



Grant Thornton

An instinct for growth™

Transparency report 2018

Shaping a culture of quality

October 2018



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Part 1:

Introduction

1.1 Foreword: our purpose and our priorities



Sacha Romanovich
CEO, Grant Thornton UK LLP

This has been a year of consolidation for Grant Thornton. We have seen our revenues broadly stable as we made further investments in our people and those functions that support outstanding client service. Across our audit portfolio we continued to work hard to deliver the highest quality standard of work that our clients and regulators expect.

In what has been a challenging period for UK audit we have delivered broadly consistent levels of quality, which compares favourably with the record of other firms. We will continue to set high standards for ourselves. Trust and integrity in financial markets – is essential for our people, our stakeholders, our clients and the economy. It drives who we work with, what we do for them, what we speak out on and how we act as a business.

On 15 October 2018 I announced that in consultation with the Partnership Oversight Board I have decided not to stand for re-election for a second term. As we enter the next phase of our plans, we have agreed that the time is right for a new CEO to take the firm forward and I will step down after the identification of a successor following an election process in accordance with the firm's membership agreement.


While my decision was taken outside of the year that this report covers, as it is a significant development in the governance of our firm, I believe it is important to include this in our transparency report.

Introduction

In the last year the feedback we received from the Audit Quality Review highlighted some improvements in the quality of our auditing. We are not complacent and there were still a number of areas identified for improvement, which was confirmed in the results of our Quality Assurance Department reviews and our internal National Assurance Services Review process. We have invested in a new audit approach and new audit software as well as in our leadership capacity in order to deliver continuous improvement.

We were pleased to see our approach in embracing purpose, and placing this at the heart of all we do, reflected positively in the Financial Reporting Council's thematic review on Audit Firm Culture. Our internal employee's satisfaction scores showed overall improvement although there are some specific areas that require work that we will now focus on.

We also faced up to the responsibility of past issues that reinforced our drive to strengthen the robustness of our approach to quality and building our reputation.



We faced the discomfort of our regulator's judgements in an issue that impacted both Nichols plc and the University of Salford, where our historical approach to ethical controls fell short of the standards we set out. While the matters dated back to 2010, it is nevertheless deeply disappointing. As soon as we became aware of the issues back in 2012, we instigated a full review of the firm's processes and controls and implemented changes to prevent such an independence issue arising again.

2017/18 was a year when we continued to progress our firm's strategy, making bold decisions on the shape and focus of the business. While this reshaping has inevitably impacted our financial performance in this year, we believe that our newly aligned market focus will enable us to accelerate key growth areas of the business, driving sustainable and profitable growth in the future.

In May we refocused our operational structure so as to provide greater focus on who we act for – with emphasis on three market-facing groups covering **Large and Complex**, **Dynamic Mid-market** and **Public Services**. Not only does this change better reflect our day-to-day client interactions, it also enables us to ensure our approaches to quality and risk management are tuned into the varying needs of these three market segments.

As part of this refocusing, Jonathan Riley was appointed to the Strategic Leadership Team with specific responsibility for our Quality and Reputation. He comes with an outstanding record in rebuilding trust in the integrity of the UK tax regime. His willingness to project a better world for our approach to quality will build on our standing for our firm and for the marketplace as a whole.

This report is an opportunity for us to share the work we do to underpin our commitment to quality and the Audit Firm Governance Code and to ensure that a career in audit at Grant Thornton remains an attractive destination for our current and future workforce. It is a chance for us to communicate to our regulators, our clients and other stakeholders what we are doing to put quality at the heart of everything we do and to improve upon our current position in the areas identified by this report.

It has been a privilege and an honour to lead this firm. I am proud of what we have achieved in the market, with our people and with our clients, breaking the mould in so many ways. We have attracted so many talented people and great clients to our firm due to our purpose and what we stand for.

I will be working to support a smooth transition to our next CEO, focusing on continuing to deliver sustainable value and high quality work for our clients through our diverse and talented team.

1.2 Report from Head of Quality and Reputation



Jonathan Riley
Head of Quality and
Reputation

I was delighted to be invited to join the Strategic Leadership Team (SLT) of our firm earlier this year, and take on the role of Head of Quality and Reputation. This is a new role, the creation of which underlines the importance we attach to these matters, and the fact that they are core to our purpose.

Quality at the heart of our reputation

In this section, I set out how our purpose and our strategic priorities for the coming year are designed to help shape a culture of quality and sustainable growth in our firm.

Our purpose

As we approach the United Kingdom's exit from the European Union and the increased business and societal uncertainty that creates, it is even more important that we align all we do to our purpose. The three areas in which we believe we can make the most impact and deliver our purpose are:

- building trust and integrity in the market
- unlocking sustainable growth in dynamic organisations
- creating an environment where businesses and people flourish.

Our purpose must be reinforced by our culture of quality. We recognise that we cannot be complacent about continuing to strengthen and embed quality into all we do to ensure that we are making progress on delivering high-quality audits, measuring our quality and managing our risks.

The last year has seen us embed new processes that were introduced in June 2017 to assess clients and prospective client engagements at a stage prior to entering into our client take-on processes. These focus on the characteristics, behaviours and values of potential clients and potential existing client engagements and how they align to our purpose-led strategy. This process seeks to assess whether a potential

client has demonstrated a commitment to pursue its business activities in a responsible and capable manner that avoids impacting negatively on stakeholders. We want to work with a client base that will reinforce our purpose, helping to create real sustainable value for the firm as well as for the client.

Part of this new approach involves assessing each potential new client and each potential client engagement to ensure that it will align with our purpose. If there are any concerns raised out of this initial process and/or whether one or more of a number of further criteria are triggered (such as the size of the prospective client, the size of the fee, the public relations profile), it is referred to a Client Take-On Panel of senior Grant Thornton partners and risk professionals for further consideration prior to taking it on or otherwise. This extra layer provides a rigorous assessment by the client service team.

Statutory audit remains central to our purpose. I was delighted to welcome Jon Roberts to lead our audit practice, following his predecessor's move to our global organisation. Audit plays a crucial part in supporting trust and integrity in markets in an environment where the public's trust has fallen. The statutory audit market continues to be challenging and the domination of larger audit firms continues to restrict broader participation and greater competition and reduces choice. As a result, we took the strategic decision to withdraw from tendering for FTSE 350 audit work until such time that the market is corrected – on both supply and buy side – and makes involvement in this market strategically and commercially beneficial. We seek to lead debate for change in this part of the statutory audit marketplace. We will actively engage with the Competition and

Markets Authority's recently announced market study into the UK audit market so as to see the current failings addressed.

Outside of statutory audit, we continue to advise over 50% of the FTSE 100. We remain the leading auditor to the public sector and our private sector clients employ more than 6.3 million people in the UK. Our constituency is powerful and relevant to the UK economy and we have represented their views to government, Westminster and Whitehall, our regulators and other relevant parties so as to help shape a regulatory and legislative environment in which business and communities can thrive.

Our 2018/19 priorities

Our key focus areas throughout the year will be:

Delivering sustainable growth in line with our purpose

As Sacha outlined above, we have refocused the business around our three core markets:

Large and Complex: our focus in this market will be on the platform of our market-leading forensic investigation, contentious insolvency, financial services regulatory advisory and business risk capabilities, underpinned by market-leading credentials, quality people and entrepreneurial approach with full service offerings and strong client relationships.

Dynamic Mid-market: we shall continue to grow our reputation as the stand-out firm in the mid-market creating value, transforming value and protecting value. We will continue to listen and respond to our clients' needs, in particular developing and scaling key propositions and services in international/exports and talent solutions as well as cyber and digital.

Public Services: already a market leader in the delivering of audit to these organisations we will focus on developing significant advisory opportunities through deep sector expertise and a rigorous insights-led methodology. Our new consulting capabilities will be addressing challenges around demand-led services, focused around adult social care and children's services.

Consistently living our Shared Enterprise culture

We know that delivery of sustainable value for our clients is dependent on our team. Simply, a great client experience comes from a great people experience.

We are moving into our next phase of our still unique Shared Enterprise approach, built on the fundamental premise that if all our people share ideas and responsibilities, then they should also share the superior profits. This will be an evolution, and our focus going forward in developing Shared Enterprise will be on growth and innovation.

In addition, knowing that creating a futureproof, diverse and inclusive workforce is good for business and central

to our purpose, we remain committed to making sure that the opportunities within the firm are equally accessible for everyone – regardless of background or gender – and that our firm is representative of all levels of society.

Making quality second nature

While we have received positive messages, both externally and internally, on our progress on quality over the last year we will continue to ensure we are not complacent. There is additional information throughout this report on how we are continually evolving and improving the quality of what we do.

In the coming year we will refresh the structure and remit of the Quality and Reputation function so that it is even more user-focused. We will work with our people as regards the lessons that came from the firm's recent Quality Pulse survey and continue to embed the disciplines of our Code of Conduct and our 'Beyond Compliance' methodology with our people. We will also continue to speak out on how the role of regulation should further build trust and integrity in financial markets, as well as helping to shape the debate around the future and purpose of audit and tax.

Operational excellence in everything we do

Operational rigour will underpin our efforts, ensuring that we continue to broaden our understanding of the markets we choose to serve, our clients and those businesses we believe we can add value to, helping them to protect what value they already have, transform what they do to add more value, or develop new opportunities for the future.

Our efforts to exit from sizeable parts of the business that would no longer be core and the development of new capabilities and solutions to meet the needs of our clients will continue. The growth and impact of our brand sets us up well for future growth and demonstrates that focused investments with a differentiated brand translates into positive commercial outcomes. Moving forward we intend to build upon and harness our powerful brand awareness across the firm, translating into consideration and growth.

The forthcoming year will be focused on our growth and the growth of those we serve. It is an opportunity to demonstrate that our distinctive culture and our unwavering commitment to quality builds the reputation Grant Thornton is worthy of.

1.3 Report from the independent non-executive chair of the Public Interest Committee and the Partnership Oversight Board on behalf of the Independent non-executives



Ed Warner

Independent Non-Executive
Chair, Grant Thornton
Partnership Oversight Board
and Public Interest Committee

This is my third report as independent non-executive (INE) chair of Grant Thornton's Partnership Oversight Board (POB or Board). In April this year, I was reappointed following a vote of the elected members of the POB as chair to 31 March 2021. I also chair the Public Interest Committee (PIC). This report is on behalf of that committee and my fellow INEs, Deena Mattar and Imogen Joss.

The POB is the ultimate strategic and governance oversight body within Grant Thornton. The firm has chosen to position myself and my fellow INEs within this body as we deem it to be the most appropriate place from which to exercise our authority, ensure our independence from the leadership of the firm and pursue our responsibilities to all stakeholders in the firm and externally, including those mandated by the Audit Firm Governance Code and namely:

- promote audit quality.
- help the firm secure its reputation more broadly, including in its non-audit businesses.
- reduce the risk of firm failure.

The INEs and I take these responsibilities very seriously, and I am pleased to be able to report that we have confidence in the way in which Grant Thornton is managed and the control of the risks that are inherent in a business with its scale and breadth of operations.

As previously referenced, following discussions between the Board and Sacha, it has been agreed that a new CEO is the logical next step in the evolution of our business. We are grateful for the innovative and inspiring work Sacha has done and will work with her to support the newly elected CEO and ensure a smooth transition.

In Sacha's four years leading Grant Thornton her focus has enabled the firm to establish a distinctive position in the market. She has been an inspiring CEO attracting great people to our firm and what we stand for. Crucially, Sacha has established a platform that will position the firm to drive forward.

Promote audit quality

While our audit quality levels generally held up in a challenging time for audit, we know that we cannot be complacent. We are also satisfied that the firm is continually striving to create a culture that makes quality second nature. We consider that the latest Quality Pulse survey, which showed deterioration in employee satisfaction, needs attention and look forward to reviewing how the leadership will respond in the areas where improvement is needed.

In addition to the Audit Firm Governance Code, we also pay close attention to the Corporate Governance Code and apply its principles in the context of our members and a partnership structure.

Over the last 12 months we have established a PIC to more formally consolidate work previously carried out by the POB, the Risk and Audit Committee (RAC) and INEs individually. This committee is formed of the INEs plus the Head of Quality and Reputation and Head of Assurance. Others, including the Head of Ethics, are invited to attend as appropriate. For further information of this committee please see below.

The most recent Financial Reporting Council (FRC) Audit Quality Review (AQR) team report on the firm's public entity audits saw six audits graded as 'Good with limited improvements required' and two with 'Significant improvements required'. There were also firm-wide findings relating to independence and ethics.

While our overall result has improved over last year's, we are acutely aware there is still more work to be done to ensure the firm is delivering high-quality audit work. This remains the INEs' primary focus given the importance of audit quality to the firm and the wider public interest.

The INEs have received direct feedback on the report from the FRC itself, and we have had detailed discussions with the relevant people within Grant Thornton to be sure that all issues have been identified and are being addressed appropriately so that all stakeholders can have continued confidence in the effectiveness and quality of the firm's audit work.

The INEs have met with the FRC in various forums over the past year, both alone and as part of larger groups of INEs drawn from across the major audit firms in the UK. We are enthusiastic contributors to the thematic work the FRC is undertaking, believing that a well-supported regulator is vital to the health and integrity of the audit market. We look forward to continued, positive engagement with the FRC in the year ahead.

Help the firm secure its reputation more broadly, including in its non-audit businesses

The POB meets at least six times a year. It comprises eight members elected from within the Grant Thornton partnership, as well as the three INEs. The elected members are appointed for a term of three years and may seek re-election for a further term.

The Board invites attendance at the POB by members of the SLT. As a standing agenda item, the CEO presents at each POB meeting a report that covers the SLT's activities and key developments within the firm, including any material investment decisions, as well as regulatory, legal and reputational matters. In addition, Simon Jones as COO presents the latest financial statements. Over the course of each year the POB receives, scrutinises and constructively challenges the leadership's strategic plans as well as the annual budget that it sets for the business.

Each Board meeting includes time without the SLT present to allow open and thorough debate about all matters relating to the conduct of the firm, the work of the leadership and the risks the business faces. In this regard the POB continues to behave much like the board of a publicly listed company, albeit with a heightened focus on quality and risk so as to reflect the particular structure of a partnership and the specific requirements of the INEs on the Board as obligated by the FRC.

The POB has a number of subcommittees and standing working groups. The four most important subcommittees are each now chaired by an INE. These are the RAC, led by Deena Mattar (more detail included below, under the Reduce the risk of firm failure heading), the Remuneration Committee, led by Imogen Joss, and the Profit Sharing subcommittee and the PIC, both of which I chair.

The Remuneration Committee meets quarterly throughout the year to agree performance targets for the CEO and the other members of the SLT, and to monitor progress against those targets. It is made up of two INEs and three elected partner members. At the end of each financial year the committee decides the profit share of the CEO in accordance with performance against targets, and agrees with the CEO the profit shares for the other partners on the SLT. While financial targets make up an element of how the partners are rewarded, there are a significant number of qualitative objectives that can have a material impact on the profit shares that are ultimately agreed by the committee.

The Profit Sharing subcommittee comprises three INEs and two elected partner member. It meets at least twice a year to oversee the distribution of profits between the firm's partners so as to ensure a fair and equitable process. Among the various determinants of profit share that are scrutinised by the subcommittee is the quality grade awarded to each partner, as it is imperative for the integrity of the firm's activities that the quality of a partner's work – whether in audit or non-audit practice – is reflected in his or her reward to protect the public interest. We also consider, and where appropriate challenge, the gender pay data at partner level.

The [terms of reference for the PIC](#) set out that it shall be responsible for overseeing the public interest aspects of the decision-making of the firm including the management of reputational risks for the firm. In addition, the PIC is responsible for engaging, together with senior management of the firm, in dialogue with the FRC and external stakeholders, in particular representatives of shareholders in public interest entities (PIEs) audited by the firm. This committee provides oversight of both the audit practice and the whole firm.

This committee of the three INEs meets at least three times a year with the Head of Assurance and the Head of Quality and Reputation and may call on others to attend as required, including the Ethics Partner. The Head of Employee Relations presented to the PIC during the year to give the INEs an overview of the types of cases being dealt with internally to assist with our assessment of the firm's culture. These meetings, without other management present, are intended to ensure direct feedback to the INEs on quality, reputational and regulatory matters.

I am pleased to be able to report that the INEs have found these meetings to be open, frank and invaluable in enabling us to discharge our duties on behalf of all of the firm's stakeholders. The INEs will also meet to review the firm's decisions both to take on new clients and to continue client relationships, conscious that Grant Thornton's reputation is in part a function of the businesses that it works for.

Within a day after each POB meeting I email the partner group with the headlines of what was discussed. The minutes of the POB meetings are made available to all partners shortly thereafter.

Reduce the risk of firm failure

At every POB meeting there is a report from each of the subcommittees and working groups. The report from the RAC is comprehensive, so ensuring that both key risks to the business and matters pertaining to Quality and Reputation are brought to the attention of the INEs and the Board as a whole for rigorous debate.

The RAC comprises one INE and three elected partner members, and has been attended by the Ethics Partner, and the Head of Quality and Reputation, as well as the CEO and other members of the SLT. It meets at least five times a year and addresses, amongst other things, issues relating to the quality of the firm's work through an analysis of the risks facing the business and monitors the implementation of the plans intended to mitigate them. Any contact with the firm's whistleblowing helpline is reported to this committee and reported to the POB – there have been none in the year. Feedback from the FRC, including reports from its AQR team, are presented by management to the RAC as well as at the POB itself, and action plans in response agreed accordingly.

POB effectiveness and additional activity

During the year the POB commissioned an effectiveness review of its performance in relation to its objectives and requirements. This was carried out by independent external consultants and sought input through face to face interviews and surveys of Board members, the leadership team and the partners of the firm. Its results are generally positive but there were some areas identified that would benefit from further review and action. The results have been circulated to all the partners.

The feedback concluded that the POB is overall an effective body that, together with the relevant sub-committees, works well as a structure for our governance. However, some partners considered the POB to be a less effective governance body than in previous reviews – to a large extent this is about visibility to the wider partner group.

We have formed a working party to focus on this and we are now working with the leadership team to fine tune and build upon the areas highlighted in the report. Recommendations arising from the feedback are in the process of being actioned. They include providing more clarity to the wider partner group on the role of the POB, taking a more active role in the strategy development and review process with the leadership team, and introducing more channels for communication between the POB and partners and the wider firm.

The INEs are seen as making a strong contribution and critical to the effectiveness of the POB.

Away from the formal cycle of the POB and subcommittee meetings, the INEs meet regularly alone together to discuss the firm's conduct and our own regulatory responsibilities.

I have attended the recent Cultural Advisory Group meetings. These meetings discuss the People and Client Experience work agenda around creating a culture that supports quality and growth as well as protecting the public interest. I also participated in discussions on Shared Enterprise where the firm considered what has worked well so far and what needs to improve. These sessions also enable the INEs to be aware of the people management policies.

