and future direction of the firm are effective;
- monitoring the day-to-day running of the firm, including maintenance of internal controls and risk management; and
- other functions as required.



# Risk management

# Risk management

Managing and mitigating risk across the firm is an integral part of implementing the strategy of GTL and ensuring a system of quality management exists. Our leadership team instills a culture of quality, integrity and ethical behaviour by their actions and communications.

As part of this, the Risk Management Committee, led by our Risk and Compliance Director, Linda Renouf, identifies risks based on the facts and circumstances of the firm and its engagements. Once the risks have been identified, policies and procedures are developed that help address those risks and integrate risk management into each of the firm's internal functions (such as HR, Finance and IT), as well as working with the firm's directors and staff to assist and support their implementation of the risk management policies and procedures.

The firm has established business unit risk working groups to further address the specific risk issues impacting each business unit in the firm. Areas covered by risk management policies and procedures include independence, client acceptance, client re-acceptance and anti-money laundering procedures.

Acceptance and re-acceptance of our clients is considered a cornerstone of the firm wide risk management approach. Given this importance, prior to acceptance, certain engagements that meet one or more defined GTIL criteria are submitted to their global review team for approval.

Overall, there is a continuous focus on enhancing the risk management framework including, for example, the development of systems and processes that will enhance the client acceptance/re-acceptance global review and approval process and additional software providing improved accuracy when it comes to understanding group structures and beneficial ownership.





### Ethics and independence

GTIL has ethics and independence policies and procedures that incorporate the requirements of the IESBA Code of Ethics and, where appropriate, the US Securities and Exchange Commission (SEC) and Public Accountant Oversight Board (PCAOB) requirements. These are amended or supplemented as required by local policies and procedures that address the ICAEW and the FRC requirements. These requirements are communicated via the firm's Quality Management Manual and are reinforced through training and communications when changes are made.

To ensure compliance with these requirements, the firm has appointed Jeremy Ellis, a senior experienced audit director, as the director responsible for ethics and independence. He is

supported by the Risk and Compliance Director, Linda Renouf, and a dedicated compliance team. Jeremy must be consulted whenever there are key judgements on potential conflicts, for example in areas such as corporate finance and tax consulting services to audit clients to ensure that the spirit, as well as the letter, of the standards are met.

Inspiring our people to fulfil our ethical and independence standards starts at the top. Directors recognise that their behaviours are key to the maintenance of our strong ethical environment and culture. In addition, the internal controls we have in place to support our ethical environment are routinely checked as part of the firm's robust internal monitoring procedures.

Jeremy has a direct line of communication to the Managing Partner and is responsible for ensuring that the firm complies with the ethical requirements set by the firm's regulators.

Specific controls in place include:

- audit partner rotation on publicly traded entities;
- adherence to detailed procedures to identify potential conflicts of interest, prior to accepting non-audit work; and
- application of policies regarding partners and staff working for clients when leaving the firm.

In addition, all directors and managers maintain a real time record of listed investments held on the Global Independence System (GIS) (*further details provided below*) and the Risk & Compliance team ensures that any potential conflicts are identified and resolved as they arise.

Our firm has a strong culture of consultation, which we believe is vital in maintaining an independent approach, and this is a point of emphasis at the technical interviews of all prospective audit partners and directors.

Annually, the Risk and Compliance team perform an independence compliance review where, on a sample basis, individuals are audited to ensure compliance with the GIS rules. No violations were identified during the last review and the firm has maintained its independence as required by the standards during the year.



# Risk management

## Relationship checking

Maintaining objectivity and independence of thought is vital to maintaining our reputation. We have a robust system of independence and conflict checks, which is designed to identify potential conflicts of interest at the earliest possible juncture and deal with them appropriately. Sources of potential conflict will range from providing additional services to existing audit clients and acceptance of new clients, to investments by the firm and staff.

For audit and similar engagements, where independence is a matter of public interest, our procedures are even more stringent. We ensure that directors carry out a check of whether other services have been provided that might impact on our independence before engaging with new audit clients. We also require the engagement team to confirm their independence on each audit file. Furthermore, for all publicly quoted clients, we disclose other services provided to the audit committee at the planning and conclusion stages. In addition to our own independence practices, GTIL requires member firms to adopt policies and procedures to safeguard the independence of all member firms. These policies and procedures include a requirement for member firms to maintain a listing of companies considered 'restricted' as a result of an audit relationship. Details of these restricted companies are maintained on a global restricted list through a system maintained by GTIL.