In addition to the information provided for our meetings we have full access to all partner communications and attend all partner meetings, as well as visit offices to meet with partners from time to time. I have weekly calls with the CEO and all partners have my personal email if they wish to contact me direct. I feel the INEs are given unfettered access to any information we want and need in order to fulfil our roles. Nothing has been withheld from us.

1.4 Report from the chair of the Risk and Audit Committee



Deena Mattar

Independent Non-Executive
Chair, Grant Thornton Risk
and Audit Committee

The principal role of the Risk and Audit Committee (also referred to as the Committee) is to ensure the firm's quality and risk management framework is in place and operating, and to oversee the financial reporting and external audit process.

One of my key priorities as chair is in reviewing the current activities of the Committee to ensure they fully meet and reflect the objectives and requirements of the revised Audit Firm Governance Code (the Code) with specific reference to the public interest, risk and audit quality.

The Risk and Audit Committee consists of a minimum of three elected POB members and one INE member, all appointed by the chair of the POB. Appendices D and E provide a summary of the Risk and Audit Committee members in place throughout the year and their meeting attendance. In addition, the CEO has been a member of the Risk and Audit Committee. I am pleased that following his appointment as Head of Quality and Reputation, Jonathan Riley, will be attending the Risk and Audit Committee on behalf of the SLT. This additional resource at leadership level is welcome and a demonstration of the firm's commitment to quality across the business. Simon Jones will also continue to attend in his role as COO.

We also welcome the new roles created to enable the Head of Assurance to focus on the regulatory aspects of the role.

The Committee met seven times in the year ended 30 June 2018. In addition to the appointed Risk and Audit Committee members, members of the firm's leadership bodies and those with specific responsibility for quality and risk activities and financial reporting are invited to attend and where appropriate to report on specific relevant issues. Going forward, in addition to the Head of Quality and Reputation these will include members of the SLT, the firm's General Counsel, our Ethics Partner, the Heads of Audit and Assurance services

and the Head of Business Risk and Quality Assurance. The firm's external auditors also attend meetings where audit and financial reporting issues are considered.

As chair, I report to each POB meeting on the Risk and Audit Committee's activities and considerations in order to enable the POB to understand the firm's approach to quality and risk, and where necessary, challenge and debate issues that could impact on the firm's compliance with the Code. We also receive reports as to whether any matters have been referred to the whistle blowing hotline during the year.

The Risk and Audit Committee activities in the year focused on the firm's ongoing development and implementation of a robust quality and risk management framework and the robustness of the firm's financial reporting, with a particular focus on critical accounting estimates and judgements and increasingly on how leadership is creating an open and transparent culture aligned with the Code's purpose.

The firm's risk profile

The SLT is responsible for the development and ongoing assessment of the firm's risk profile and for ensuring risks are being effectively managed and appropriate internal control systems are developed and implemented.

The SLT reports on its latest assessment of the risk profile, the mitigating activities in place and on any changes that have arisen in the nature, likelihood or impact of the risks faced on a regular basis. This provides the Risk and Audit Committee

with the opportunity to discuss the firm's risk profile based on its knowledge of the firm and the market, and where appropriate, challenge assessments made and the robustness of mitigating activities.

The Risk and Audit Committee pays particular attention to the management of risks that arise as a result of the services we offer and that could conflict with the firm's purpose of shaping a vibrant economy, and specifically, building trust and integrity in markets and which could have a detrimental effect on the public interest. We are pleased to note that during the year investment in strengthening the firm's Quality, and Reputation function and processes has continued, which is a clear demonstration of the firm's commitment in this area.

Business Risk and Quality Assurance

The Business Risk and Quality Assurance team supports the SLT in driving the firm's business risk methodology across the business and also includes the internal audit function, which provides assurances to the SLT and the Risk and Audit Committee that risks are being managed and the firm's quality and risk management framework is in place and operating.

The Risk and Audit Committee reviews regular reports from the Business Risk and Quality Assurance team that enables the Risk and Audit Committee to:

- review the firm's quality and risk management framework underpinned by the firm's Quality Standards that drive the business areas to achieve best practice in quality and risk management, and provide input to the firm's business risk management process that involves at least an annual systematic review of each business area's risks and controls and the consolidation of these risks into the firm's whole firm risk profile.

The Risk and Audit Committee receives all completed internal audit reports. This is an area we have requested that leadership has greater focus on in the coming year in order for the Committee to:

- examine and approve the internal audit programme, review progress against the plan and discuss the findings from the internal audit reports, including adequacy of management's response to any major recommendations.
- consider the effectiveness of the internal audit function and ensure it is sufficiently resourced.

In addition to the quarterly reports, the Risk and Audit Committee reviews the annual Business Risk and Quality Assurance report which consolidates the Business Risk and Quality Assurance activities in the year, identifies emerging themes and priorities for action moving forward and sets out plans for the forthcoming year.

The Committee also met with the Head of Business Risk and Quality Assurance and the Ethics Partner without the SLT members present.

Audit quality

The Risk and Audit Committee pays attention to audit quality to ensure that the firm fulfils its public interest remit in accordance with the Code. The Committee received feedback from meetings held with the FRC in respect of its findings from the AQR and also from our internal National Assurance Services Review and International audit file reviews. We met with the Head of Assurance to discuss the reports received and consider actions being taken to address the findings. On an ongoing basis, the PIC will receive presentations from the Head of Assurance and continue to monitor progress against those actions. As a member of both the Risk and Audit Committee and PIC, I will ensure both committees are updated and aligned.

More details on the output of reports from the AQR and Quality Assurance Department of the ICAEW are set out in [Part 2.3 Measuring quality](#).

Part 2:

Driving quality and building trust

2.1 Quality and Reputation

Quality – our excellence and our adherence to ethical standards – underpins our purpose. It is fundamental to building trust and integrity in markets.

Last year we reported on the creation of a new function – Quality, Ethics and Excellence – that brought together our approach to driving quality in all we do, our ethical behaviours and our foundations for distinctive client service.

In May we further enhanced our approach to quality by appointing Jonathan Riley, formerly Head of Tax within the firm, to the SLT, with overall responsibility for Quality and Reputation. Our Quality, Ethics and Excellence function was rebadged to Quality and Reputation so as to emphasise that our approach to quality and ethics has a direct bearing on our reputation.

It is a fundamental responsibility of all of our people to deliver excellence in all they do, and to behave in an ethical manner. This is our first line of defence against risk. It is vital that we make these responsibilities clear and make it easy for our people to know where to turn for guidance. In the last year we have further invested in our ethics department to make it easy for our people to seek guidance and clarification, when they need it.

Elsewhere in this report, we refer to our enhanced client take-on procedures that are aimed at ensuring that we are working with the right clients who fit with our purpose. We have regularly drawn attention to our whistleblowing helpline for those who see when things are not right, and we encourage our people to refer matters of ethical concern to their managers as well.

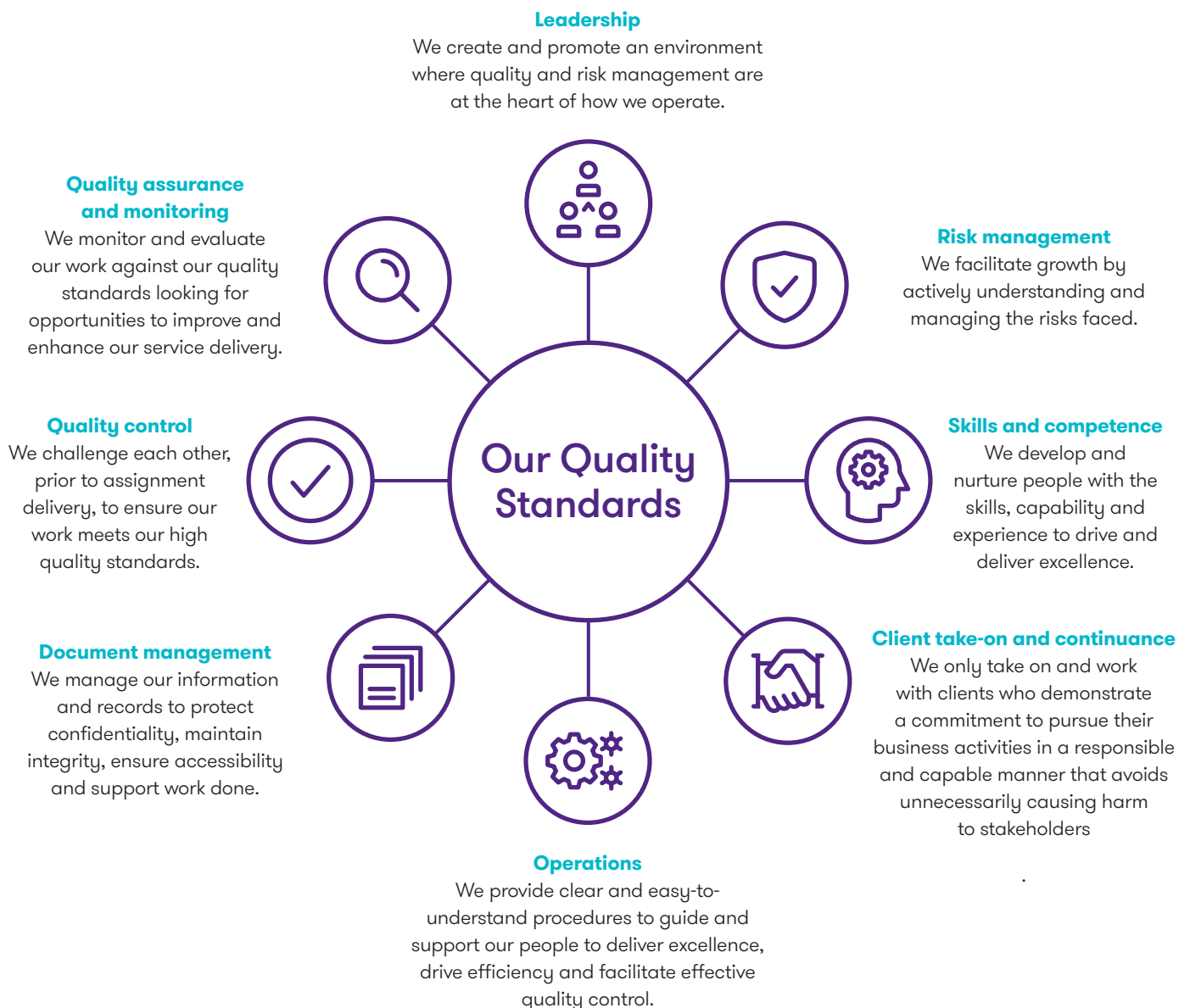
We continue to work on ensuring we have the best policies for our people to follow – our second line of defence. We avoid risk of complacency by ensuring that these policies are regularly reviewed by our internal Quality and Risk Assurance teams – our third line of defence.

Our quality and reputation framework is centred around three key areas:

- 1 Driving quality:
our Quality Standards**
- 2 Behaving ethically:
our Code of Conduct**
- 3 Delivering excellence:
our four foundations of
distinctive client service**

1 Driving quality: our Quality Standards

The firm's Quality Standards provide clarity to our leaders and people on delivering quality. They set out the required standards that must be met by each part of the business to drive quality, manage risks and meet legislative and regulatory requirements. Each standard is supported by a set of baseline requirements that all business areas must meet.



2 Behaving ethically: our Code of Conduct

Our Code of Conduct sets out our ethical and behavioural framework for how we bring our CLEARR (collaboration, leadership, excellence, agility, respect and responsibility) values to life to guide our people's response to the decisions they are required to make each day.

Behaving with integrity:

We play a range of roles in supporting efficiency, trust and integrity in markets. Fundamental to this is preserving our reputation as people who can act without self-interest and for the diversity and quality of our services. We expect our people to be honest, trustworthy and straightforward, doing not simply what is lawful but also what is right.

Protecting our business:

Each of us share responsibility for protecting the firm's reputation, safeguarding our people, keeping our assets safe and delivering our shared rewards.

Our purpose:

At the heart of our firm is our purpose, shaping a vibrant economy. We impact society through who we work with, what we do for them, what we speak out on and how we act as a business. The three areas in which we believe we can make the most impact and deliver our purpose are building trust and integrity in markets, unlocking sustainable growth in dynamic organisations and creating environments where businesses and people flourish.

Working together:

We are committed to creating an environment where we treat each other with respect and trust each other to make the right choices. We encourage and embrace the value that different perspectives bring and appreciate everyone's contribution to shaping a vibrant economy and the firm's success.

Working with clients and others:

Our firm is built around our clients, and our success depends on their success. We thrive on creating sustainable value for clients and delivering consistently great quality in this volatile, changing world. We develop networks that share skills, insight, ideas and resources unlocking their potential for growth through new, innovative and exciting solutions.

Getting support:

Our firm's unique and innovative culture of shared enterprise means each of us needs to be clear about, and deliver on, the commitments we make to one another. Our Code of Conduct sets out the guiding principles for expected behaviours, and we have a shared responsibility to challenge each other on the commitments we have made.

3 Delivering excellence: our four foundations of distinctive client service

Our four foundations of distinctive client service identify key areas where we can create sustainable value and exceed our clients' expectations, principally around providing an agile and responsive service, focussing upon client priorities and working collaboratively with teams across the business to provide pragmatic solutions. These four foundations are now being integrated into our service proposition.

Foundation	We...
Agile and responsive service	anticipate clients' needs and hold open and timely discussions around scope, costs and project outcomes
Collaborative teams	build long-term relationships, tailor our teams and bring in the right experts
Discovering client priorities	hold broad business conversations and organise strategy sessions with our clients to discover what is most important for creating sustainable value
Pragmatic solutions	share our experience and our networks and provide targeted insights, bespoke benchmarking and best practice to offer solutions that deliver sustainable value.

2.2 Report from the Head of Assurance – delivering quality audits



Jon Roberts
Head of Assurance

I was delighted to be appointed as Head of Assurance commencing 1 July 2018, the first Head of Assurance of a major firm from Public Sector Audit.

While not in role throughout the last financial year, which this report covers, given my ongoing responsibilities for the delivery of quality audits throughout the firm, I wanted to take this opportunity to set out my commitment to achieving this. I was also delighted to be joined from 1 July 2018 by Chris Smith, who, as Practice Leader, Assurance, leads our operational arrangements for audit.

The reputation of external audit is currently under significant challenge. Following the recent high-profile failures and calls for greater competition and change in the audit market, it is vital that audit firms seek to rebuild public trust and confidence.

My colleagues and I recognise that we must play our part in helping to restore trust in the audit market and in addressing the perception that audit has ‘lost its way’ in recent years. Earlier this year we made the bold step of announcing that we would withdraw from tendering for future appointments to FTSE 350 companies. We cited concerns that this market was not a ‘level playing field’, as it was highly dominated by the Big 4 accountancy firms (over 95% of fees charged) and that recent mandatory tendering had merely resulted in audit appointments being rotated between Big 4 firms.

We made this announcement as a call to change how this particular market operates and were clear that we would return to tendering in this space when the market was reformed to allow all tenderers an equal chance of competitive success. Our track record of success in both winning and delivering quality audits in the AIM market and in the public sector demonstrates our capacity and competence in working on large and complex audits. And we have continued to invest in our audit practice to ensure we have the resources and capability needed to operate at the highest level.

We are committed to enhancing the quality of our audits and delivering assurance services to offer clients quality, value and choice. This is driven across three key dimensions:

- 1 Leadership and culture**
- 2 Investment in our people**
- 3 Assignment performance and quality control**

In order to equip our auditors with class-leading technology and audit methodology, we have continued our implementation programme of the Grant Thornton International Limited (GTIL) LEAP methodology and Microsoft developed software. We are currently rolling out a major training programme for all our auditors and will shortly be commencing audit planning using the new approach. We have continued to invest in a data ingestion and analytics tool, 'Inflo', which is a software package designed to automate and improve the interface between audit teams and our clients' finance staff and significantly enhance our data analytics capabilities complementing our long-standing use of CaseWare's IDEA data interrogation tool.

LEAP and 'Inflo' are an opportunity for us to transform the way we work. As well as the technical delivery of an audit, through close co-ordination of these projects and clear project management across the audit practice we are seeking to take full advantage of LEAP and Inflo to enhance audit quality, client service and audit efficiency.

1. Leadership and culture

Audit is fundamental to the firm's purpose and to protecting the public interest. Our leadership is fully committed to and passionate about creating a culture where quality is second nature.

Leadership and tone at the top

In May there was a newly created role appointed to the SLT to head the firm's Quality and Reputation function. This role has added additional bandwidth on the SLT for Quality and Reputation within the firm's structure and provides a focal point for all elements of service quality.

However, we are acutely aware that the day-to-day experience in the office brings our quality culture to life, and our network of practice leaders and Office Audit leads work with the Quality and Reputation teams to embed key messages and demonstrate the behaviours we expect of our people

Culture

How we are and what we do is at the heart of our ability to deliver consistently high-quality audits. This year the FRC has undertaken a thematic review of audit culture within the leading firms. We were pleased to note that the FRC recognised our clearly articulated sense of purpose, to be at the heart of shaping a vibrant economy, as a strength. It provides us with

a focal point to guide all elements of our practice, and audit is no exception to this. We consider the FRC's report provides strong guidance for firms on the importance of culture on audit quality and recognise there is much we can still do to learn and improve in this area so that quality becomes 'second nature' to all of our people. Our programme of coaching and development activities will play a key part in how we take forward the beneficial aspects of cultural improvement within our Assurance practice.

Organisation of the assurance practice

As I mentioned earlier, we have recently taken the step of creating two Assurance leadership roles: my role as externally facing Head of Assurance and an internally facing Practice Leader, Assurance (Chris Smith). This investment at the top of our Assurance practice signifies the firm's commitment to quality and provides us with greater bandwidth, as well as allowing clearer focus on the demands of the Assurance practice, given the challenging times we are operating in.

Office Audit Leads

Our network of Office Audit leads work closely with the Practice Leader, Assurance, setting the assurance strategy and priorities. They meet monthly, chaired by the Practice Leader, Assurance, to consider a range of matters including internal and external quality monitoring, feedback from our root cause analysis and development and progress of actions in place to address any areas requiring improvement

National Assurance Services team

The National Assurance Services team provides technical expertise to the Assurance practice on audit and financial reporting matters and supports people on our audit methodology. They also manage and implement the firm's audit quality monitoring and root cause analysis programmes. They collaborate with a number of strategy groups including practice representatives in order to drive their priorities and devise actions plans.

Assurance Faculty Board

The Assurance Faculty Board connects the Assurance practice to the firm's Business School. Myself, the Practice Leader for Assurance, our key technical leads and representatives from the practice meet quarterly with members of the Business School to steer the investment in skills within audit and assurance and set the learning agenda and curriculum for all of our people.

Cross-firm collaboration

Extensive collaboration between the Assurance practice and the firm's other service lines is a feature of our day-to-day work. The Practice Leader for Assurance is a member of the Business School Management Board and both of our Assurance leaders engage routinely with the firm's leadership teams and governance bodies – for example, through meetings with our INEs, including attendance at the firm's Risk and Assurance Committee and the PIC, and through regular ongoing meetings with our Business Unit leaders.

2. Investment in our people

Key to delivering quality audits and achieving the firm's vision and purpose is having people with the right skills and doing the right work at the right time. And we are committed to inclusion and social mobility, creating a truly diverse practice that underpins a vibrant economy.

Recruitment

Attracting and retaining high calibre individuals to the audit profession is an increasing challenge as audit's role in promoting trust and integrity within the UK comes under increasing challenge. To respond to this challenge, our innovative entry-level recruitment and on-boarding processes continue to ensure that we attract the highest calibre people to our firm. We have led the way in removing academic barriers to entry, both at A level and degree level, in doing so opening up a new pool of talent and increasing opportunities for a more diverse range of people who have great skills to offer the firm and our clients. This approach has continued throughout the year and we have been trailblazers in using apprenticeships for both our school-leaver and graduate talent, with over 600 apprenticeship starters by the end of September 2018.

We believe that apprenticeships enable social mobility – allowing people from all backgrounds to earn and learn at the same time, with them paying nothing towards the cost of their professional qualifications. This coupled with our continuing support to the Access Accountancy programme is ensuring that we are bringing diverse talent into the organisation to enable our growth.

Our rigorous selection processes, including competency-based interviews for trainee and experienced hires, ensure we only recruit the best talent who care about how their work supports our purpose and maintain the high-quality pool of people in our audit and assurance community. We recognise that more needs to be done to ensure our workforce reflects the social structures of our society and we are seen as an employer for all. As such, we are continuing to enhance our resourcing and development programmes with a strong focus on inclusion.

Gender pay gap

Quite rightly, all employers have been challenged this year to report the proportion of their pay bill being paid to female employees, compared with the proportion of the workforce that are women. While Grant Thornton does not differentiate between male and female employees in its recruitment and promotion decisions, it nevertheless has a published mean regulatory 'gender pay gap' of 27%, which shows us that we have more work to do on the balance of skills and seniority.

When we adjust the data to take into account the number of men in senior roles, along with factors relating to service line, location and grade, our adjusted full-time equivalent gender pay gap is 1%.

While this is not unusual for organisations such as ours, we are committed to seeking and implementing measures that will make a positive difference in this area, that take account of cultural and historical views on gender roles and leadership.

Skills and competence

Our people develop professional, ethical and technical skills through a combination of structured learning and development programmes, the coaching they receive and on-the-job learning.

We carefully monitor the amount of training our people receive and how well they feel that this equips them to undertake their job. These indicators showed a small deterioration, which we were disappointed with.

In response, over the summer and autumn of 2018 we are delivering a comprehensive training programme that we have developed in conjunction with GTIL to all of our assurance professionals to prepare them for our new audit approach and methodology, and software platform LEAP. This training programme is the largest such initiative Grant Thornton has delivered, and we anticipate around 1,300 professionals

will have benefited from it by November 2018. Through this programme we are improving the way we structure and deliver our audits, building collaboration within our teams, and allowing us to respond to the needs of different sectors, as well as changing our technical approach to the audits themselves.

The firm's Business School develops and delivers the learning programmes for the Assurance practice based on input and guidance from the Assurance Faculty Board. The Assurance Faculty Board drives the development of technical training and has led on targeted skills training, such as project management, to underpin effective group audits.

Technical excellence, professional scepticism and audit quality are reinforced to everyone involved in audit from their initial orientation and throughout subsequent learning programmes. We continue to support our people in their ethical and legal responsibilities through specific learning initiatives including ethics, personal independence, anti-money laundering and anti-bribery training.

All people in the assurance community follow structured learning pathways depending on their role and experience. Those studying for their professional exams (approximately two-thirds of our audit practice) undertake between six and eight weeks of classroom-based technical learning a year alongside their on-the-job learning.

All qualified professionals, including managers, directors and partners, are provided with training in audit, financial reporting and ethics appropriate to their role. This includes mandatory and elective central and local training, monthly live webinars, e-learning and weekly email updates.

Professional and career development

We want our people to be challenged and inspired, encouraged to build their skills and to seize opportunities to make a difference. We are committed to unlocking the potential for individual growth, and we work with our people to establish interesting and challenging career paths.

Our Business School is focused on developing our people to be well-rounded professionals in line with the firm's capability framework. All those working in assurance have access to a wide range of learning and development initiatives to build their technical capability, leadership skills and commercial acumen.

Additionally, everyone in the Assurance practice has a people manager to support them in developing the skills, confidence and connections they need to progress their career, building on their talents and growing their careers.

We have developed appropriate support and evaluation processes to make sure that individuals nominated for promotion are prepared for and can respond to the increased responsibility, and we are continuing to invest in coaching and mentoring in this area.

Performance evaluation

We promote an environment where high-quality work is valued and rewarded. All our people are required to set, review and adjust goals and development plans throughout the year in the form of check-in conversations. In addition to an annual performance review, valuable feedback and evaluation of these goals are fed into promotion and reward considerations. To ensure the firm's expectations in quality and ethics, central goals are cascaded to all our people to ensure consistency in the articulation and evaluation of these areas.

Additionally, all individuals in audit are awarded an annual quality grading. The Practice Leader for Assurance and myself agree quality gradings for each Engagement lead by reference to a number of criteria, primarily engagement performance as considered in internal and external quality monitoring, supported by other factors such as compliance with key processes and feedback from central teams. Quality gradings are taken into account in assessing overall performance and in considering promotion and reward. As these scores have now been in place a number of years, they support a trend analysis of our people's performance, and targeted remedial actions where necessary.

The Practice Leader, Assurance and I oversee how audit quality gradings are set and used in the continuous improvement of our audit practice. These gradings are used by the Profit Sharing Sub-committee of the POB in audit partner remuneration, both positively and negatively.

3. Assignment performance and quality control

We recognise our reputation stands or falls on the quality and effectiveness of each audit assignment that we undertake. We support our people to deliver great quality work and adhere to the demanding quality standards we set ourselves by investing continuously in our underlying audit methodology, tools and resources to drive efficiency and enhance the effectiveness of our audit processes.

Client acceptance and continuance

Vital in protecting the firm and its reputation is ensuring we only take on and work with clients who demonstrate a commitment to pursue their business activities in a responsible and capable manner that avoids unnecessarily causing harm to stakeholders. Our centralised 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 confirmed with a formal contract before the assignment starts. This approval is by the appropriate lead partner and in certain cases by the Practice Leader, Assurance. In certain circumstances consultation with the Central Take-on Panel or GTIL is required.

A key part of the client acceptance and continuance process is ensuring we have the right people involved in assignments. For certain audit assignments we specify levels of experience and completion of specific learning programmes to make sure that the individuals are competent to undertake those audits. In certain cases the audit lead must be appointed or approved for appointment by the Practice Leader Assurance

Audit methodology and processes

Member firms of GTIL use a common audit process and methodology, supplemented by their relevant local regulatory and legal requirements. This methodology is monitored globally to ensure a consistent audit approach and client experience internationally. Our audit approach is continuously developed and enhanced to ensure the methodology reflects and incorporates new standards, practical experience and feedback from internal and external monitoring reviews.

LEAP and the new learning approach are global initiatives being rolled out across the GTIL network in 137 countries, with 23,100 professionals anticipated to receive training and development in the new approach and software platform by July 2020 to allow its successful implementation worldwide.

Our Central Audit Support team, based in Belfast, enhances the quality and consistency of our audits across the UK allowing client-facing teams to focus on the more judgemental areas of the audit.

Quality control systems

One of our fundamental Quality Standards is that all work is reviewed by suitably experienced individuals.

The Responsible Individual sets the tone for the exercise of professional scepticism throughout the audit and has overall responsibility for ensuring that, for each assignment, the relevant risks have been identified, appropriate audit work undertaken and correct reports issued. Responsible Individuals on listed and certain other high-risk audits are supported by an Engagement Quality Control Reviewer. For listed audits, the Engagement Quality Control Reviewer is appointed by the Practice Leader, Assurance, and in other cases the appointment is made by the Office Audit lead or Industry lead in consultation with the Practice Leader, Assurance. The Engagement Quality Control Reviewer is not part of the client-facing audit team and is therefore well placed to make independent and robust challenge of the audit team.

For all PIEs, the Engagement Quality Control Reviewer is supported by our Quality and Support team who completes an additional level of review of the audit planning and completion of the audit file. They support the exercise of professional scepticism and confirm adequate documentation of challenges in high-risk or judgemental areas. This year, the Quality Support team's activities have been extended in support of our larger, more complex public sector audit clients.

All Engagement leads that are involved in local (public sector) audits are suitably trained and are registered with the ICAEW as key audit partners. We maintain an up to date and current list of all these individuals and we do not allow any Engagement lead to sign an audit opinion unless they have been accredited as a key audit partner and are competent to undertake local audit work.

For our highest-risk engagements, all financial statements and extended audit reports are subject to a pre-clearance review by our National Assurance Services team. All listed companies that are not in the highest-risk category are subject to a rotational review and are, as a minimum, reviewed on a triennial basis.

Consultation is encouraged at all stages of the audit and this firmly aligns to our values of collaboration and Shared Enterprise culture. The National Assurance Services team provides support on many accounting and audit areas, and any teams can call on experts throughout the firm as appropriate. In highly complex cases, or where there is a difference of opinion on a key matter, the National Assurance Services Technical Partner will convene a Precedents and Issues Panel, which includes the Responsible Individual, Engagement

Quality Control Reviewer, either myself or the Practice Leader, Assurance, and two experienced independent practitioners from a panel approved by the Practice Leader, Assurance.

Our audit systems support audit teams in ensuring all work is reviewed, tracked, and reports on progress on all points raised.

We are always looking to improve, and as part of our commitment to continuous improvement, we consider feedback from internal and external quality monitoring, as well as our root cause analysis, to identify areas where we can enhance our systems of quality control.

Continuous improvement

The following sections show that, like all firms, the quality of our audit requires a focus on continuous improvement. The overall levels of quality we reported last year generally held up but were a little lower than reported in previous years. Quality improvements from all internal and external monitoring arrangements are captured in a central Quality Management system, along with findings from our Quality Support and Root Cause Analysis teams. Actions for improvement are managed and monitored and the ongoing results considered by our Assurance leaders and INEs.

2.3 Measuring quality

How we approach and measure the quality of our audits.

We are on a journey of continuous improvement, understanding that the only way to do this is through rigorous monitoring and measurement, and from this, the development and implementation of improvement plans. As a result, the firm benefits from a variety of internal and external monitoring reviews to assess the quality of our audits.

These reviews are an opportunity to identify best practice, spot issues and shape our continuous improvement plans. We use root cause analysis (RCA) to help us better understand why deficiencies may have occurred and develop appropriate responses.

We also recognise that audit quality is impacted by many different factors and can be difficult to define and measure. Therefore, understanding what audit quality means to the profession and our stakeholders is key if we are to better focus on ways to continually improve it.

Since 2014 we have been using a combined set of quality metrics with other firms to allow meaningful performance measurement of trends over time. As commented upon previously, this year has been a challenging time for the UK audit profession and we are disappointed that some of the various indicators of our audit quality have fallen slightly and have not therefore met the very high standards that we set ourselves. Even though our AQR scores improved we are not complacent and are already implementing a range of measures to respond to the areas of attention set out in the following sections.

We measure the quality of our audits through:

- **Internal monitoring and internal metrics**
- **External monitoring and external metrics**

Internal monitoring and internal metrics

We run a continuous cycle of internal audit quality reviews to ensure that the audits we deliver are of a consistently high quality and to shape our continuous improvement plans. These include:

National Audit Review process

Key features of our National Audit Review process are:

- use of a standard methodology developed by GTIL and under their direction
- the Audit Quality Monitoring Team (AQMT), a central resource to review audits that fall within the scope of the FRC's AQR
- non-FRC scope reviews are undertaken by experienced auditors, led by an experienced audit partner, using standard methodology developed by GTIL
- all reviews are completed under the direction of the AQMT to ensure integrity and consistency of the process
- each Engagement leader is reviewed at least once every three years
- all new Engagement leaders are reviewed within a year of appointment
- engagements for review are selected with a bias towards more complex or higher-risk assignments
- the setting of file grades is moderated by the AQMT to ensure consistency between reviewers and with the approach of external reviewers
- operating procedures in each office location are reviewed on a three-yearly cycle
- the Office Audit/Assurance leader develops and implements a targeted action plan to address the findings of the review
- engagement leaders with files reviewed falling below expected standards are reviewed again within 12 months
- the annual National Audit Review findings are summarised and reported to the SLT
- themes arising from the National Audit Review are communicated to the Assurance practice through training events, conferences and other technical update channels
- root cause analysis completed on findings from the National Audit Review
- results from the National Audit Review are a principal factor in Engagement leader quality scoring.

Internal quality review metrics

The results of our most recent National Audit Review, which was carried out between September 2017 and December 2017, are set out below.

Number of audit engagements reviewed



Percentage of audit engagements reviewed that were graded either 'Good with limited improvements required' or 'Improvements required'



Percentage of audit engagements reviewed that were graded requiring 'Significant improvements required'



The firm had set an expectation that all files would be graded 'Good' or 'Good with limited improvements required'. The results of the 2017 inspection indicate that there are still improvements required to reach that goal.

Percentage of Engagement leaders subject to the firm's own audit quality reviews are set out below.

Engagement leaders reviewed



Audit quality measures

In addition to the National Audit Review process, we perform regular focused audit quality reviews under the guidance of the National Assurance Services team. The measures are updated every year to incorporate areas of focus from internal and external monitoring. The audit quality measures provide a timely means of assessing the quality of audit files, and identifying the effectiveness and impact of training and guidance. The review findings 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 annual quality grading process.

Every Engagement leader has two files reviewed during the year for selected audit quality measures. In 2018 there were 29 possible measures, of which 10 were reviewed on each file. The average pass rate for the audit quality measures in 2018 was 82% (2017: 83%).

The areas of focus for audit quality measures are compliance with certain aspects of the Ethical Standard, Engagement leader involvement, Engagement Quality Control Reviewer involvement, communication with those charged with governance, revenue testing, going concern review and the financial statements.

Internal people metrics

In order to understand our people's experience of working at our firm and the support and encouragement they feel they receive, we undertake regular pulse surveys of all our people.

These surveys include three industry standard questions that are asked across the profession, year-on-year.

Below are the results of these standard questions for the assurance part of the firm from our most recent survey that was conducted in July 2018, with comparisons from 2017 and 2016.

Partner and people surveys

I am encouraged to deliver high-quality work



I have sufficient time and resources to do my job



The training and development I receive from Grant Thornton has prepared me for the work I do



Internal investment Metrics

Average number of hours training per person (partners and qualified people) in audit



Number of Engagement leaders directors/ partners in audit



Number of Engagement leaders in audit to total number of people in audit



We listen carefully to the feedback from our people, and we are of course disappointed to see that positive responses have fallen slightly.

This indicates that we still have work to do, and we are committed to continuous ongoing investment in our people and their training.

Time and resource

To help to address concerns over the time and resources available to our people, our work has continued to re-engineer how we deliver audits, with the ongoing development of our Central Audit Support team. This team deals with various elements of information gathering and other non-judgemental elements of the audit process and, along with other specialist delivery groups, help us to develop working practices to ensure that we have the right people doing the right work at the right time. The aim is to allow the audit engagement team to focus on the areas that require their skill, experience and judgement to be applied to deliver high-quality audits.

The continued investment in audit technology remains a key focus as we work to improve the experience of our people. As we strive to help our people achieve a work-life balance, we continue to actively encourage our people to take advantage of our agile and flexible working policies.

Training and development

To respond to the indicators of reduced training time and the concerns of our people that they receive the right training, we work closely with our learning and development team and the Business School to make sure our training is relevant to the day-to-day work of our people. The introduction of Project LEAP is currently a major training investment and we are continuing to consider our further training needs beyond this project. Further information on the learning programmes provided to our qualified professionals is included under the heading Skills and competence.

In order to have an audit practice that is fit for the future, we shall be conducting a review of our future leadership plans and arrangements for succession and promotion. As such, this year we have created a new role, Practice Leader, Assurance, who is prioritising this review and a refresh of our internal training programmes, as well as focusing on how we are supporting our people in all ways to ensure that their learning and development is properly supported and they are delivering high-quality work for our clients.

Investment in research and development in assurance

We continue to invest time and energy to making sure that the firm is at the forefront of debate about the future direction of the profession, as well as continuing to debate profession-wide matters of quality. The firm's lead for the audit technical function, sits on the Institute of Chartered Accountants in England and Wales (ICAEW) "Technical and Practical Auditing Committee". They contributed to the ICAEW's 2018 paper on professional scepticism and led an ICAEW 'Practical Auditing Discussion Group' workshop on the topic, as well as previously being a panel-member for the ICAEW's debate on the future of data analytics in audit.

The firm's technical partner is the chair of the ICAEW Financial Reporting Committee and through that forum contributes to the ICAEW's thought leadership on the future of financial and corporate reporting. The firm's National Assurance Services team seeks to stimulate debate around the future of corporate reporting, for example leading a project to redevelop the firm's financial statements showing what might be possible within today's current regulatory environment to create more informative corporate reports.

The National Assurance Services team has participated in a series of roundtable events at the ICAEW looking at shaping the future ACA qualification, in particular with the aim of ensuring that this qualification equips our people with the key skills needed in the digital age.

The firm benefits from being at the centre of debate in many ways, with a very tangible output being the impact it has on technical learning. We are able to shape the curriculum of our core training to help equip our teams with class-leading technical materials and examples, and we run a series of monthly technical updates for the whole audit practice to share our insight and thinking to help them deliver higher-quality work.

Within our financial reporting advisory group we work with innovative technology companies to distinguish our propositions – for example, recently working with a technology company that provides optical character recognition software that can substantially automate the data capture necessary to successfully apply the new lease accounting standard IFRS 16.

External monitoring and external metrics

The FRC has statutory responsibility for oversight of the regulation of statutory auditors. The firm is registered and authorised to undertake statutory audit work by ICAEW. External monitoring is undertaken by the FRC, ICAEW and other regulators and external bodies.

Under the new Audit Firm Monitoring Approach, the UK's competent authority for audit, the FRC, now has responsibility for the regular monitoring and mitigation of risks in the audit market. These include the risks of systemic deficiencies within an audit firm network, which could lead to the demise of any audit firm; disruption in the provision of statutory audit services, whether in a specific sector or across sectors; and the impact on the overall stability of the financial sector.