Professional personnel in member firms have access to this global restricted list via the GTIL intranet (GT Connect). The global restricted list serves as a point of reference for member firms considering providing non-audit services to public companies. When the prospective client appears on the global restricted list, consultation is required with the audit director to ensure that any threats to independence created by the proposed non-audit service can be adequately safeguarded and that the proposed non-audit service is permitted. The global restricted list is also reviewed and updated by GTIL on a regular basis.

GTIL has also adopted an automated independence tracking system, the GIS. Partners/Directors and client-facing managers in member firms are required to maintain a portfolio in GIS of those publicly traded securities in which they have a financial interest.

The GIS monitors these financial interests against the global restricted list and is designed to alert the member firm or the individual professional and a national compliance officer, in the event that a security held also appears on the global restricted list. The GIS provides a mechanism to assist the individual and the national compliance officer in determining whether the security may continue to be held, based upon the facts and circumstances. Conducting reviews for potential conflicts of interest and/or threats to independence (jointly referred to as "relationship checks") prior to proposing on an engagement are important safeguards against threats to objectivity.

GTIL has instituted a policy that establishes a standardised approach to conducting these checks for potential relationships, where the client or prospective client has international operations which is also outlined in the Member Firm Obligations (MFOs).

## Client acceptance and continuance

All of our statutory audit clients are subject to categorisation policies to ensure that appropriate risk management procedures are applied and this categorisation is used to drive key procedures including:

- the requirement to consult and obtain GTIL Key Assurance Assignment approval before accepting and continuing with certain new clients;
- the need for the audit partner role and 'on-site' roles to be performed by team members with relevant experience;
- the need to appoint an appropriately experienced review partner for certain categories of audit; and
- the requirement for technical reviews for certain categories of audit.

We only engage with clients where we have the necessary capacity, skills and expertise to offer the highest possible standards of service and care to meet client expectations and ensure that the acceptance does not prejudice our independence, objectivity or integrity. This is assessed at the initial point of onboarding for each client in conjunction with engagement teams.





### Rotation of key audit partners and staff

GTL has policies and procedures in place that are consistent with the requirements set out in the Ethical Standards that are applicable to our engagements. These requirements place restrictions on the number of consecutive years that partners and other key members of the engagement team may participate in the audit.

Engagement leads and other senior team members responsible for audits are required to rotate off the engagement after specified periods of time, which depends on their role and the type of entity.

These rules are based on the relevant requirements for the specific audit, which in most cases is the IESBA International Code of Ethics as follows:

Role	Term (years)		Cool-off (years)	
	PIE / Other Listed	Non-PIE Clients*	PIE	Non-Listed
Engagement Leader	7	10	5	5
Engagement Quality Reviewer	7	10	3	3
Any Other Key Audit Director	7	10	2	2

\* Appropriate safeguards required if longer

For audits of UK entities, we comply with the relevant requirements of the FRC's Ethical Standards, as follows

Role	Term (years)			Cool-off (years)	
	PIE	Listed Clients	Non-Listed Clients	PIE/Listed	Non-Listed
Engagement Leader	5	5	10**	5	5
Engagement Quality Reviewer	7	7	10**	5	5
Key Audit Partner	5	N/A	N/A	5	5
Key Partner Involved in the Engagement	7	7	10**	2	2
Senior Manager/ Manager	*	*	***	N/A	N/A

\* Apply threats and safeguards approach after 7 years

\*\* Appropriate safeguards required if longer

\*\*\* Apply threats and safeguards approach



### Learning and development

A key facet of our quality and risk management strategy is to continuously invest in the learning and development of our people. The importance of continuous development within the firm is supported by each service line providing on-the-job training and related systems training to each new employee. The learning and development of our people is critical to the success of our business and our ability to ensure that quality is high across all our service lines.

Our development philosophy is based not only on formal training, but also on-the-job learning and significant levels of day-to-day coaching and a strong focus on feedback being sought and given around employees' performance. Each management and supervisory career level within the firm has a specific leadership program that is designed to equip the employee with the necessary leadership skills as they progress their career within GTL.

The key foundation to all our Learning & Development activities is our Competency Framework which is a tool that highlights the key performance expectations at each career level, defines the capabilities required for outstanding performance at each career level, and suggests development actions that may be taken to develop the required capabilities for success at GTL.

The Competency Framework has been designed to help employees to:

- build their skills and capabilities by providing blended development activities;
- allows employees to take control of their career and motivate teams to achieve higher performance; and
- deliver the critical success factors detailed in our strategy.

All staff set their own goals around these initiatives that support the achievement of the firm's strategy to be market leaders in our chosen fields. To further support our culture of continuous development we hold performance reviews on an annual basis and have created a culture where employees are positively encouraged to seek and obtain feedback at the end of each client assignment.

Staff are rewarded based on individual performance and contributions both to the client, their respective service line and to the firm as a whole. Our People & Culture team ensures that all of the above processes are consistently and fairly applied across our business, and are in line with best practice. This supports our commitment to ensuring our firm operates to a high level of professionalism and ensures that we put quality at the heart of everything we do.

### Continuing professional development

We are committed to ensuring that our people have the skills and expertise necessary to provide the range of quality services and technical excellence required by our clients.

All partners and qualified staff are required to keep up-to-date with professional guidance, including the firm's own risk management, ethical and independence requirements. All those within specialist disciplines or serving specialist markets, including statutory audit, must comply with mandatory training requirements, which are actively monitored. Internally, we provide access to technical resources and support, which include technical updates, training workshops, professional and personal development courses.



# Measuring audit quality

# Measuring audit quality

## Audit quality management systems

A rigorous quality management system ensures all our staff understand the role they play in delivering quality work and achieving the high standards we set ourselves – the standards our clients expect. Nowhere is this more important than in the case of audit or assurance where our independence and the quality of our work are critical for our clients, the public and professional regulators.

We have established a range of safeguards and internal processes governing audit and assurance appointments and the independence of partners, directors and staff, including:

- technical and procedural manuals, to ensure work is delivered to a consistently high standard;
- training and development of all partners and staff (including induction and appraisal);
- quality management procedures, to ensure each assignment meets required standards and quality; and
- quality assurance processes, including retrospective and hot reviews, to enable management to gain comfort that procedures are in place, are operating and are effective.

Our quality management approach for auditing, assurance and financial reporting assignments has several key elements:

- ethics and integrity – we only accept and continue to act for clients we judge to show integrity and for whom we consider the risks of acting to be acceptable;
- a robust and rigorous risk-based audit approach, with significant resources committed to ensuring audit quality, consultation, on-the-job and technical training;
- the skills and personal qualities of our partners and staff; a consultative culture, where partners and staff are always encouraged and, in certain circumstances, required to consult; and
- objectivity and independence – absolute understanding throughout the firm that our hard-won reputation is dependent on the quality of our work and the quality of the decisions that we take.

These processes are checked annually as part of our internal quality review processes.

To support the Board in this function, the firm has established the Quality and Risk Management Committee (“QRMC”), whose objective is to provide oversight of the firm’s system of quality management and to help ensure the effective implementation of International Standard on Quality Management (“ISQM”) 1.

The QRMC’s key responsibilities include:

- performing and monitoring the firm’s risk assessment processes
- determining the firm’s quality objectives, including updates arising from monitoring activities performed under the system of quality management
- identifying and prioritising risks
- determining appropriate responses to identified risks

Our system of quality management is conducted in accordance with ISQM 1 - quality management for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements as adopted by the FRC (previously ISQC 1).

This system provides our clients, GTIL, other member firms and our local regulators, (ICAEW, FRC, JFSC and GFSC), with reasonable assurance that our personnel comply with applicable professional standards and GTIL policies and procedures.

In addition to periodic external quality reviews by GTIL, under the Grant Thornton Assurance Review (GTAR) programme, our audits are subject to regular external inspection as part of our obligations to ICAEW, FRC, and PCAOB.

The review findings and observations are communicated to the audit practice and directly to the individual teams so that any learning points can be addressed and taken into account in the drive for continuous improvement.



### Internal monitoring

Our internal monitoring programme is carried out on a continuous basis to ensure any quality issues are monitored and addressed in a timely manner, and our aim for continuous improvement is achievable. Our reviews assess the quality of the audit and assurance work in our audit and assurance department, which includes assurance services, financial services audit and corporate audits performed across all of our offices. Reviews cover all office locations of the firm.

GTL is committed to providing and maintaining a high standard of audit work.

One part of achieving this is carrying out regular reviews of the system of quality management including review of the whole firm's key controls and cold file reviews of a selection of completed engagements. Annual cold file reviews are conducted on the firm's portfolio of audit clients on a rotating basis and giving consideration to clients on the following basis:

- industry/sector;
- engagement leader;
- fees;
- risk;
- year of take on; and
- service line.

Similar processes are adopted across all client-facing segments of our business to ensure that our reputation is protected and maintained.