The FRC focuses its attention on five key pillars:

- leadership and governance
- values and behaviours
- business models and financial soundness
- risk management and control
- evidence on audit quality.

During the year the FRC performed work on contingency planning and IT security as part of the risk management and control pillar. The findings from these reviews are being actioned by the firm.

As part of the leadership and governance pillar, during the year our new Head of Quality and Reputation, our new Head of Assurance and our new Practice Leader, Assurance all met with the FRC in order for them to consider the experience, skills and attributes for their key roles. All individuals were acceptable to the FRC.

Financial Reporting Council (FRC) – Audit Quality Review (AQR)

The AQR team of the FRC undertakes an independent inspection of the quality of the firm’s auditing function in relation to listed and other major PIEs. It also reviews our audit quality policies and procedures.

The AQR’s report on the findings of its 2017/18 inspection of the firm was published in June 2018 and is available on the FRC’s website.

The report focused on the key areas requiring action by the firm to safeguard and enhance audit quality. The findings cover matters arising from reviews of both individual audits and the firm’s policies and procedures that support and promote audit quality.

The FRC’s assessment of our overall performance was as follows:

“The results of our reviews of individual audits show some improvement from 2016/17, with six out of eight audits requiring no more than limited improvement. We also identified more instances of good practice arising from our reviews. We did, however, continue to identify findings in relation to the extent of challenge of management in relation to areas involving judgement, and the consideration of independence and ethics matters. These findings contributed respectively to two audits being assessed as requiring significant improvement. Aspects of these findings were different to those identified last year and the firm has developed actions to address them.

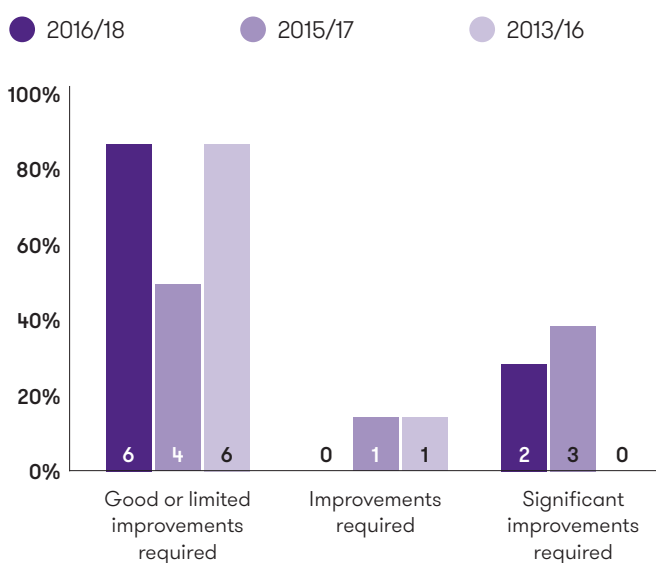
“At the time of our review, the firm had made progress in revising its policies and procedures in response to the revised Ethical and Auditing Standards. Further improvements were, however, required to the firm’s systems and procedures in certain areas, including non-audit services approvals and the monitoring of personal financial interests. Since our last public report, which highlighted a number of findings related to auditor independence, the firm has maintained a strong focus on improving its procedures in this area, including recruiting further resource into its ethics function.”

We are pleased that the quality of the audits reviewed this year has improved on last year. We are also pleased with the positive comments received from the FRC on the various good practices identified during the inspection. While there has been progress in the year, we recognise that we still have more to do to consistently achieve the standards we strive for. We continue to focus on taking timely actions in response to the FRC findings.

External metric

The results of AQR reviews on the firm are shown below.

AQR reviews



Our overall result has improved over last year’s, however we are still disappointed given the high standards we set ourselves and recognise there is work to do to demonstrate consistent delivery of high quality.

The AQR identified the following areas where improvements were required and we have outlined against each examples of actions that we have or are committed to take. The full response to each of these findings is contained in the [FRC 2017/18 public report](#) and is summarised below:

Further strengthen the firm's policies and processes relating to auditor independence

- we strengthened the leadership as a priority and developed the function to support the needs of the business.
- we have continued to improve our processes and procedures and have tightened the firm's policy in relation to compliance including personal independence.
- we are introducing a new finance system that will better integrate with our systems allowing enhanced monitoring to include the consideration of non-audit services to audit clients and fees charged.

Improve the extent of challenge of management in relation to areas of judgement and those subject to management bias

- we have continued to deliver training to audit teams on how to complete and document effective challenge of management.
- we run training on how to review audit files to assess the effectiveness and evidencing of the challenge of management.

Improve the audit of accounting policies and disclosures

- our monthly Talking Technical internal training sessions have included disclosures as a regular topic and we have continued to integrate audit and financial reporting as well.
- one of our quarterly training sessions was solely focused on final review of the financial statements.

Strengthen the effectiveness of the audit of revenue

- we are providing training to the whole of the audit practice on our new audit methodology with a key aspect of that training focused on the identification of risks, particularly in relation to revenue.
- we issued guidance and run workshops and e-learning modules on the new revenue standards IFRS 15.

Ensure more effective communication with Audit Committees

- we will be completing training on how to document and maintain effective communication with audit committees and project management training.
- we will complete specific training on how to review audit files in order to support effective communication.

Provide more accurate descriptions of the audit procedures performed in the audit report

- we have completed mandatory training for all managers and partners working on PIEs.
- we have introduced a more formalised review process to ensure that sufficiently complete audit reports are submitted for review with an appropriate amount of time before being issued.

Financial Reporting Council (FRC) – thematic reviews

The FRC also completes thematic reviews to make comparisons between the major audit firms with a view to identifying both good practice and areas of common weakness. The reviews look at firms' policies and aspects of audit or firm-wide procedures.

In 2017/18 the FRC completed their thematic reviews into materiality and audit culture. The AQR's report is available on the FRC's website.

These exercises are valuable in enabling us to benchmark to current practice, highlighting areas of particular strength, and provide constructive discussion of where we could develop our practices. Our firm's policies and procedures are being updated to incorporate the findings arising from the most recent thematic reviews.

The FRC is currently conducting thematic reviews into audit quality indicators, transparency reporting and auditor responsibilities in respect of the front half of the annual report. We look forward to the results of these reviews and will respond appropriately.

Institute of Chartered Accountants in England and Wales (ICAEW) – Quality Assurance Department (QAD)

The QAD of the ICAEW is responsible for performing reviews of most audits that fall outside the scope of work of the AQR. The findings are reported privately to the firm and are not publicly available.

The most recent full review was undertaken in 2017.

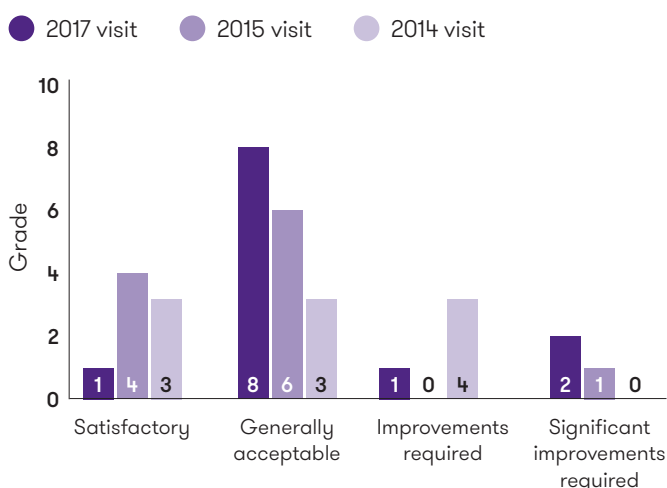
The QAD's assessment of our overall performance was as follows:

“The audit work we reviewed on the majority of files was of a generally acceptable standard. Overall, one file was satisfactory, eight were generally acceptable, one charity required improvement and two audits required significant improvement. We identified some specific areas requiring improvement on eleven of the twelve files. These included aspects of evidence on most files.”

External metric

The results of QAD reviews on the firm are shown below.

QAD by year completed by Grant Thornton UK LLP



Improvements were required as follows:

- financial reporting issues and shortcomings in related audit work on two private groups
- quality of audit work on an education charity
- audit of income.

Our deterioration in these inspection ratings was somewhat disappointing and, in addition to the other improvement measures referred to above, we have therefore taken action to:

- provide more support arrangements for Engagement leaders, particularly in smaller office locations
- provide additional training and guidance.

Public Sector Audit Appointments Limited (PSAA)

For 2017/18 our local government, police, fire and NHS (excluding Foundation Trusts) audit work was regulated by PSAA. As part of this process, PSAA monitors the performance of all firms in the local audit market. There are two strands to this monitoring:

- audit quality – applying an annual Quality Review Programme to the audit work undertaken for 2016/17
- regulatory compliance – reporting on firms’ compliance with PSAA’s regulatory requirements as set out in their Terms of Audit Appointment.

PSAA’s report on the findings of its 2017/18 inspection was published in August 2018 and is available on the [PSAA’s website](#).

For 2017/18, PSAA has assessed Grant Thornton as continuing to meet its overall standards for both audit quality and regulatory compliance. The firm’s overall assessment is Amber, which is in line both with our performance in 2016/17 and with the other firms in the market. PSAA reports that:

- the firm’s work meets or exceeds the level expected for each of the key areas of the financial statements, value for money and housing benefits
- in terms of client satisfaction, the firm scores over 8.8/10, with clients reporting that they are on the whole very satisfied with our work.

PSAA has highlighted the following sector-wide issues that we are focusing on as part of our ongoing quality improvement programme:

- challenge and scepticism of management in key areas involving judgement, such as impairment reviews, asset valuations and provisions
- group audit team’s oversight and challenge of component auditors
- audit of company pension scheme assets and liabilities
- arrangements for ensuring compliance with the Ethical Standard and independence requirements.

We have agreed PSAA’s findings and are implementing improvements where necessary.

For 2018/19 the responsibility for the regulation of NHS audit work passes to the FRC and the QAD. We continue to focus on improving the quality of our work and look forward to working with the FRC and QAD in their new roles.

NHS Improvement – Quality Assurance Department (QAD)

NHS Improvement is the body responsible for overseeing NHS Foundation Trusts. The QAD of the ICAEW is engaged by NHS Improvement to review audits performed on Foundation Trusts.

The QAD reports the results of its review privately to NHS Improvement and there is no public report. NHS Improvement informs the Engagement leader and the NHS Foundation Trust of the results of the inspection. Two NHS Foundation Trusts were inspected for 2016/17 and the results were addressed in the subsequent audit.

Other UK external indicators

Metric on external investigations:

Number of cases in the last 12 months in which the FRC has found against the firm or one of its members:



Number of cases in the last 12 months in which the disciplinary committee of any other regulatory body has found against the firm or one of its members:



FRC

In the year to 30 June 2018 there were no findings against the firm or any of its members by the FRC. Since the end of the reporting year, the FRC has made announcements in relation to two investigations that were ongoing.

Globo plc

30 July 2018. The FRC announced the closure of its investigation into the firm's audits of the consolidated financial statements of Globo plc for the 2013 and 2014 years, without further action, as there was no realistic prospect of a finding of misconduct.

Nichols plc/University of Salford

Nichols plc and the University of Salford 29 August 2018.

The FRC announced that it had fined and reprimanded the firm and four former partners following their admissions of misconduct in relation to the audits of the financial statements of Nichols plc and the University of Salford for the years ending 2010, 2011, 2012 and 2013. While the focus of the FRC's investigation was not on our technical competence in carrying out these audit assignments, the matters of ethical conduct and independence are of critical importance in ensuring the quality of our work. It is regrettable that we fell short on this occasion of the standards expected of us. We have since made significant investments in our people and processes and remain committed to continuous improvement in this regard so we are confident that such a situation should not arise in the future.

Ongoing FRC investigation

The FRC has an ongoing investigation into the firm's audit of the financial statements of Sports Direct International plc for the year ending 2016, following reports of an arrangement between the company and Barlin Delivery Limited, which the company did not disclose as a related party in its financial statements. The investigation is yet to be concluded so has been excluded from the 2018 metrics above.

Regulatory penalty

In October 2017 the firm agreed to pay a regulatory penalty that was decided by the Audit Registration Committee of the ICAEW. It related to a breach of rule 2.01 of the Crown Dependencies' Audit Rules and Guidance, in that the firm signed an audit opinion for a market-traded company incorporated in the Isle of Man when the firm was not, at the time, registered as a Recognised Auditor with the Isle of Man Financial Services Authority. The committee took account, among other things, of the swift action taken by the firm to resolve the matter and considered it was an inadvertent breach of requirements that had limited consequences.

Grant Thornton International Limited (GTIL) audit review

GTIL completes an inspection of a selection of audits on a cyclical basis. The review is called Grant Thornton audit review and further detail is provided in Appendix F. Until 2015 the firm was subject to annual inspection as the results were below GTIL's expectations. The 2015 review showed improvement and the firm is now inspected on a triennial cycle with the next review scheduled for autumn 2018, with the results expected in early 2019.

Overseas regulators – Public Company Accounting Oversight Board (PCAOB)

In the United States of America the firm is registered with the PCAOB, which inspects firms on a periodic basis. Inspections are designed and performed to provide a basis for assessing the degree of compliance by a firm with applicable requirements related to issuer audit work.

The last inspection was completed in 2015 and the final report was published in May 2016 and is available on the [PCAOB website](#). This included the review of the audit files for one direct issuer and two other engagements in which the firm played a role but was not the principal auditor, as well as the firm's related quality control procedures.

The review did not identify any audit performance issues that, in the inspection team's view, resulted in the firm failing to obtain sufficient appropriate audit evidence to support an audit opinion or to fulfil the objectives of its role in other engagements.

Additionally, the inspection team did not identify anything that it considered to be a quality control defect that warrants discussion in a PCAOB inspection report.

Overseas regulators – Canadian Public Accountability Board (CPAB)

In Canada the firm is registered with CPAB who inspects firms on a periodic basis.

In 2016 the firm had one audit inspected by CPAB that identified a significant finding. The firm agreed with CPAB the additional audit procedures to be completed. The result of those additional procedures was that there was no need to restate the financial statements due to material error, and the final report was agreed with CPAB in January 2017.

Overseas regulators – Crown dependencies

The AQR monitors audits of entities incorporated in Jersey, Guernsey and Isle of Man by private contractual arrangements with the relevant regulatory authorities in the Crown dependencies.

The results of any reviews completed under these arrangements are included in the AQR results above.

Investor liaison

Representatives of our firm actively engage with regulators, standard setters and investors, shaping and influencing the drive for better reporting (audit committee and auditor) and supporting regulatory change where it is necessary. Our INEs, as well as many of our partners and employees, participate in various boards, committees, working groups and forums across a diverse range of bodies and subjects relating to our profession and the wider market, and provide comments and feedback on the firm's view on planned developments and issues. This includes regular meetings with our regulators and with the UK government, alongside representatives from institutional investors, the business community and the accounting profession.

As part of our investor dialogue, all our INEs, with members of our SLT and the Head of Assurance, meet annually with the Company Reporting and Auditing Group (CRAG).

Our Grant Thornton Governance Institute publishes its annual corporate governance review looking at trends in compliance and disclosure of the FTSE 350. This forms an important element of our external engagement and dialogue with investors.

Additionally, we participated in a number of events organised by the FRC and Policy and Reputation Group (PRG) as part of an ongoing investor dialogue programme, and in the past year key Grant Thornton personnel and our INEs have attended stakeholder meetings and working groups with the International Auditing and Assurance Standards Board, FRC, CRAG, Global Auditor Investor Dialogue, PRG and European Contact Group.

Audit Committee Chair Survey





The FRC completed its annual Audit Committee Chair Survey in May 2017 with 330 respondents. The results continue to reflect a strong level of satisfaction with the interactions with their external auditor.

While not publicly disclosable, we were pleased with the results for Grant Thornton and continue to strive to make sure that our interactions with audit committees are strong. We recognise that there are learnings from the output of this survey and invest in our technology, training and support materials to help us continually improve.

Please note that this survey was not conducted in the year to 30 June 2018.

2.4 Risks

The SLT has identified the risks that could most significantly threaten the firm's ability to achieve its strategy and specifically considered those that could impact the sustainability of the audit practice.

 Markets	 Clients	 People	 Operations
Be the vibrant firm at the heart of growth	Seize opportunities in a connected world	Build an innovation culture that creates value	Make it easy and rewarding to deliver superior and sustainable results
Strategic risks <ul style="list-style-type: none"> Compromising our brand through actions in conflict with our purpose and vision Working with clients not aligned to our purpose and vision Failure to establish and reinforce our desired market position Inability to convert new business to grow market share Brexit has an adverse effect on trading performance. Operational risks <ul style="list-style-type: none"> Changing business and regulatory environment adversely impacts our business model. 	Strategic risks <ul style="list-style-type: none"> Failure to keep our clients at the heart of our business Failure to identify, integrate and manage appropriate strategic investments Failure to drive our digital transformation strategy Failure to grow and service global clients and protect the firm and its people. Operational risks <ul style="list-style-type: none"> Major contracts lost/not replaced. 	Strategic risks <ul style="list-style-type: none"> Failure to deliver a strong culture based on our core beliefs Leadership capability and capacity impacts ability to deliver our future firm. Operational risks <ul style="list-style-type: none"> Inability to attract, develop and retain high quality people. 	Strategic risks <ul style="list-style-type: none"> Failure to invest in and maintain secure leading edge technology. Operational risks <ul style="list-style-type: none"> Major or multiple breach of legislation or regulation Giving wrong opinions or poor advice Loss or theft of confidential and personal data, including cyber security attack Major unplanned incident or event threatens our business.

The top 10 principal risks and our key mitigating activities at 30 June 2018 are set out below.