Our quality monitoring programme is robust, and key features include:

- use of a standard approach developed by GTIL;
- annual reviews are completed under the direction and guidance of the Head of Audit & Assurance and Quality Control Leader to ensure integrity and consistency of all responsible individuals;
- reviewers are assigned based on their independence, skillset, industry experience and professional competence;
- where deficiencies are identified, the audit leader is required to develop an action plan to address the findings of the review;
- themes arising from the Audit Quality review are communicated to the Audit practice through training, and technical updates;
- themes will also receive an increased focus in subsequent inspection programs to measure the extent of improvement; and
- root cause analysis is completed on all significant deficiencies arising and appropriate action plans are developed.



# Measuring audit quality

## Global audit quality monitoring

A dedicated team in GTIL is responsible for managing our global audit and assurance quality-monitoring programme, referred to as the GTAR. The GTAR process evaluates each member firm's local quality monitoring system, as well as each firm's compliance with professional standards, global audit and assurance policies and procedures, and other risk-based criteria.

Member firms are typically reviewed once every three years. Independent and suitably qualified partners and managers from other member firms, under the overall direction of the global audit quality management leader, also conduct inspections.

GTIL's global monitoring helps to reinforce the requirement that member firms have an effective process for ensuring that the right people are using the right tools to apply the audit methodology in the right ways.

### GTAR will assess if member firms:

- comply with professional auditing and assurance standards;
- implement the global audit and assurance methodology (and in turn, the ISAs as a minimum);
- issue audit reports that are appropriate in the circumstances;
- comply with international ethical and quality management policies;
- comply with quality assurance standards during the audit;
- have designed and implemented an effective system of quality management;
- identify root causes for significant findings;
- have implemented the requirements of previous action plans; and
- comply with global risk management policies and procedures.

The most recent GTAR for GTIL was completed in December 2021, and our audit quality control system was evaluated as "suitably designed and implemented to provide reasonable assurance of confirming with applicable professional standards and GTIL's requirements in all material respects."

The next GTAR is scheduled for November 2025.

## External monitoring

GTIL is also registered with the PCAOB in the United States and is subject to its inspections. However, since registering and up to the date of this report, no inspections have occurred, as no PCAOB audits have been performed.

GTIL is within the scope of the FRC in the UK and is subject to inspection by the FRC. The inspection covers the firm's system of quality management and a selection of UK PIE audit engagement files. One file was inspected, and in May 2024 the FRC issued their report, concluding that the firm's audit work required only limited improvements.

GTIL was subject to review by ICAEW as delegated by the FRC under the requirements of the Crown Dependency (Jersey and Guernsey) Audit Rules. The last ICAEW quality assurance review of GTIL took place in November 2021 and their report to the firm concluded that the firm's audit work was generally of a good standard on the files reviewed and that the firm demonstrated a positive attitude towards compliance.

ICAEW was satisfied with the firm's proposed actions to address matters raised.

GTIL was also subject to review by the ICAEW in relation to UK entities in 2023. The external review of GTIL took place in September 2023. ICAEW issued their report to the firm in November 2023, which concluded that the firm's audit work was generally of a good standard and follows a good audit compliance regime on the files reviewed.

We remain dedicated to improving our systems of quality management, including monitoring audit quality and implementing changes to our policies and practices in order to enhance audit quality. All inspections process and dialogue with the inspection staff provided us with valuable information, as we strive to enhance our audit quality and meet our responsibilities to investors and other stakeholders.

GTIL member firms continue to demonstrate their commitment to transparency, integrity and quality management by undergoing independent internal and third party inspections. The member firms and GTIL welcome the results of these inspections, which assist in a constant search for improvement of member firms' service provision.



A summary of the reviews performed by regulators:

Body	Review scope	Date of reviews (last or prospective)
Financial Reporting Council	PIE audits	2024
ICAEW – QAD Team	Corporate audits not in FRC scope Certain public sector bodies	2023
JFSC - Delegated to ICAEW QAD	Crown Dependency audits	2021
GFSC - Delegated to ICAEW QAD	Crown Dependency audits	2021

## Client Voice

In addition to internal and regulatory monitoring, a key measure of quality is understanding our clients' satisfaction. On a monthly basis, we ask our clients to complete a satisfaction survey where the service provision has been completed.

The clients are asked to rate GTL on various aspects of the service they received, from the quality of the audit or assurance service, the value received, if the service had improved and if they would use our services in the future and recommend us to another organisation. This ensures we have a constant level of client satisfaction, which we use in our KPIs, and it allows us to take action should that level of service drop for any reason.

**Net Promoter Score (NPS)** – measures clients' loyalty (how likely they would be to recommend us to others)

**Client Satisfaction Index (CSI)** – measures clients' satisfaction with the outcomes of engagements

**Client Experience Index (CXI)** – assesses clients' overall experience and how relationship teams are performing against our client promise



### 2024 - 2025 FIRM AVERAGE\*

Net Promoter Score [NPS]	59%
Client Satisfaction Index [CSI]	8.49
Client Experience Index [CXI]	8.21
Response Rate	22%
Number of Surveys Sent	755
Number of Responses Received	166

\* **Net promoter score (NPS)** is a commonly used market research metric that is based on asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague. Developed by Fred Reicheld in conjunction with Bain & Company and Satmetrix.

#### How it works

The NPS assumes a subdivision of respondents into “promoters” who provide ratings of 9 or 10, “passives” who provide ratings of 7 or 8, and “detractors” who provide ratings of 6 or lower. Calculating the net promoter score involves subtracting the percentage of detractors from the percentage of promoters collected by the survey item. NPS has been widely adopted by Fortune 500 companies and other organizations and as of 2023 versions of the NPS are now used by two-thirds of Fortune 1000 companies.

#### What do the scores mean

- Above 0 is good
- Above 20 is favourable
- Above 50 is excellent
- Above 80 is world class

GTL's score of 59% compares with a GTIL average of 47%. Typically in Accounting and Consulting firms an NPS of 40 is reported.

CSI/CSX measures the level of satisfaction with the service delivery and the overall experience. A score over 8 for each measure is considered excellent.



# **Delivering audit and assurance quality**

# Delivering audit and assurance quality

Audit and Assurance is an important part of our business and plays a critical role in protecting public interest. Our leadership is committed to audit and assurance quality – quality in our work, quality in our practices and quality in our people.

## **Audit and assurance leadership**

We understand that everyone can have a different definition of value, and this is no different when receiving audit or assurance services. To ensure GTL delivers the most critical value to stakeholders, we begin our work by building highly qualified teams. Our teams are comprised of dedicated audit and assurance professionals who understand clients' businesses as well as their sectors. Together, these teams not only deliver a high-quality audit or assurance service to stakeholders, but they also take the opportunity to provide additional value by providing insights and observations about important and relevant topics - insights that may lead to new ways of thinking, performance improvement or efficiencies.

The firm's audit and assurance directors lead from the front and are responsible for driving audit and assurance quality. However, the day-to-day activities and experiences bring our quality culture to life, and our audit and assurance senior members work with the Risk and Compliance and Audit Technical teams to embed key practices, disseminate key messages and demonstrate the standards and behaviours we expect in our people.

## **The Audit Technical teams (ATT)**

The ATT support the audit and assurance directors in developing and enhancing audit and assurance quality. This is done through the provision of training and technical guidance on audit, assurance and financial reporting matters, advice on complex issues, carrying out reviews of the financial statements of public interest and other higher-risk entities prior to issue and ongoing monitoring of compliance with key quality and risk management performance indicators.

ATT is also responsible for managing and implementing the firm's audit and assurance quality monitoring programme, which is a key mechanism for measuring the quality of our audit and assurance services.

## **Global audit and assurance methodology and technology**

GTL provides a framework for all Grant Thornton member firms to deliver consistent, robust, rigorous, and high-quality audits and assurance engagements.

This is achieved through the provision of a global audit and assurance methodology and software, protocols to facilitate consultation with specialists in other member firms, a comprehensive intranet service with up-to-date information on relevant professional standards, a worldwide restricted entity list, an IFRS Accounting Standards help desk and topical alerts. GTIL does not provide any services to clients itself.

GTIL's Methodology and Learning team hold frequent member firm outreach calls to address the information needs of individuals in Grant Thornton member firms who oversee consultations on audit matters, manage inspections performed by audit regulators, or work in a similar role. In these calls, GTIL communicate methodology concepts and recent releases, providing member firms a forum for questions and enabling all firms to move forward together with consistency.

LEAP (Leading an Effective Audit Practice) is an ongoing, collaborative effort led by GTIL to promote and retain quality and compliance throughout all our member firm audit practices. LEAP has three core streams: a global audit methodology referred to as 'LEAP', a suite of centrally developed globally consistent learning and engagement software, which is discussed below.

GTL has been using the LEAP methodology since 2020 across all engagements. Among other benefits, the LEAP methodology:

- Provides a clear linkage to auditing standards using International Standards on Auditing (ISA) based terms;
- Applies an account-based approach to address the risk of material misstatement; and
- Allows each audit team greater flexibility in designing their response to the risks of material misstatement within entities they audit.