Risk	Key mitigating activities
1 Working with clients not aligned to our purpose and vision	<ul style="list-style-type: none"> Targeted business development programmes in place and monitored Rigorous client acceptance procedures and consultation/approval requirements Central Take On Panel (C-TOP) in place On-going commercial leverage reviews Regular strategic review of client base Whistleblowing helpline
2 Brexit has an adverse effect on trading performance	<ul style="list-style-type: none"> Detailed scenario planning by the SLT considers impact of Brexit on the firm and specific business units Ongoing work with clients to help them plan for Brexit Agile deployment of people, skills and talent across the firm Investment in development of diverse international revenue sources
3 Changing business and regulatory environment adversely impacts our business model and particularly the sustainability of the audit practice	<ul style="list-style-type: none"> Market scanning reviews, and business/market intelligence and analytics, drive investment and service innovation/development Scenario planning by the SLT to identify and manage impact of changing environments Individuals with responsibility for monitoring change in specific environments (regulatory, economic, market) Annual business planning and budgetary processes in place and regularly reviewed Robust financial reporting processes and key indicators review Active engagement with key stakeholders (including industry groups, regulatory bodies and GTIL) to identify and influence change and inform and monitor our response Engagement plan with Regulator in place.
4 Failure to drive our digital transformation strategy	<ul style="list-style-type: none"> Digital Innovation team identifies internal and external digital opportunities that can be commercialised for the benefit of the firm Investment in innovative technology solutions to digitally enable, optimise and automate processes Development of portfolio of digital products leveraging the firm's expertise to serve broad customer needs Digital Leaders Group provides central point for digital development capability and an optimised design process.
5 Failure to grow and service global clients and protect the firm and its people	<ul style="list-style-type: none"> Member of GTIL network with shared vision and strategy and strong member firm collaboration Significant UK involvement and influence in GTIL strategy and governance Current International Oversight Group provides input into the firm's international strategy Stringent consultation requirements for overseas client acceptance and engagement processes Robust GTIL risk policies and protocols (including cross border engagements) and rigorous global quality assurance programme Direct equity investment in other jurisdictions and ongoing governance over performance Firm wide policies and procedures including risk assessment and use of central travel provider for all overseas travel.
6 Failure to deliver a strong culture based on our core beliefs	<ul style="list-style-type: none"> Our values underpin our purpose led strategy and our Shared Enterprise business model and core beliefs Partnership with external experts to deliver culture change programme though embedding our core beliefs with appropriate measures in place to track progress/success Cultural focus on sharing responsibility for living/embedding our core beliefs Code of Conduct communicates the values and commitments underlying the principle of sharing responsibility.

Risk	Key mitigating activities
7 Inability to attract, develop and retain high quality people	<ul style="list-style-type: none"> • Our culture creates an environment where people feel motivated, empowered, responsible and rewarded • Considerable investment in technical, leadership and commercial learning, including coaching programmes to support the development of our people in line with our capability framework • Robust talent strategy systems and processes establish talent fundamentals for all people • Diversity and inclusion agenda central to strategy and vibrant economy agenda • Dedicated People Experience team ensures that our people's day to day experience reflect our progressive reputation • Shared enterprise underpins our people strategy and delivers superior long term reward to all of our people • Strong reputation as a progressive employer in the marketplace attracts the best people.
8 Failure to invest in and maintain secure leading edge technology	<ul style="list-style-type: none"> • Collaborative approach with GTIL and major GTIL member firms to on-going IS infrastructure development and strategy. • Project management resource within Project Management Office, Enterprise and Information Systems to implement/drive system and behavioural change programmes. • Clear road maps and delivery priorities for development of Software as a Service (SAAS) based projects • Digital Leaders Group provides central point for digital development capability and an optimised design process. • Microsoft Enterprise Agreement with shared commitment to development and progression in delivering leading edge technology.
9 Giving wrong opinions or poor advice	<ul style="list-style-type: none"> • Rigorous quality standards include: leadership tone at the top, skills and competence, clear and efficient procedures and quality control • Dedicated service line quality and risk management teams drive application of Quality Standards • Independent IA function report directly to SLT and POB • Annual self-certification and Continuing Professional Development (CPD) returns by all our people.
10 Loss or theft of confidential and personal data, including cybersecurity attack	<ul style="list-style-type: none"> • Robust information security framework covering individuals, IT systems and infrastructure • On-going information security training and awareness programme • Breach Management team manage and respond to information security incidents • ISO27001 accreditation attained for Information Systems team with full compliance across business in development • General Data Protection Regulation (GDPR) implementation programme in place.

2.5 Statement on the firm's internal quality control systems

The Strategic Leadership Team has ultimate responsibility for the firm's quality management systems and the establishment of appropriate internal control systems.

The internal quality control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, or in the case of financial controls, to eliminate the risk of material misstatement of our financial statements.

The SLT has carried out a review of the effectiveness of its internal quality control systems, using the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting as a framework. The review has taken into account:

- the findings from regulatory inspections
- reports from the firm's external auditors
- reports from Grant Thornton International Limited (GTIL) on the firm's quality control systems
- the findings of the firm's internal audit function on the operation of quality management systems and the management of risk across the firm.

Based on the review and feedback from our regulators, the SLT recognise that there are opportunities to strengthen specific elements of our control systems. They are committed to implementing recommendations made, and to the continued development and promotion of a culture where quality is understood, valued and rewarded as well as implementing improved monitoring and reporting systems.

However the SLT remain of the view that no failings or weaknesses identified are of such significance that they undermine the effectiveness of our internal control systems or our ability to identify and rectify any controls weaknesses.

On this basis, the SLT is satisfied that the firm's internal quality control systems are robust and operating effectively.

Part 3:

Structure and

governance

3.1 Leadership and governance

The firm's principal leadership and governance bodies are the SLT and the POB. The SLT develops and implements the firm's strategy and is responsible for day-to-day management. The POB provides oversight to the SLT on behalf of the members of the LLP (the 'partners'). Together they aim to achieve the highest standards of governance and collaborate to serve the best interests of all the firm's stakeholders.

The firm's membership agreement sets out the members' rights and obligations, the firm's governance framework and the key responsibilities for the management of our business.

Management of our business

Chief Executive Officer

The Chief Executive Officer (CEO) has full executive authority for the management of the business. The CEO is nominated by the POB with the appointment confirmed by an all-partner vote, and may be appointed for no more than two four-year terms. Sacha Romanovitch was appointed CEO for a first term on 1 July 2015.

The CEO is bound by the firm's Statement of Principles, which is the firm's highest-level statement of objectives, values and philosophy. This is developed by the POB and approved by the partners at least every three years. The Statement of Principles was formally approved by all partners in December 2016.

Strategic Leadership Team

The CEO appoints the SLT, which is responsible for:

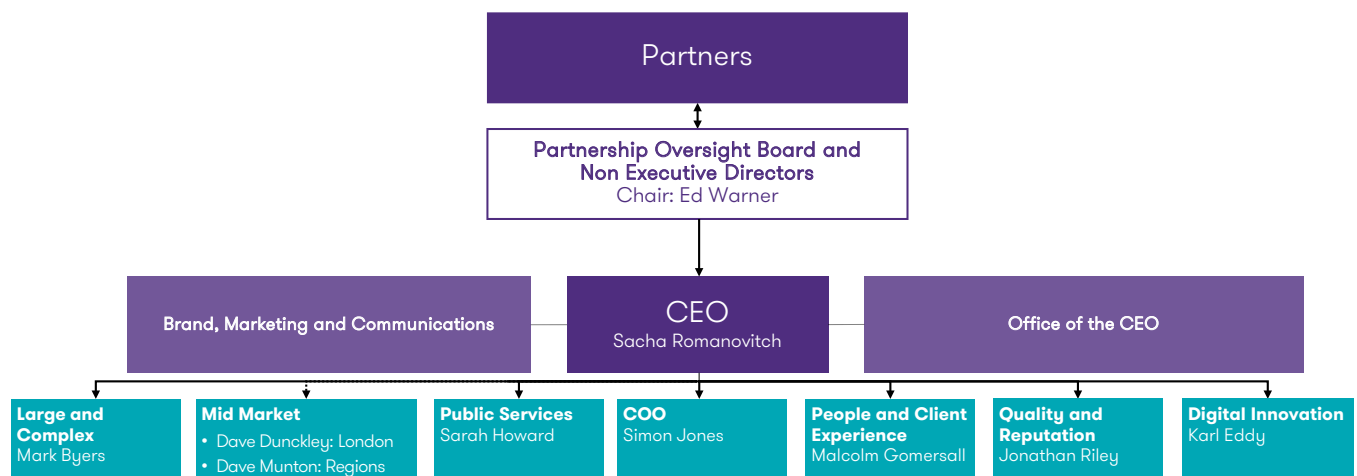
- ensuring the firm operates within the firm's Statement of Principles
- protecting the goodwill and reputation of the firm
- developing and implementing the firm's strategy
- ensuring the firm complies with all relevant regulatory and legal requirements

- ensuring the firm participates in the wider economic environment as a responsible employer and contributor to growth
- putting quality at the heart of everything we do
- promoting collaboration and agility to enable the best ideas and approaches to be adopted
- designing our structure to further empower our people and reduce cultural hierarchy
- driving a profitable and sustainable firm.

The members of the SLT are appointed and removed by the CEO and subject to ongoing performance evaluation by the CEO and the Remuneration Committee, a subcommittee of the POB.

Sacha Romanovitch, CEO, made changes to the SLT with effect from 1 May 2018 to streamline and focus attention on the firm's key markets. Simon Jones, Mark Byers and Karl Eddy remained on the SLT throughout the year. Their roles and the newly appointed SLT members are shown in the chart on the next page.

Firm's leadership and governance structure



On 15 October 2018 it was announced that Sacha Romanovitch, in consultation with the Board, had decided not to stand for re-election for a second term and is to step down following the identification of a successor. A new CEO is expected to be appointed before the end of 2018 following an election process in accordance with the firm's membership agreement.

Partnership Oversight Board (POB)

The POB is responsible for the protection of members' interests, standards of corporate governance within the firm and the oversight of the SLT. Its principal duties are:

- development of the firm's Statement of Principles
- appointment (and, if required, the removal) of the CEO, subject to the vote of members
- establishing the CEO's remuneration framework
- approving the firm's leadership structure, and the terms and conditions relating to any management roles proposed by the CEO
- monitoring the CEO's stewardship of the business
- overseeing the principles and criteria for profit sharing and presiding over appeals in relation to profit share
- oversight of risk and quality policies and procedures
- approving the maximum borrowing limits of the LLP
- reviewing and approval of the amount of financial compensation payable to an outgoing partner in excess of £300,000 and those who hold a senior management role
- recognising that we have a public interest role that extends beyond the short-term interests of the partners.

The POB consists of eight members elected by the partners, three INE members, and three ex officio non-voting members

(being the CEO and two others members of the SLT). Elected members are appointed for a period of three years, and may serve for one further consecutive term if re-elected.

The membership agreement includes a non-exhaustive list of indicators requiring consultation with the POB, namely, capital expenditure or investment of £2.5 million or more, the opening or closing of an office or service that would change revenue by 10% or more, or new or amended borrowing where the total borrowing would exceed £100 million.

Brief biographies of the POB members at 30 September 2018, including their appointment dates, and meeting attendance records during the year are set out in Appendices D and E.

The chairman of the POB for the year ended 30 June 2018 was Ed Warner, who was appointed as chairman on 1 April 2016 for a three-year period. Ed is responsible for chairing POB meetings and for providing guidance to the CEO on actual and potential matters of concern to the members.

During the year the INEs together with the SLT reviewed the effectiveness of the POB. In addition, informal dinners with POB members provided senior business leaders the opportunity to give feedback on the POB and its activities.

Independent non-executives (INEs)

The firm has three INEs with a wide range of experience and skills, including experience of professional partnerships, corporates and the investor community covering a wide range of sectors including professional services, financial, technology, retail, charity, media and construction.

The INEs are ‘outside members’ of Grant Thornton UK LLP as defined by the firm’s membership agreement, and as such are part of our POB with voting rights that are only exercised by the INEs when to do so would not compromise their independence. Each INE serves an initial first term of three years.

During the year Ed Warner, the firm’s Independent Non-Executive Chairman who has been an INE since September 2010, and Independent Chair of the POB since 1 April 2016, was re-elected to serve another three-year term. Given that this means by the end of this term he will have been in place beyond nine years, this appointment was subject to rigorous review by the POB, in accordance with Audit Firm Governance Code 2016 provision C.3.2, and they concluded that his re-election was in the best interests of the POB and the firm, and that he remained independent.

The other two INEs were in post throughout the year.

The INEs bring their considerable expertise to the POB and are responsible for contributing to the overall governance of the firm, and specifically:

- the firm’s recognition of its public interest responsibilities and its attitude towards quality
- the firm’s approach to risk management and governance
- issues raised under whistleblowing policies and procedures
- oversight of the firm’s policies and procedures.

The INEs attend all POB meetings and are invited to attend partners’ meetings, and to meet with the CEO and the chair of the POB periodically. Our INEs also meet with key representatives from the institutional investor community and regulators from time to time.

In addition to their representation on the POB, Ed Warner is Chair of the Profit Sharing subcommittee and Public Interest Committee and a member of the Remuneration Committee, and Deena Mattar is Chair of the Risk and Audit Committee and a member of the Profit Sharing subcommittee. Imogen Joss took over as chair of the Remuneration Committee during the year.

Our INEs contribute to audit quality through their involvement in the Profit Sharing subcommittee and Risk and Audit Committee, which review the process to ensure quality gradings of all audit partners are appropriately taken into account in determining partner profit share. During the year the INEs have also participated in other ad hoc subcommittees as required – for example, in relation to significant property transactions and pension scheme matters.

The remuneration of the INEs is reviewed annually by the Remuneration Committee without any INEs present. The INEs are remunerated according to their roles. The POB Chair received £120,000, the Risk and Audit Committee chair £70,000 and the other INE £60,000 per annum.

The POB is a ‘supervisory board’ as envisaged by the Auditing Practices Board’s Ethical Standards for auditors and, therefore, non-executive members of the POB are not members of the firm or in its ‘chain of command’. As a result, personal relationships and business or financial interests of the INEs do not bear directly on the firm’s independence as auditors. However, the firm is mindful of the impact of public perception, so we require the INEs to comply with the independence requirements of partners, and specifically on a quarterly basis the INEs confirm to the chair of the POB that they have no financial interest or directorships with any of the firm’s audit clients listed in the firm’s prohibited investments list.

In the event that there was a fundamental disagreement between an INE and either the POB or the SLT that could not be resolved following discussions with the chair of the POB and the CEO, and as a result the INE resigned from the firm, the fact that there had been such a disagreement would be disclosed in this transparency report. No such disagreement has occurred to date.

Subcommittees

The POB has four main subcommittees that deal with key aspects of governance: the Risk and Audit Committee, the Public Interest Committee, the Remuneration Committee and the Profit Sharing Committee. The POB’s oversight of management and the establishment of separate Risk and Audit and Remuneration committees ensure that the firm complies with appropriate corporate governance, risk management and quality standards.

Risk and Audit Committee

The Risk and Audit Committee is responsible for ensuring that the firm’s quality and risk management framework is appropriate and operating effectively. Its specific duties include:

- overseeing policies and procedures on quality and risk management (including ethics and independence)
- monitoring and reviewing the effectiveness of the firm’s internal audit function and the timeliness and effectiveness of management’s corrective actions
- overseeing management’s response to any major external or internal audit recommendations
- monitoring the firm’s relationship with its external auditors and external regulators.

During the period the Risk and Audit Committee consisted of three elected members of the POB, the CEO and at least one INE. From 1 July 2017 Deena Mattar, one of the INEs, took over as chair of the Risk and Audit Committee. The Head of Business Risk and Quality Assurance, the national director of Finance and the SLT member responsible for Quality and Reputation are invited to attend as appropriate. In addition, representatives of the firm's external auditors, Mazars (UK) LLP, are invited to attend.

The Risk and Audit Committee met seven times last year, and two of these meetings were attended, in part, by the external auditors.

Remuneration Committee

The Remuneration Committee is responsible for setting the remuneration framework of the CEO and the SLT, dependent upon the achievement of predetermined criteria and goals. The committee, which consists of three elected POB members and at least one INE, met four times last year.

Public Interest Committee

The INEs formed the Public Interest Committee to oversee the public interest aspects of the decision-making of the firm including the management of reputational risks for the firm. In addition, the Public Interest Committee will be responsible for engaging, together with senior management of the firm, in dialogue with the FRC and external stakeholders – in particular, representatives of shareholders in PIEs audited by the firm.

Profit Sharing Committee

The Profit Sharing Committee provides oversight of the distribution of profits between partners, insuring that it is a fair and equitable process. A key priority is to ensure that a partner's reward, whether in audit or in other service lines, reflects the quality grade awarded to them and in doing so recognises that the quality of a partner's work is critical to the integrity of the firm's reputation. Further information on the remuneration of audit partners and directors is included in Appendix H.

3.2 Legal structure and ownership

Legal structure

Grant Thornton UK LLP is incorporated under the Limited Liability Partnerships Act 2000, and registered in England and Wales (registered number OC307742). In this report, we refer to Grant Thornton UK LLP variously as: Grant Thornton, the firm, the LLP, and us.

Ownership

The firm is entirely owned by its members (normally referred to as partners). During the year to 30 June 2018 the average number of members was 187 (2017: 185). A list of the members is available for inspection at the LLP's registered office: 30 Finsbury Square, London, EC2A 1AG.

Our business

Grant Thornton is a leading financial and business advisory firm focused on working with dynamic organisations. We are structured to be aligned with the markets we serve, large and complex, dynamic mid-market and public services, enabling us to offer our clients a great depth of expertise delivered in a distinctive and personal way. Our principal services are audit, tax and advisory services. A full list of our services can be found on our website.

During the year to 30 June 2018 the average number of employees was 4,409 (2017: 4,404), and they operated from 27 offices (2017: 27) throughout the United Kingdom. In addition, we have branch offices in the British Virgin Islands and the Cayman Islands, which are necessary for our forensic and investigatory work. Our website has a current list of our office addresses.

Principal subsidiary undertakings

Set out below is a list of the principal subsidiary undertakings of Grant Thornton UK LLP at 30 June 2018, along with details of their principal activity.

Companies	Principal activity
Grant Thornton Business Services	Employment of personnel
Grant Thornton Specialist Services (Cayman) Limited	Insolvency and restructuring services
Grant Thornton (British Virgin Islands) Limited	Insolvency and restructuring services
Fulwood Insurances Limited	Insurance Services
Geniac UK Limited	Management of business support functions
The Local Futures Group Limited	Licensing of Intellectual Property Services

Limited liability partnerships	Principal activity
Grant Thornton Services LLP	Employment of personnel
Grant Thornton Employee Benefits Consultancy LLP	Employee benefits consultancy services

Appendices

A Audit Firm Governance Code

In July 2016 the FRC published a revised version of the Audit Firm Governance Code that is applicable for financial years beginning on or after 1 September 2016.

The revised code was formally applicable to us for the year ending 30 June 2018 and we have fully applied the principles and provisions of the revised Code in this report. We have found the implementation of the Code to be invaluable in strengthening our governance processes, particularly in relation to its public interest aspects. We have set out below how we are complying with each of the principles and provisions of the revised Code, including the references to the required disclosures in this report and/or on our website.