GTL adapted our audit tool platform, leap, to facilitate an effective rollout of the LEAP methodology. These changes:

- Support a tailored approach, a key fundamental of the LEAP methodology, and
- Offer flexibility and scalability to perform audits of all types and sizes.

### Internal Quality Control Review ongoing monitoring

Our Internal Quality Control Review Program (IQCR Program) is contracted out to another Grant Thornton member firm that is highly experienced in performing quality control reviews across the network.

The IQCR Program is designed to assess the quality of audit files from inception to completion over a three-year rotational period to ensure compliance with the firm's quality and risk management framework.

Our quality control review process reviews all audit partners/directors on a three-year rolling basis. In the event an engagement partner/director fails an internal review, they will be reviewed again in the next reporting period, in addition to any partners already selected in that group. This will increase the total number of partners reviewed in the current period as part of our internal quality control review process.

The IQCR program's engagement population comprises engagements that ATT considers to be of higher risk due to their complexity or other risk factors.

A final assessment is provided on the engagements, delivering either a pass, a pass with significant deficiencies, or a fail, for which any engagements below a pass are required to undergo an extensive remediation process. The IQCR process complies with:

- ISQM1 (International Standard on Quality Management)
- ISA 220 (Quality Management for an Audit of a Financial Report and Other Historical Financial Information)

- IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code).

### Root Cause Analysis

A fundamental part of the ISQM 1 process is the effective Root Cause Analysis. The findings from these reviews, in addition to findings from our external regulatory reviews, are compiled to influence the Root Cause Analysis workshop. This workshop includes ATT providing an independent determination of the findings and utilising the audit quality indicators to develop the Root Causes of the Analysis (RCA) paper, which is then communicated to our QRM. For the FY24 IQCR review season, the key highlights of the RCA included the consistent application of professional scepticism in risk identification and scoping, the robustness of supervision and review mechanisms, and the depth of training on the Revised ISA 600.

The RCA, coupled with any other findings from external reviews, is then used as a foundation to develop the Audit Quality Action Plan (AQAP), which documents the key areas of focus for improvements to policies and procedures.

FY25's AQAP includes such strategies for improvements regarding:

- Quality growth focusing on client acceptance and re-acceptance;
- Increasing our use of technology and tools through our audit process;
- Ensuring our focus on planning through consultations at the right time and bringing work forward where applicable;
- Evaluation of resource allocation according to client risk profiles;
- Introduction of a new training approach featuring concise and impactful sessions;
- Updating the audit best practice document in response to identified findings and deliver refresher training on audit methodology to staff, as required; and
- Enhancing audit training on the requirements of Revised ISA 600, incorporating best practices and practical application.



### **International Standard on Quality Management (ISQM) 1 Evaluation and Results**

During the course of FY2024, GTL performed ISQM 1 evaluation covering the period from 1 November 2023 to 31 October 2024 across the 8 components of the standard to ensure compliance. No deficiencies/findings were found on the areas of firm's risk assessment process, governance and leadership, information and communication and monitoring and remediation process; while deficiencies/findings were noted in the areas of relevant ethical requirements, acceptance and continuance of client relationships and specific engagements and resources. Remedial action has been completed on 3 of the 4 areas identified above as of December 2024.

### **Statement by Management on the effectiveness of the System of Quality Management (SoQM) of GTL as of 30 September 2024**

We completed our evaluation the period from 1 November 2023 to 31 October 2024 of the firm's SoQM under ISQM 1 as issued by IAASB. Except for the matters related to identified deficiencies that have severe but not pervasive effect on the design, implementation, and operation of the system of quality management, the system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved. All other findings noted will be remediated alongside these deficiencies.



# Delivering audit and assurance quality



## Audit and assurance quality

A robust system of quality management underpins our commitment to continuously improving audit and assurance quality. GTIL has developed policies for quality management that apply to all member firms. These policies are based on the requirements set out in ISQM 1 for firms and the Code of Ethics for Professional Accountants issued by IESBA. The firm's Quality Management Manual sets out these policies and procedures. The policies and procedures have been tailored to ensure they also comply with our local standards issued by the FRC.

We continue to make investments to advance our audit and assurance quality and our system of quality management, ensuring we effectively comply with ISQM 1. This involves ensuring our quality processes and management are designed to identify, understand and respond to quality risks related to the firm and the engagements we perform.

In addition to our own quality management procedures, which comprise robust and frequent peer review of audit and assurance files and client financial statements, as a member of the forum of firms, we are required to abide by a system of quality management. The Global GTAR programme reviews each member firm's audit and assurance work. GTAR is a systematic check of the quality of member firms' audit and assurance procedures carried out regularly by independent and suitably qualified partners and managers from other member firms under the overall direction of GTIL. GTIL consistently achieves some of the highest ratings in the global network.

## International support

GTIL has a full-time IFRS team that is responsible for promoting high quality, consistent application of IFRS throughout the global organisation. The IFRS team is advised and supported by member firm IFRS experts including an IFRS interpretations group, a financial instruments working group and an insurance working group. The IFRS team promotes consistency by:

- Offering face-to-face training programmes and online learning resources;
- Operating an IFRS help desk service;
- Providing an IFRS checklist and an IFRS Interim Reports checklist; and
- Publishing extensive technical interpretive guidance, newsletters and other tools and resources, internally and externally.

These materials and IFRS developments are communicated via a network of designated IFRS champions in member firms. For firms with significant IFRS work, the GTAR inspection team will include team members who are experienced in IFRS accounting. Any issues concerning IFRS are brought to the attention of the GTIL IFRS team for review to determine if training or additional guidance is necessary.

Every year, GTIL participates in IFRS Masterclass webinars hosted by GTIL. This covers recent and upcoming changes to IFRS, or deal with specific issues identified where different interpretations require judgement.





### **Clear and unambiguous audit reporting**

Regular mandatory training in specialist areas is key to ensuring that partners and staff are aware of the latest issues and can address them within the audit and assurance approach. It also means that we communicate with clients' boards and audit committees on matters of relevance to them clearly and unambiguously.

We maintain a dialogue with audit committees at various stages in the audit process on various issues, from initial scoping to the key judgements made. Our formal audit strategy and key issues memoranda give structure to interaction and communication with boards and audit committees.

For UK-listed audits, the firm applies strict gatekeeping through a Financial Statements Quality Review (FSQR) performed by an independent reviewer from an appropriate GTI member firm. Any engagement that meets defined risk triggers must undergo this review before the audit report can be issued. The reviewer assesses compliance with IFRS or UK GAAP, adequacy of disclosures, and appropriateness of key judgements, with all issues resolved before sign-off. This process, in line with ISQM 2 and FRC requirements, ensures only compliant, high-quality financial statements are released.

### **Engagement acceptance and continuance**

Each audit and assurance engagement is categorised by reference to its risk, complexity and any specialised experience requirements. This categorisation is used to drive appropriate quality management procedures.

Our centralised client take on team ensure for all new potential clients and any new assignments the firm's rigorous acceptance and continuance processes are adhered to and documented.

All new assignments require approval before the appointment is accepted. This approval is by the appropriate engagement partner and, in certain cases, by the Head of Audit & Assurance and Quality Control Leader. Where specific high-risk indicators are identified, GTIL requires Key Assurance Assignment (KAA) approval.

A similar process for continuing engagements is required on an annual basis. If circumstances significantly change or other risk indicators are present, approval by a partner outside of the audit team, the Head of Audit & Assurance and Quality Control Leader, and/or GTIL may again be required.

### **Supervision, consultation and review**

Our strong culture of consultation, supervision and support is embedded throughout the audit and assurance methodology. Involvement of a second Responsible Individual (RI), our ATT and, where necessary, the Head of Audit & Assurance and Quality Control Leader, provide appropriate levels of quality management as well as support for all audit and assurance personnel.

This mixture of experience and technical ability, within a culture where we are able to challenge each other, ensures quality is driven throughout the audit or assurance engagement.

Audit clients who are PIEs or entities whose securities are publicly traded are subject to an engagement quality management review (as required by ISQM 2) by partners who are approved by the Head of Audit & Assurance and Quality Control Leader. Review RIs are also in place for other complex or high-risk category clients to address certain quality and risk management matters.