Provision of the revised Code

How Grant Thornton UK LLP complies with the Code

A Leadership	
A.1 Owner accountability principle The management of a firm should be accountable to the firm's owners and no individual should have unfettered powers of decision.	See part 3.1 and Leadership and Governance pages on our website
A.1.1 The firm should establish a board or equivalent governance structure, with matters specifically reserved for its decision, to oversee the activities of the management team.	See part 3.1 and Leadership and Governance pages on our website
A.1.2 The firm should state in its transparency report how its governance structures and management operate, their duties and the types of decisions they take. In doing so the firm should explain how its governance structure provides oversight of both the audit practice and the firm as a whole with a focus on ensuring the Code's purpose is achieved. If the management and/or governance of the firm rests at an international level, it should specifically set out how management and oversight of audit is undertaken and the Code's purpose achieved in the UK.	See part 3
A.1.3 The firm should state in its transparency report the names and job titles of all members of the firm's governance structures and its management, how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details.	See part 3 and Appendix D.
A.1.4 The members of a firm's governance structures and management should be subject to formal, rigorous and ongoing performance evaluation and, at regular intervals, members should be subject to re-election or re-selection.	See part 1.3, 3.1 and Appendix G See also the Leadership and Governance pages on our website.
A.2 Management principle A firm should have effective management which has responsibility and clear authority for running the firm.	See part 3.1 and Leadership and Governance pages on our website
A.2.1 Management should have terms of reference that include clear authority over the whole firm including its non-audit businesses and these should be disclosed on the firm's website.	See part 3.1 and Leadership and Governance pages on our website
B Values	
B.1 Professionalism principle A firm should perform quality work by exercising judgement and upholding values of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour in a way that properly takes the public interest into consideration and meets auditing and ethical standards.	See part 2 and our Code of Conduct on our website
B.1.1 The firm's governance structures and management should establish and promote throughout the firm an appropriate culture, supportive of the firm's public interest role and long term sustainability. This should be achieved in particular through the right tone from the top, through the firm's policies and practices and by management publicly committing themselves and the whole firm to quality work, the public interest and professional judgement and values.	See parts 1 - 2 and our Code of Conduct on our website

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B.1.2 Firms should introduce KPIs on the performance of their governance system, and report on performance against these in their transparency reports.	See Appendix E for KPI on attendance
B.1.3 The firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply. The Board and independent non-executives should oversee compliance with it.	See part 2.1 and part 3.1 and our Code of Conduct on our website
B.2 Governance principle A firm should publicly commit itself to this Audit Firm Governance Code.	See part 1.1 and the Annual Reports page of our website. We are committed to the Audit Firm Governance Code and continue to incorporate the principles and provisions of the Code
B.2.1 The firm should incorporate the principles of this Audit Firm Governance Code into an internal code of conduct.	See part 2 and our Code of Conduct on our website
B.3 Openness principle A firm should maintain a culture of openness which encourages people to consult and share problems, knowledge and experience in order to achieve quality work in a way that properly takes the public interest into consideration.	See part 2.1 and our Code of Conduct on our website
C Independent non-executives	
C.1 Involvement of independent non-executives principle A firm should appoint independent non-executives to the governance structure who through their involvement collectively enhance the firm's performance in meeting the purpose of the Code.	See parts 1.3 and 3
C.1.1 Independent non-executives should number at least three and be in the majority on a body that oversees public interest matters; and/or be members of other relevant governance structures within the firm. They should also meet as a separate group to discuss matters relating to their remit. They should have full visibility of the entirety of the business but should pay particular attention to and report on risks to audit quality and how they are addressed. If a firm considers that having three INEs is inappropriate given its size or number of public company clients, it should explain this in its transparency report and ensure a minimum of two at all times. Where the firm adopts an international approach to its management it should have at least three INEs with specific responsibility and relevant experience to focus on the UK business and to take part in governance arrangements for this market; or explain why it regards a smaller number to be more appropriate, in which event there should be a minimum of two.	See parts 1.3 and 3.1 Our INEs are members of the Partnership Oversight Board. The Partnership Oversight Board and its main subcommittees are all chaired by INEs
C.1.2 The firm should disclose on its website and in its transparency report information about the appointment, retirement and resignation of independent non-executives; their remuneration; their duties and the arrangements by which they discharge those duties; and the obligations of the firm to support them. The firm should report on why it has chosen to position its independent non-executives in the way it has (for example, as members of the main Board or on a public interest committee). The firm should also disclose on its website the terms of reference and composition of any governance structures whose membership includes independent non-executives.	See part 1.3, 3.1 and Appendix D Further details are on our Leadership and Governance pages on our website
C.1.3 The independent non-executives should report in the firm's transparency report on how they have worked to meet the purpose of the Code defined as: <ul style="list-style-type: none"> • Promoting audit quality. • Helping the firm secure its reputation more broadly, including in its non-audit businesses. • Reducing the risk of firm failure. 	See part 1.3
C.1.4 Independent non-executives should have regular contact with the Ethics Partner, who should under the ethical standards have a reporting line to them.	See part 1.3
C.2 Characteristics of independent non-executives principle The independent non-executives' duty of care is to the firm. They should command the respect of the firm's owners and collectively enhance shareholder confidence by virtue of their independence, number, stature, experience and expertise. They should have a balance of relevant skills and experience including of audit and a regulated sector. At least one independent non-executive should have competence in accounting and/or auditing, gained for example from a role on an audit committee, in a company's finance function, as an investor or at an audit firm.	See part 3.1 and Appendix D
C.2.1 The firm should state in its transparency report its criteria for assessing the impact of independent non-executives on the firm's independence as auditors and their independence from the firm and its owners.	See part 3.1
C.3 Rights and responsibilities of independent non-executives principle Independent non-executives of a firm should have rights consistent with their role including a right of access to relevant information and people to the extent permitted by law or regulation, and a right to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the independent non-executive resigns, to report this resignation publicly.	See part 1.3, 3.1 and our Leadership and Governance pages on our website

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C.3.1 Each independent non-executive should have a contract for services setting out their rights and duties.	Each of our INEs has a contract
C.3.2 Independent non-executives should be appointed for specific terms and any term beyond nine years should be subject to particularly rigorous review and explanation.	See part 3.1
C.3.3 The responsibilities of an independent non-executive should include, but not be limited to, oversight of the firm's policies and processes for: <ul style="list-style-type: none"> Promoting audit quality. Helping the firm secure its reputation more broadly, including in its non-audit businesses. Reducing the risk of firm failure. 	See part 3 and Leadership and Governance pages on our website
C.3.4 The firm should ensure that appropriate indemnity insurance is in place in respect of legal action against any independent non-executive in respect of their work in that role.	Our firm has appropriate indemnity insurance in place for the INEs
C.3.5 The firm should provide each independent non-executive with sufficient resources to undertake their duties including having access to independent professional advice at the firm's expense where an independent non-executive judges such advice necessary to discharge their duties.	Our firm provides sufficient resources to the INEs to enable them to perform their duties. This includes access to independent professional advice at the firm's expense if necessary See Leadership and Governance pages on our website
C.3.6 The firm should establish, and disclose on its website, procedures for dealing with any fundamental disagreement that cannot otherwise be resolved between the independent non-executives and members of the firm's management team and/or governance structures.	See part 3.1 and our Leadership and Governance pages on our website
D Operations	
D.1 Compliance principle A firm should comply with professional standards and applicable legal and regulatory requirements. Operations should be conducted in a way that promotes audit quality and the reputation of the firm. The independent non-executives should be involved in the oversight of operations.	See part 1.3, part 2 and Appendix C See also our Code of Conduct on our website
D.1.1 The firm should establish policies and procedures for complying with applicable legal and regulatory requirements and international and national standards on auditing, quality control and ethics, including auditor independence.	See part 2.2 and Appendix C
D.1.2 The firm should establish policies and procedures for individuals signing group audit reports to comply with applicable standards on auditing/dealing with group audits including reliance on other auditors whether from the same network or otherwise.	See part 2.2 The firm has established policies and procedures to cover this requirement.
D.1.3 The firm should state in its transparency report how it applies policies and procedures for managing potential and actual conflicts of interest.	See Appendix C
D.1.4 The firm should take action to address areas of concern identified by audit regulators in relation to the firm's audit work.	See part 2.3
D.2 Risk management principle A firm should maintain a sound system of internal control and risk management over the operations of the firm as a whole to safeguard the firm and reassure stakeholders.	See part 1.4 and 2.5
D.2.1 The firm should, at least annually, conduct a review of the effectiveness of the firm's system of internal control. Independent non-executives should be involved in the review which should cover all material controls, including financial, operational and compliance controls and risk management systems as well as the promotion of an appropriate culture underpinned by sound values and behaviour within the firm.	See part 1.4 and 2.5
D.2.2 The firm should state in its transparency report that it has performed a review of the effectiveness of the system of internal control, summarise the process it has applied and confirm that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from that review. It should also disclose the process it has applied to deal with material internal control aspects of any significant problems disclosed in its financial statements or management commentary.	See part 2.5
D.2.3 The firm should carry out a robust assessment of the principal risks facing it, including those that would threaten its business model, future performance, solvency or liquidity. This should reference specifically the sustainability of the audit practice within the UK.	See part 2.4
D.3 People management principle A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code.	See parts 2.1, 2.2 and the Code of Conduct on the website our website as is the Code of Conduct

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D.3.1 The firm should disclose on its website how it supports its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code through recruitment, development activities, objective setting, performance evaluation, remuneration, progression, other forms of recognition, representation and involvement.	See part 2.2 This transparency report is published on
D.3.2 Independent non-executives should be involved in reviewing people management policies and procedures, including remuneration and incentive structures, to ensure that the public interest is protected.	See parts 1.3 and 3.1
D.4 Whistleblowing principle A firm should establish and apply confidential whistleblowing policies and procedures across the firm which enable people to report, without fear, concerns about the firm's commitment to quality work and professional judgement and values in a way that properly takes the public interest into consideration.	See our whistleblowing policies and procedures under our Corporate Responsibilities pages on our website See also parts 1.4 and 3.1
D.4.1 The firm should report to independent non-executives on issues raised under its whistleblowing policies and procedures and disclose those policies and procedures on its website.	See our whistleblowing policies and procedures under our Corporate Responsibilities pages on our website See also parts 1.4 and 3.1
E Reporting	
E.1 Internal reporting principle The management of a firm should ensure that members of its governance structures, including owners and independent non-executives, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties.	Our key governance bodies (including the INEs) received timely and relevant information to enable them to discharge their duties See parts 1.3 and 3.1
E.2 Governance reporting principle A firm should publicly report how it has applied in practice each of the principles of the Audit Firm Governance Code and make a statement on its compliance with the Code's provisions or give a considered explanation for any non-compliance.	Appendix A sets out how we have adopted each of the principles of the revised Code
E.2.1 The firm should publish on its website an annual transparency report containing the disclosures required by Code Provisions A.1.2, A.1.3, B.1.2, C.2.1, D.1.3, D.2.2, E.2.2 and E.3.1.	See specific code provisions in this section for references to their disclosure requirements. This transparency report is published on our website
E.2.2 In its transparency report the firm should give details of any additional provisions from the UK Corporate Governance Code which it has adopted within its own governance structure.	See Appendix B
E.3 Transparency principle A firm should publish on an annual basis in its transparency report a commentary on the firm's performance, position and prospects.	See Appendix G and part 1.1
E.3.1 The firm should confirm that it has carried out a robust assessment of the principal risks facing the audit firm, including those that would threaten its business model, future performance, solvency or liquidity. The firm should describe those risks and explain how they are being managed or mitigated.	See part 2.4
E.3.2 The transparency report should be fair, balanced and understandable in its entirety.	This report is based on the principles of the Code, Local audit regulation and requirements from the EU Audit Regulation, has been centrally co-ordinated by a specialist team and ultimately reviewed and approved by the Strategic Leadership Team and the Risk and Audit Committee
E.4 Reporting quality principle A firm should establish formal and transparent arrangements for monitoring the quality of external reporting and for maintaining an appropriate relationship with the firm's auditors.	See part 1.4
E.4.1 The firm should establish an audit committee and disclose on its website information on the committee's membership and terms of reference which should deal clearly with its authority and duties, including its duties in relation to the appointment and independence of the firm's auditors. On an annual basis, the audit committee should publish a description of its work and how it has discharged its duties.	See part 1.4 and the Leadership and Governance pages on our website

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E.5 Financial statements principle A firm should publish audited financial statements prepared in accordance with a recognised financial reporting framework such as International Financial Reporting Standards or UK GAAP, and should be clear and concise.	Our audited financial statements are published on our website and prepared under International Financial Reporting Standards as adopted by the European Union and UK laws and regulations.
E.5.1 The firm should explain who is responsible for preparing the financial statements and the firm's auditors should make a statement about their reporting responsibilities, preferably in accordance with the extended audit report standards.	This statement is made in our Annual Report available on our website
E.5.2 The firm should state whether it considers it appropriate to adopt the going concern basis of accounting and identify any material uncertainties to its ability to continue to do so, with supporting assumptions or qualifications as necessary.	This statement is made in our Annual Report available on our website
F Dialogue	
F.1 Firm dialogue principle A firm should have dialogue with listed company shareholders, as well as listed companies and their audit committees, about matters covered by this Audit Firm Governance Code to enhance mutual communication and understanding and ensure that it keeps in touch with shareholder opinion, issues and concerns.	See part 3
F.1.1 The firm should disclose on its website its policies and procedures, including contact details, for dialogue about matters covered by this Audit Firm Governance Code with listed company shareholders and listed companies. It should also report on the dialogue it has had during the year. These disclosures should cover the nature and extent of the involvement of independent non-executives in such dialogue.	See parts 2.3 and 3.1 and the Annual Report pages on our website.
F.2 Shareholder dialogue principle Shareholders should have dialogue with audit firms to enhance mutual communication and understanding.	See part 2.3
F.3 Informed voting principle Shareholders should have dialogue with listed companies on the process of recommending the appointment and re-appointment of auditors and should make considered use of votes in relation to such recommendations.	See part 2.3

B Corporate Governance Code

In accordance with provision E.2.2 of the Audit Firm Governance Code in its transparency report the firm should give details of any additional provisions from the UK Corporate Governance Code which it has adopted within its own governance structure. Below we outline what elements we have adopted and how we have done so.

Corporate Governance Code	What Grant Thornton UK LLP does
A Role of the Board	
A.1 Every company should be headed by an effective board which is collectively responsible for the long-term	The Board in this context is the Partnership Oversight Board (POB or the Board)
A.1.1 The board should meet sufficiently regularly to discharge its duties effectively. There should be a formal schedule of matters specifically reserved for its decision. The annual report should include a statement of how the board operates, including a high level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	See Appendix E: Meeting attendance. See the Leadership and Governance Section Decisions for the POB are in the Membership agreement.
A.2.1 The roles of chairman and chief executive should not be exercised by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by	The CEO and Chair of POB are different
A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If exceptionally a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next	The Chair meets the independence criteria.
B.4.1 The chairman should ensure that new directors receive a full, formal and tailored induction on joining the board. As part of this, directors should avail themselves of opportunities to meet major shareholders.	The Chairman ensures each new appointment to the Board receives appropriate induction.
B.4.2 The chairman should regularly review and agree with each director their training and development needs.	Training is offered as appropriate on specific matters
B.6.2 Evaluation of the board of FTSE 350 companies should be externally facilitated at least every three years. The external facilitator should be identified in the annual report and a statement made as to whether they have any other connection with the company.	We used an external consultancy to advise and undertake the Effectiveness review in 2018. See Report from the independent non-executive chair of the Public Interest Committee and the Partnership Oversight Board on behalf of the independent non-executives
C.3.4 Where requested by the board, the audit committee should provide advice on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.	The Risk and Audit Committee reports to the Board on its review of the Annual Report and Accounts
C.3.6 The audit committee should monitor and review the effectiveness of the internal audit activities. Where there is no internal audit function, the audit committee should consider annually whether there is a need for an internal audit function and make a recommendation to the board, and the reasons for the absence of such a function should be explained in the relevant section of the annual report.	The Risk and Audit Committee regularly reviews the activities of the internal audit function

C Ethics and independence

The firm is subject to ethical and independence standards set by its regulators. We fully understand the impact of our individual and collective behaviours on our reputation and that of the professional services sector as a whole. We help our people to understand their ethical responsibilities by providing formal guidance, a strong culture of collaboration and consultation, and regular training and awareness programmes.

The policies and procedures highlighted were in operation for the year ended 30 June 2018.

The firm has made good progress since the introduction of the FRC Revised Ethical Standard in 2016 in respect of required changes to processes and procedures, albeit work is ongoing as guidance and interpretation matures.

Leadership

The firm's Ethics Partner provides guidance and support on the application of UK and international Ethical Standards supported by an enhanced Ethics Function. The team is proactive in providing advice on ethical issues from an Ethical Standard perspective and also, more generally, in relation to complex and high-risk situations that could be of heightened public interest.

The firm has invested over recent years in the Ethics Function and as of 30 June 2018, the Ethics Partner was supported by a team of 12 covering ethics and independence.

Policies and procedures

The firm's Core Manual summarises our key policies and procedures in a concise and easy-to-understand way. It provides guidance on the overarching principles of ethics that underpin the ICAEW Code of Ethics and the FRC Revised Ethical Standard 2016. We require all our people to:

- behave at all times with integrity
- maintain objectivity
- work with due care and competence
- respect confidentiality
- behave professionally
- avoid conflicts of interest.

As part of the Quality and Reputation agenda, our intranet site is routinely updated under the heading of Quality and continues to provide detailed guidance and support.

Learning and awareness

On joining the firm, all partners and employees are provided with the Code of Conduct and experience our orientation programme including online training programmes on key policies such as the principles of ethics, anti-money laundering, information security and the Bribery Act.

Our ethical approach is embedded across all learning programmes. We have in place an ethics training module across the whole business; very recently, this module was refreshed and sent to all of our partners and employees for completion by 28 September 2018.

We have developed other ethics modules that are included into core audit, tax and advisory training delivered by the firm. In addition, on an annual basis, all of our people are required to confirm their understanding of, and compliance with, relevant ethical requirements and key policies as summarised in the Core Manual and the guiding principles set out in the Code of Conduct, through our Annual Declaration.

Identifying conflicts of interest

The firm uses a search tool to interrogate a suite of databases where potential relationships can be identified. Individuals are asked about relationships where the database search identifies a possible match. In support of this approach, databases have been created to ensure that all relevant relationships are identified.

The international network also maintains an electronic Global Independence System to match the investment holdings of all relevant personnel with restricted entities to avoid personal investments threatening audit independence. The control of our personal independence process in the UK is now embedded within the Ethics Function.

Potential clients with international operations

If potential clients have international operations, an international relationship check is performed to identify any relationships of other member firms of GTIL that may present a conflict of interest and/or a threat to independence.

The international network maintains databases of restricted entities and other relationships that could create a conflict. These are searched as part of the international relationship checking process.

When the prospective client is already an audit client of a member firm of GTIL, consultation is required with the relevant audit Engagement leader to ensure that the proposed non-audit service is permitted, and that any perceived threats to independence created by the proposed non-audit service can be adequately safeguarded. Where required, the circumstances are communicated to the audit client's audit committee and, in the case of public interest entities (PIEs), are approved by them prior to commencement of work.