# Financial information

# Financial information

GTLs total fee income for the year ended 30 September 2024 was £30,037,864. This is analysed as follows:

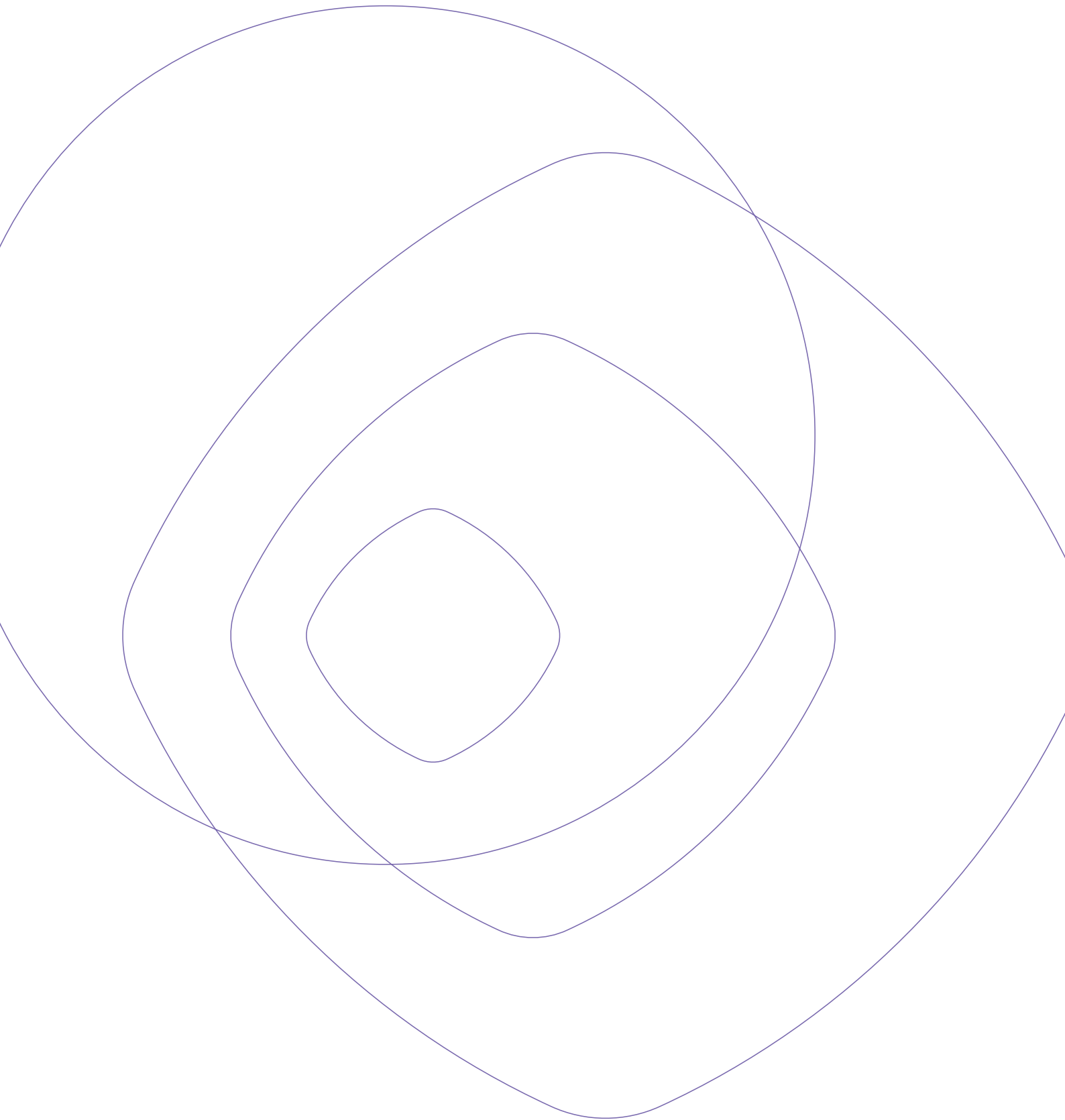
Services	£
Revenues from statutory audits of public-interest entities	727,768
Other audit revenues	18,637,945
Revenues from non-audit services to audited entities	873,144
Revenues from non-audit services to other entities	9,799,007
<b>Total</b>	<b>30,037,864</b>

### The basis for directors’ remuneration

The remuneration of directors is determined based on their responsibilities and experience, their role in management and the outcome of the annual performance assessment. Bonuses are awarded depending on the performance of the firm as a whole, the service line contribution and any exceptional matters that warrant financial recognition.

### List of Public-interest entities audited during the year ended 30 September 2024

- Alphabeta Access Products Limited
- Alternative Liquidity Fund Limited
- Argentina Synthetic Sovereign Investments (Jersey) Limited
- Castelnau Group Limited
- CEIBA Investments Limited
- Doric Nimrod Air Three Limited
- River UK Micro Cap Investment Company Limited
- Sequoia Economic Infrastructure Income Fund Limited
- Sherborne Investors (Guernsey) C Limited



# Grant Thornton

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