Dealing with conflicts

If a potential conflict is identified, appropriate procedures are put in place to obtain the informed consent of the interested parties, to protect confidential information and to ensure potential conflicts are, and are seen to be, effectively managed. In exceptional circumstances the relevant head of service line and the Ethics Function/Partner must be consulted. To the extent that conflicts cannot be adequately safeguarded or where we believe that an objective, reasonable, informed third party might query our objectivity, we either do not undertake the non-audit service or withdraw from the audit, the decision being made with the full involvement of the client(s) concerned.

Client take-on process

The firm has continued to invest in enhancing its take-on processes. The centralised client take-on team has recruited strongly during the year to a current complement of approximately 65 personnel. The team undertakes client verification for anti-money laundering purposes for all new and existing clients, working closely with our Financial Crime team. It also conducts family tree research for international operations and database searches that underpin our relationship checking processes.

The take-on team works collaboratively with the Ethics Function in the identification of connected parties, particularly where there is private equity (PE) involvement. We have enhanced our conflict checking this year by reviewing the relevant PE portfolios for connections with the firm. Where there is an audit client within the investment portfolio, we consider the impact on independence based on the connected parties to that particular entity within the PE portfolio to assess the impact on audit independence.

Non-audit services to audit clients

Before offering a non-audit service to any audit client of the firm, the relevant Responsible Individual's approval must be obtained. This approval is only given after consideration of any possible threats to the firm's independence, the adequacy of any plan to safeguard such threats, and consultation and confirmation, as appropriate, with the Ethics Function.

Contingent fees

Where a proposed non-audit service to, or in respect of, an audit client includes any element of contingent fee, the formal approval of the Ethics Function is required.

Financial interests

Our partners, other individuals who can bind the firm and covered persons (broadly a person in a position to influence the conduct or outcome of an engagement, including certain persons with wider firm supervisory, management or other oversight responsibilities) and any persons closely associated with any such person are prohibited from having any direct or material indirect financial interest in an audit client or the parent undertaking of any audit client of Grant Thornton UK LLP, or in any publicly traded audit client (or publicly traded parent of an audit client) of a member firm of GTIL unless specific approval has been given.

Full details of the firm's audit clients with publicly traded securities, and those of other member firms of GTIL, are accessible through the firm's intranet.

Further, partners and employees may not have a material financial interest in any client to which they personally provide a professional service.

Partners, directors, associate directors and managers involved in client service are required to record their financial interests (and those of persons closely associated with them) in the firm's automated tracking system, Global Independence System.

Financial interests of the firm and its affiliated entities are also recorded in the Global Independence System, as these could have an impact on the independence of the firm or other member firms of GTIL. Any financial interest that could be deemed to create a conflict must be disposed of within five working days.

A formal confirmation is also required in the firm's Annual Declaration, a mandatory submission for all of our partners and employees, that the record is complete. The closing date for submission is 30 September 2018 and the deadline for dealing with matters arising is 31 October 2018. The Ethics Function (and others in the firm as necessary) considers queries from the submissions, and a subsequent internal audit is undertaken by our Business Risk and Quality Assurance team.

Other ethical considerations

Rotation of senior audit team members

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.

Rotation in respect of listed and certain other PIEs is initially recorded when individuals are first assigned to a client. This record is maintained on a central database.

The firm's policy concerning the rotation of partners and people requires that:

- an audit lead may serve as the Responsible Individual on the audit of a PIE or other listed entity for a period of five years. In certain circumstances, and subject to audit committee decision and the approval of the Ethics Function/Partner together with the disclosure by the entity to its shareholders as soon as practicable, the period may be extended to a maximum period of seven years. In such circumstances the review by the independent review partner will be enhanced to safeguard the independence of the audit. At the end of their period of service the Responsible Individual must then rotate away from the engagement for a minimum of five years; the firm's policy dictates that they must not normally have a client-facing role with that particular client during this period
- the Responsible Individual of a material subsidiary is a "key audit partner" and can also only act for five years, and after that period has to rotate off the engagement for at least five years. We have incorporated these considerations in the audit team succession plans

- a partner may serve as an Engagement Quality Control Reviewer on the audit of a PIE and other listed entities for a maximum period of seven years. After this time they must then rotate away from the engagement for a minimum of five years. The firm's policy is that they must not normally have any client-facing role with that particular client during this period
- where a partner serves on the audit of a PIE or other listed entity in a combination of roles as audit partner, Engagement Quality Control Reviewer and/or a "key partner involved in the engagement", the total period (either continuously or in aggregate) of their service may not exceed seven years, followed by a minimum period of five years within which they have no involvement in the audit.
- periods of service as audit partner before a client became listed are included in the total. However, if the client becomes listed when the partner has already served for four or more years, they may serve for a maximum of another two years
- "Key partners involved in the engagement" can act for seven years and then must rotate off the engagement for at least two years
- other partners and people who serve in a senior position on the audit of a PIE or other listed entity should not act for more than seven years in that role unless safeguards are put in place. The normal safeguard is rotation off the engagement but a change of role within the engagement team or an independent review of the individual's work are other available safeguards.

Rotation of the Responsible Individual for other public interest assurance engagements is dependent on the entity type and is a maximum of either 5, 7 or 10 years, based on a risk assessment. In certain circumstances an extension may be granted for audit quality purposes by the Firm's Ethics Function/Partner.

Gifts, Favours and Hospitality

The firm's policy on gifts, favours and hospitality reflects the enhanced requirements of the Revised Ethical Standard 2016. Partners and employees are not permitted to accept from, or give to, audit clients, suppliers or third parties any gifts, favours or hospitality that might, or might be seen to, prejudice our integrity and objectivity in relation to our audit clients.

Subject to de minimis levels, all gifts, favours or hospitality (given or received) must be recorded in the firm's hospitality register (Riliance). In addition, prior approval is required for any gift, favour or hospitality received in excess of £25 or given in excess of £100. The limits for hospitality were halved on 1 January 2018 (being £50 and £200 before that date). Limits for non-audit clients are typically higher although again, there are approval processes in place.

Monitoring

- we monitor our people's compliance with ethical and independence requirements through:
- the firm's Annual Declaration process. All of our people are required to confirm that they understand and have complied with the firm's policies relating to independence, confidentiality, market abuse, gifts, favours and hospitality, and whistleblowing
- quality control and quality assurance reviews of assignment files across service lines to check compliance with internal controls and specifically engagement acceptance procedures and independence policies
- enhanced monitoring with regard to client take-on and ethics during the course of the year, specifically around work in progress of assignments, as part of our continuous improvement of monitoring compliance with regulation
- review of the Global Independence System accounts of all new partners, 20% of existing partners and 5% of managers against evidence to support their recorded financial interests. Earlier this year we also introduced a rolling monthly assurance programme to test check selected groups of our people in advance of the formal annual audit. We have also implemented direct fines for non-compliance by our equity partners and other sanctions for employees
- the firm's internal audit function that reviews compliance with key internal controls across every service line on a three-yearly basis and reports to the SLT and the POB through the Risk and Audit Committee. A new system is soon to be launched that will include electronic annual self-review for certain functions within the business followed by a five-year cycle; this will be shortened in the event that non-compliance is detected
- encouraging our people to consult with others when faced with a difficult decision or to speak up on areas of concern. If for whatever reason they feel unable to do so, we provide an externally hosted, confidential whistleblowing hotline. Reports of the hotline's activity are reviewed by the Risk and Audit Committee.

Complaints and claims

We have robust procedures in place for dealing with complaints.

A register of all complaints and possible claims is maintained by the firm's Legal department. Our In-House Legal Counsel has direct access to the CEO and RAC to discuss all relevant issues and to confirm appropriate courses of action.

Supplier relationships

Our independence requirements extend to our relationships with suppliers. Checks are carried out before we enter into a supplier contract to establish whether they are an audit client, and if they are, special consideration is given to whether a threat to independence might arise.

Where applicable, the Ethics Function must be consulted.

D Members of the firm's leadership and governance bodies

Members of the Partnership Oversight Board



Ed Warner

Chair and independent non-executive

Ed is an investment banker, who has a wealth of experience from his years as CEO at the IFX Group and of Old Mutual Financial Services (UK). He is chairman of derivatives exchange LMAX and of two listed investment companies, and is a non-executive director at global shipping company Clarkson plc.



Deena Mattar

Independent non-executive

Deena is a skilled FTSE 250 finance director with nine years of experience as an executive on a plc board, an excellent knowledge of the City and a first-class reputation among institutional shareholders and buy and sell side analysts. She has nearly five years as a non-executive director (and, in some cases, audit chairman) of a number of boards both listed and unlisted. She is non-executive director and chairman of the audit committees of Wates Group Limited and RM plc.



Imogen Joss

Independent non-executive

Imogen spent her executive career in the fintech arena as Commercial Director of the London Stock Exchange and latterly President of two divisions of S&P Global. She brings global experience to the boards that she serves plus a strong commercial, client and talent-focused agenda while specialising in remuneration committee work on both listed and non-listed boards. She currently serves on the boards of five organisations across advisory services as well as fintech.



Simon Bevan

Partner

Simon is a London-based assurance partner, with a client focus on knowledge businesses and professional service firms. He leads the firm's China Britain Services Group and has taught at three Chinese universities. Simon joined the partnership in 2012 from another leading firm, where he had held leadership and governance positions. Simon joined the POB in July 2015 and is a member of the Remuneration Committee. He chairs the Partner and Director Selection Panel, and also leads the firm's Partner Support Unit.



Nigel Morrison

Partner

Nigel has been an advisory partner for 19 years but his role has recently changed in order to focus on business development with dynamic organisations, coaching and mentoring fellow partners and carrying out a number of governance roles. Nigel has been a member of the POB since July 2015 and is also a member of the Partner Selection Panel.



Helen Dale

Partner

Helen is a Mid Market Advisory partner focusing on restructuring with asset backed corporates and financial institutions. She works with financial stakeholders and executive boards to deliver change under difficult and/or time-sensitive circumstances. Helen is an active speaker and panellist for topics including leadership, change and business turnaround. Helen joined the POB on 1 July 2017 and is a member of the profit sharing subcommittee.



Nick Page

Partner

Nick is an audit partner based in the London Mid-market practice team leading both the Technology, Media and Telecommunications audit and tax group in London and the wider firm's Technology, Media and Telecommunications industry group. He works with a variety of mid-corporate, privately owned, private equity backed or AIM quoted clients primary in the media space. Nick joined the POB on 1 July 2017 and is a member of the Risk and Audit Committee.



Karen Campbell-Williams

Partner

Karen is based in our Manchester office and has been a tax partner at Grant Thornton since 1997. She works with growing, dynamic entrepreneurial businesses and their stakeholders to effectively manage their tax obligations. As well as her client-facing role, Karen joined the POB in July 2016 and is a member of the Remuneration Committee and the Partner Selection Panel.



Philip Secrett

Partner

Philip is a corporate finance partner and is Head of Public Company Advisory. With 24 years in the firm, he has been advising on public company corporate finance transactions for 20 years and has included supporting growth companies access to UK equity markets and leading public company M&A transactions. Philip is Chairman of the AIM Advisory Group at the London Stock Exchange, a group that provides input and advice on all matters affecting the operation and regulation of AIM. Philip joined the POB in July 2016 and is a member of the Risk and Audit Committee, and was appointed to the Remuneration Committee on 1 July 2018.



Mo Merali

Partner

Mo is an advisory partner focusing on due diligence services for corporate and private equity transactions. He is also Head of Private Equity. He has significant experience of leading private equity transactions, IPOs and complex cross-border transactions for private equity houses, banks and corporates, and has advised in a wide range of industries, including technology, media and telecommunication, healthcare services and financial services. Mo joined the POB in July 2009 and was a member of the Remuneration Committee. Mo retired from the POB on 30 June 2018.



Tracey James

Partner (retired)

Tracey is a listed company audit specialist and lead partner on a number of the firm's fast-growing and aspirational clients acting across a number of industry sectors including technology, property and construction, and renewable energy. Prior to her appointment as an audit partner, Tracey worked as director of finance for a medical supplies company in Canada. Tracey joined the POB in September 2014 and was a member of the Risk and Audit Committee. She retired from the POB and the firm on 30 June 2018.



Wendy Hart

Partner

Wendy is a corporate finance advisory partner with responsibility for leading transactions in Thames Valley and Southampton. She has a wealth of experience of advising on mid-market M&A and fundraising, as well as working with many clients to help them devise and implement value-building strategies. She has a retained adviser relationship with a number of high-growth businesses. During her 30-year career with Grant Thornton, Wendy has been an Office Managing Partner and Technology Sector Head. Wendy joined the POB in July 2018.



Norman Armstrong

Partner

Norman has been an advisory and audit partner at Grant Thornton since 2005. He has over 25 years' worth of experience helping dynamic businesses achieve their strategic goals and potential for growth. Working across the South (Southampton, Oxford and Reading) his clients range from fast-growing, privately owned and PE-backed businesses to international and listed groups. Norman joined the POB in July 2018 and is a member of the Risk and Audit Committee.

Members of the Strategic Leadership Team as at 30 June 2018



Sacha Romanovitch

CEO

(due to retire by 31st December 2018)

Sacha is CEO of the firm with the responsibility to lead the firm to deliver sustainable growth in line with our purpose. Prior to her CEO role she had 25 years experience including seven on the National Leadership team with responsibility for Leadership and Culture, and latterly Advisory. Prior to that she the London Audit and Tax practice.

Other positions held:

- Grant Thornton Global Board of Governors and member of Strategy Committee, Chair of Technology and Innovation Committee
- National Advisory Board of the Global Impact Investing Steering Committee
- Co-chair (since September 2017) of the UK Government's Inclusive Economy Partnership
- Board member of London and Partners (since November 2017)

Sacha is a qualified accountant, qualified coach and NLP practitioner. She has an MA in Chemistry from Oxford University, an Honorary Degree from the University of York and is an Honorary Fellow at Somerville College Oxford.

On the 15th October 2018 it was announced that in consultation with the Board, Sacha has decided not to stand for re-election for a second term and is to step down following the identification of a successor. A new CEO is expected to be appointed before the end of calendar 2018 following an election process in accordance with the Firm's membership agreement.



Simon Jones

Chief Operating Officer

Simon is responsible for the operational management of the business. He continues to work with clients, sharing his expertise in operational management.

Other positions held:

- Global IT Strategy Committee
- Global Finance Committee

While joining the Strategic Leadership Team in July 2015, Simon was previously on the National Leadership Board and has 30 years' experience in the firm, with a background in audit, including time as managing partner for Milton Keynes office and as regional managing partner for our Central region offices.



Mark Byers

Leader for Large and Complex

Mark is Head of the Advisory and leads our Large and Complex businesses. He also has specific responsibility for strategic client relationships as well as our international strategy. This combination of roles allow him to bring a focus to building trust and integrity in markets which is a key pillar supporting the firms purpose.

Appointed to the Strategic Leadership Team in July 2015, Mark continues to fulfil a client service delivery role with a particular focus on restructuring and regulatory work in the Financial Services sector.



David Duncley

Leader of Mid-markets (London)

David Duncley is focusing on growing our mid-market service offering, embedding our London identity and delivering our purpose.

David is a partner in our restructuring team and the Global Head of Restructuring and Reorganisation (R&R) for the Grant Thornton International network. Appointed to the Strategic Leadership Team in May 2018, previous experience in his 20 years with the firm include EMEA Head of R&R, Head of Transactional Advisory and Head of Restructuring. David is a licensed Insolvency Practitioner with a particular interest in the automotive and professional practices sectors.



David Munton

Leader for Mid-Market, Regions

David is focussed upon unlocking sustainable growth in dynamic organisations. David was appointed to the SLT on 1 May 2018 and prior to this held a number of leadership roles throughout the Firm.

He has been a member of the profession for 21 years and has been an audit partner since 2003. David continues in the audit partner role and works with a number of clients across a broad range of sectors, ensuring that placing quality at the heart of everything we do enables us to give the best possible experience of Grant Thornton to our people and clients.



Sarah Howard

Leader for Public Services

Leading our team that provides assurance and advisory services across central and local government, health and not for profit sectors.

Other positions held:

- CIPFA : Council Member, Trustee and Board Member
- CCAB : Board member

Sarah was appointed to the Strategic Leadership Team in May 2018. Sarah has 30 years' experience of working with the public sector, having grown the largest public audit team in the country specialising in NHS and local government external audit. Sarah has been a volunteer for CIPFA over much of her career, currently having the honour of being the Institute's national President.



Malcolm Gomersall

As Head of People and Client Experience, Malcolm's focus is on encouraging an agile, diverse and inclusive culture that drives excellent client service and promotes the firm's dedication to quality and growth. He also leads Grant Thornton's work on social mobility, including sitting on the Access Accountancy Patron Group – a collaboration of firms and professional bodies – that provides those from lower socioeconomic backgrounds access to the accountancy profession.

Other positions previously held include

- Regional Managing Partner for Central Region (2011)
- London Audit and Tax Business Leader (2015)

Malcolm continues his work as an audit partner ensuring our industry group and specialist services teams deliver to the highest level. He has a particular focus on the automotive, technology and service sectors.



Jonathan Riley

Jonathan is a member of Grant Thornton's Strategic Leadership Team, with responsibility for Quality and Reputation. He focuses his time on ensuring that outstanding quality and protecting the reputation of Grant Thornton is embedded into the DNA of all in our business, and that client experience is second to none.

Jonathan is the key relationship Partner with our regulators. He speaks regularly on matters of quality and trust, both on broad regulatory matters and on building trust in the integrity of financial markets, to help shape a vibrant economy.

Other positions:

- Chartered Institute of Tax – Trustee & Council Member
- Low Income Tax Reform Group – Vice Chair
- Member, HM Treasury Tax Professional Forum



Karl Eddy

Leader for Digital Innovation

Within the firm Karl is responsible for developing digital products and services to support the work of the Market areas. He has developed the firm's Innovation approach and Chairs the Digital Leaders Group which is responsible for the digital strategy of the firm.

Joining the Strategic Leadership Team in July 2015, in his 13 years with the firm Karl has built a depth of experience in advising on and delivering large-scale programmes supporting business growth.

E Meeting attendance

Meeting attendance: Year to June 2018

The table below sets out attendance at meetings of the firm's principal leadership and governance bodies and their subcommittees as detailed in Section 3.1 on page x: the Strategic Leadership Team (SLT), the Partnership Oversight Board (POB), Risk and Audit Committee (RAC), Remuneration Committee (RemCo), and Public Interest Committee (PIC) in the year to 30 June 2018.

		Meetings				
	Appointed	SLT	POB	RAC	RemCo	PIC
Number of meetings in year		11	6	7	4	3
Strategic Leadership Team						
Mark Byers	1 July 2015	8	1 of 1			
David Dunkley	1 May 2018	3 of 3				
Karl Eddy	1 July 2015	11	1 of 1			
Malcolm Gomersall	1 May 2018	3 of 3				
Robert Hannah (stood down from the SLT 30 April 2018)	1 July 2015	8 of 8	3 of 4			
Stephanie Hasenbos Case (retired from the SLT and the firm 30 April 2018)	13 March 2017	6 of 8				
Sarah Howard	1 May 2018	3 of 3				
Simon Jones	1 July 2015	11	6	7		
David Munton	1 May 2018	3 of 3				
Jonathan Riley	1 May 2018	3 of 3		1 of 1		1 of 1
Sacha Romanovitch (CEO)	1 July 2015	11	6	5	4	

Coloured to represent 'attendance by invitation

Key:

SLT – Strategic Leadership Team

POB – Partnership Oversight Board

RAC – Risk and Audit Committee

RemCo – Remuneration Committee

PIC – Public Interest Committee

Meetings

	Appointed	SLT	POB	RAC	RemCo	PIC
Partnership Oversight Board						
Simon Bevan	1 July 2015 (re-appointed for an additional three years as of 1 July 2018)		5		4	
Karen Campbell Williams	1 July 2016		5		4	
Helen Dale	1 July 2017		5			
Tracey James	1 September 2014 (retired 30 June 2018)		5	6		
Mo Merali	1 July 2009 (stood down 30 June 2018)		6		4	
Nigel Morrison	1 July 2015 (re-appointed for an additional three years as of 1 July 2018)		6			
Nick Page	1 July 2017		6	7		
Philip Secrett	1 July 2016		6	7		
Independent non-executives						
Deena Mattar	19 February 2016		5	7		3
Imogen Joss	1 July 2017		6		4	3
Ed Warner	15 September 2010 (re-appointed for an additional three years as of 1 July 2018)		5		4	3
Management						
Sue Almond, Head of Assurance	1 September 2015 (stood down 30 June 2018)			5		3
Adrian Richards, Ethics Partner	1 July 2016			4		3

F International organisation

Grant Thornton UK LLP is the UK member firm of Grant Thornton International Limited (GTIL). GTIL is a private company limited by guarantee, incorporated in England and Wales. It is a non-practising international umbrella entity that does not provide services to clients. Grant Thornton member firms around the world deliver services to clients.

As of 30 September 2017 GTIL had more than 135 member firms with combined global revenues of USD 5 billion. Each member firm is a separate legal entity. Membership of the global network does not make any firm responsible for the services or activities of other member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts and omissions. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names.

The total turnover from audit firms that are members of the GTIL networks in European Union (EU) or European Economic Area (EEA) member states from the statutory audit of annual and consolidated financial statements, calculated to the best extent possible, is approximately USD 596 million. This represents the turnover consolidated into the GTIL financial statements from each entity.

A full list of Grant Thornton member audit firms in (EU)/(EEA) member states, and the countries in which they are registered or have their principal places of business, is listed below.

Governance

Global Board of Governors

The Board of Governors (the Board) is the principal and overriding authority in GTIL. The Board exercises governance over GTIL and comprises the chair of the Board, the chief executive officer (CEO) of GTIL, managing partners from the largest Grant Thornton member firms, and managing partners elected or appointed from other Grant Thornton member firms that are not among the largest and independent directors.

The Board aims for a reasonable balance of diversity and representation from different geographical areas, including emerging markets. The Board's responsibilities include:

- approving global strategic direction and policies
- overseeing the implementation of the global strategy
- overseeing membership matters (including approving new member firms, suspending the rights of a member firm or expelling a member firm)
- appointing and setting the remuneration of the chair of the Board
- appointing, evaluating performance and setting the remuneration of the CEO
- approving the GTIL budget and member firm fees
- overseeing the financial health of GTIL
- overseeing global enterprise risk management
- overseeing general governance matters, such as the composition and performance of the Board.

Chair of the Board

The chair of the Board (the chair) is a proactive role with a focus on ensuring that the Board functions as a co-ordinated group in support of the CEO to deliver on the global strategy. Scott Barnes was appointed chair as of 1 January 2015 for a term of three years. In December 2017 the Board reappointed Scott for an additional term of two years. The role of the chair is pivotal to creating the conditions necessary for a highly effective Board focused on the Grant Thornton network's global strategic development.

The Board of Governors as of 30 June 2018

- Scott Barnes, chair
- Peter Bodin, CEO
- Pascal Boris, independent member*
- Vishesh Chandiok, India
- Maria Victoria C España, Philippines
- Hisham Farouk, United Arab Emirates
- Gagik Gyulbudaghyan, Armenia
- Arnaldo Hasenclever, Argentina
- Xu Hua, China
- Emilio Imbriglio, Canada (observer)
- Anna Johnson, Sweden
- Vassilis Kazas, Greece
- Greg Keith, Australia
- Daniel Kurkdjian, France
- Kevin Ladner, Canada
- Mike McGuire, United States
- Joachim Riese, Germany
- Sacha Romanovitch, United Kingdom
- Judith Sprieser, independent member

* term ended in March 2018

Independent Board members

Independent Board members bring a valuable external business perspective to the deliberations of the Board, add to the network's profile and increase Board transparency. Independent Board members support the network's recognition of its public interest responsibilities and its attitude towards quality, risk management and governance, as well as the network's effectiveness in executing its strategic goals and market positioning. GTIL has processes in place to ensure that the appointment of independent Board members and their ongoing services are compliant with relevant independence rules.

Standing committees

There are six standing committees with authority and powers for certain matters as delegated to them by the Board.

- Governance committee (GC): ensures efficient and effective operation and oversight of GTIL's leadership structures and performance
- Strategy committee (SC): advises on the development, alignment and execution of the global strategy
- Budget and audit committee (BAC): oversees the GTIL budget and audit processes to ensure the successful execution of the global strategy and adherence to the fiduciary responsibilities of GTIL
- Member firm matters committee (MFMC): considers and determines resolution of recommendations made by the global leadership team relating to member firm matters. Considerations include member firm terminations, complaint handling and proposed changes to the rules and agreements that materially affect member firms
- Enterprise risk management committee (ERMC): has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms
- CEO compensation committee (CEOCC): executes the Board's responsibilities relating to the annual performance evaluation and related compensation of the CEO, the adoption of policies that govern the CEO's compensation and performance, and the oversight of plans for CEO development

¹ Robert was global leader of Business Development and Markets up to August 2017.

- The use of standing committees allows a more efficient and effective discharge of the Board’s responsibilities and involves others in the activities of the Board. Each standing committee is chaired by a Board member and its membership includes, but is not limited to, Board members.

Chief executive officer (CEO)

The CEO is appointed by the Board for an initial term of up to five years renewable once for a further period of up to three years. Ed Nusbaum’s role as CEO came to an end as of 31 December 2017. 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.

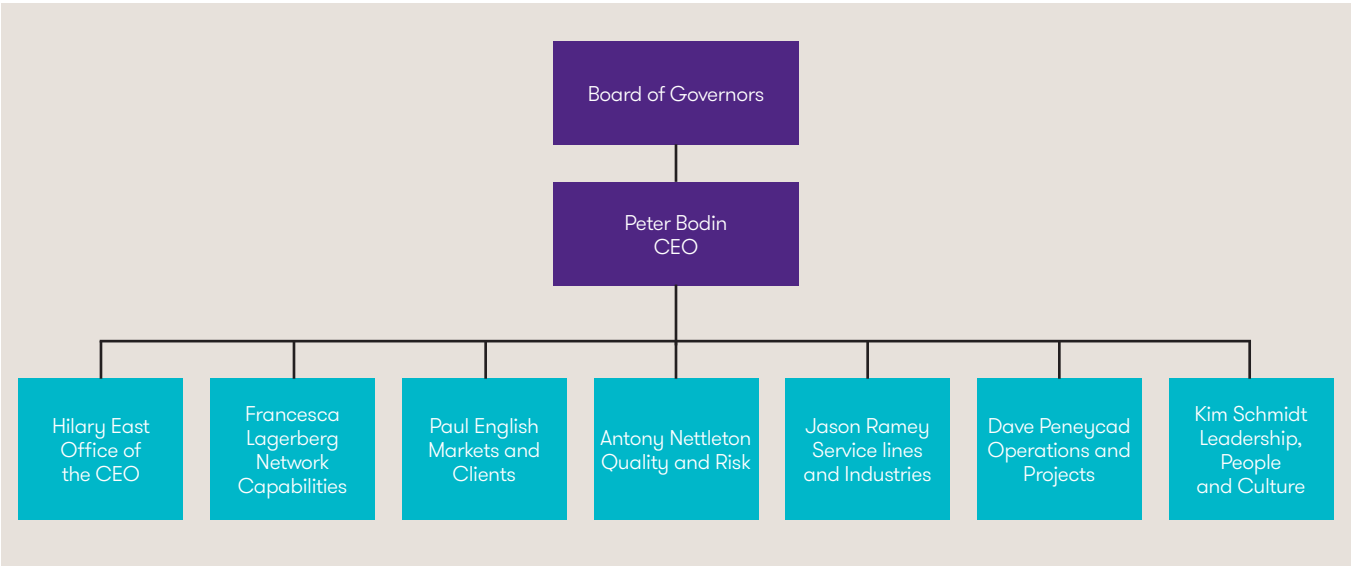
The CEO is responsible for the leadership of GTIL. The role of the CEO includes the development and recommendation of global strategic priorities for ratification by the Board, together with overseeing execution of these priorities. The CEO has responsibility for appointing the global leadership team (GLT), subject to the concurrence of the Board. The GLT assists the CEO in the execution of the global strategy. The CEO works closely with the GLT in maintaining global policies and procedures, including those governing international work for the assurance, tax and advisory service lines.

Management

Global leadership team (GLT)

The GLT develops and drives the execution of the global strategy and is chaired by the CEO. It is a full-time management group dedicated to leading the network in the successful execution of the strategy. Between them, GLT members have global development, service lines, functional and regional responsibilities. The diagram below depicts these responsibilities as at 1 January 2018.

A critical role of the GLT is to work with member firms in driving the execution of the global strategy. Our ambition is to be known throughout the world as the leading adviser to dynamic organisations by ‘unlocking the potential for growth’ in our people, clients and communities and to become the next generation professional services network. More information can be found at www.granthornton.global.



Risk management and independence

Global risk management includes:

- managing the GTIL risk register including operational support to the GLT, the ERM and the Board on the assessment and prioritisation of key risks facing the organisation
- reporting to the ERM and Board about key risks and risk management activities
- developing, communicating and maintaining global policies and procedures designed to:
 - maintain independence and objectivity of professionals
 - establish minimum standards for client acceptance and client continuance activities of member firms
- developing training programmes covering the above
- developing and maintaining technology solutions to facilitate the effective and efficient execution of the procedures referenced above
- monitoring the effectiveness of the design and operation of member firms' systems of quality control over providing high-quality services
- reporting to the ERM on member firm progress in executing action plans developed in response to quality inspection programme findings.

Cybersecurity

One of the most significant risks facing the profession is the risk of a cybersecurity breach. In 2017 we implemented an ongoing global cybersecurity programme to mitigate the network's exposure to cybersecurity threats through an integrated legal, risk, IT and service line approach. The 2017 plan introduced minimum cybersecurity standards to which all member firms are required to adhere. In 2018 the cybersecurity programme will review those mechanisms necessary to continuously protect the network and deliver on the commitments required by our Board and senior leaders.

Member firm admissions and other business combinations

Prospective member firms must meet certain criteria for membership. The criteria for membership include:

- the prospective firm's reputation for quality and its adherence to high standards
- commitment to adopting GTIL policies, cybersecurity compliance, procedures and methodologies
- maintenance of a system of quality control that meets or exceeds International Auditing and Assurance Standards Board's (IAASB's) International Standard on Quality Control 1 (ISQC 1)¹
- agreement to the periodic evaluation of their system of quality control by our global quality monitoring teams.

Admission as a member firm is dependent on the outcome of a due diligence process performed to determine whether the prospective firm meets the criteria for membership. All member firms are subject to obligations set out in the Grant Thornton member firm agreements and global policies.

Independence policies, guidance and training

Member firms adopt Grant Thornton's global policies and procedures that are designed to safeguard independence and identify circumstances that could pose a conflict of interest, which are monitored by GTIL. Our global independence policies and procedures are based on the independence standards of the International Federation of Accountants (IFAC) that are promulgated in the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, with supplements to govern compliance with our own global independence policies and processes. If local regulatory requirements are more restrictive, member firms are required to adhere to these.

In 2017 a new automated global relationship checking tool, the Global Relationship System (GRS), was implemented in all member firms. The GRS provides a robust platform for identifying and assessing potential threats to independence or conflicts of interest as part of the client acceptance process.

¹ The ISQC 1 standard is developed by the IAASB. ISQC 1 is the standard of quality control for firms that perform audits and reviews of financial statements, and other assurance and related services engagements, and is issued by the IFAC

Audit quality

Audit quality is a core investment focus for the network, and we are delighted that Sue Almond, former UK Head of Assurance, has recently stepped into the role of global Head of Assurance. The global network has tools, support and controls in place to help member firms consistently deliver high-quality audits. These include:

- strategic direction: an aligned global assurance strategy, leading with quality, focused on delivering high-quality, efficient audits
- client acceptance and continuance: established processes and procedures to help member firms only accept high-quality clients
- global audit methodology and technology: an audit that complies with the International Standards on Auditing (ISA) delivered using state-of-the-art proprietary software, backed by a commitment to remain industry-leading through ongoing investments
- International Financial Reporting Standards (IFRS) support: full-time global IFRS team to provide member firms with training and guidance
- global audit quality monitoring: dedicated global monitoring team to review the audit quality of member firms on a regular basis
- global audit training: globally developed programmes, such as a three-part online ISA proficiency series and face-to-face sessions on IFRS, audit methodology and independence, to provide member firms with consistent learning
- global audit quality steering committee: member firms participate on a steering committee with the goal of enhancing quality and consistency across the global network.
- More detail on each of these processes can be found in the [GTIL transparency report](#).



Grant Thornton member audit firms – European Union (EU)/European Economic Area (EEA) member states.

The table below shows the statutory auditors and audit firms that are members of the Grant Thornton network in the EU or EEA member states and the countries in which they are registered or have their principal place of business as at 30 June 2018.

Country	Member firm
Austria	Grant Thornton Unitreu Gmbh Wirtschaftsprüfungs- Und Steuerberatungsgesellschaft
Belgium	Grant Thornton Bedrijfsrevisoren
Bulgaria	Grant Thornton Ood
Croatia	Grant Thornton revizija d.o.o.
Republic of Cyprus	Grant Thornton (Cyprus) Ltd
Czech Republic	Ib Grant Thornton Audit SRO
Denmark	Grant Thornton Statsautoriseret Revisionspartnerselskab
Estonia	Grant Thornton Baltic Oü
Finland	Revico Grant Thornton Oy Idman Vilen Grant Thornton Oy Advico Grant Thornton Oy
France	GRANT THORNTON AEG FINANCES CARIB AUDIT IGEC TUILLET AUDIT
Germany	Warth & Klein Grant Thornton AG Warth & Klein Grant Thornton GmbH & Co. KG ATS Allgemeine Treuhand GmbH Warth & Klein Grant Thornton Revisionsunion GmbH WPG Wohnungswirtschaftliche Prüfungs- und Treuhand GmbH Sozietät Prof. Dr. Dr. hc Werner Klein u.a
Greece	Grant Thornton SA
Hungary	Ib Grant Thornton Audit Kft.
Iceland	Grant Thornton Endurskoðun Ehf
Ireland	Grant Thornton Grant Thornton Business Advisory Services Ltd Grant Thornton (NI) LLP

Country	Member firm
Italy	Ria Grant Thornton SPA
Latvia	Grant Thornton Baltic SIA
Liechtenstein	Grant Thornton AG, Zürich Grant Thornton AG, Buchs ReviTrust Grant Thornton AG, Schaan Grant Thornton Bankrevision, Zürich
Lithuania	Grant Thornton Lithuania
Luxembourg	Compliance & Control S.A.
Malta	Grant Thornton Malta
Netherlands	Grant Thornton Accountants en Adviseurs BV Incompanion B.V.
Norway	Grant Thornton Revisjon AS
Poland	Grant Thornton Frąckowiak Sp. z o.o sp.k. Grant Thornton Polska Sp. z o.o. Sp.k.
Portugal	Grant Thornton & Associados, Sroc, Lda
Romania	Grant Thornton Audit SRL
Slovakia	IB Grant Thornton Audit, S.R.O.
Slovenia	Grant Thornton Audit d.o.o. Grant Thornton Advisory d.o.o.
Spain	Cruces Y Asociados Auditores, S.L.P. Grant Thornton Andalucía, S.L.P. Grant Thornton, S.L.P.
Sweden	Grant Thornton Sweden AB
United Kingdom	Grant Thornton UK LLP

G Financial information

Relative importance of statutory audit work

An analysis of the Firm's turnover for the years ended 30 June 2018 and 2017 showing the relative importance of statutory audit work and the levels of non-audit services provided to audit and non-audit clients is as follows:

	2018		2017	
	£ million	%	£ million	%
Statutory audit and related fees	132.4	27	133.0	27
• Public interest entities	9.8	2	8.6	2
• Other entities	122.6	25	124.4	25
Non-audit work to audit clients	53.0	11	55.2	11
Sub-total audit clients	185.4	38	188.2	38
Non-audit work to non-audit clients	305.4	62	311.7	62
Total	490.8	100	499.9	100

Total turnover includes £26.9 million (5%) in relation to local audit work (2017: £27.2 million representing 5% of revenue).

Voluntary Code of Practice on Disclosure of Audit Profitability

The Consultative Committee of Accountancy Bodies issued the Voluntary Code of Practice on Disclosure of Audit Profitability in March 2009. This sets out the recommended disclosures in respect of the profitability of statutory audits and directly related services (the reportable segment).

The turnover and operating profit of the firm's statutory audit reportable segment calculated in accordance with the Voluntary Code are:

	2018 £ million	2017 £ million
Turnover	132.4	133.0
Operating profit	13.5	10.9

Audit services for this purpose includes any audit required by UK statute and required to be carried out in accordance with the International Standards on Auditing (UK and Ireland) along with other work that 'fits naturally' with the auditor's statutory responsibilities.

Operating profit has been calculated after charging direct costs (eg employment costs) on an actual basis and allocating other overheads (eg property costs, IT costs) pro rata based on headcount or fees/turnover attributable to the reportable segment.

Members' remuneration has not been charged in arriving at the operating profit, which is consistent with its treatment in our statutory financial statements.

H Partner remuneration

In accordance with the firm's membership agreement and subject to the approval of the POB, the chief executive officer (CEO) determines the total amount of the firm's annual audited profits to be allocated and distributed to partners (the profit pool).

Profits are primarily distributed in accordance with members' profit-sharing units, which are allocated depending on role, assessed ability and performance. In addition, a significant percentage of the profit pool is allocated based on a balanced assessment of behavioural and operational metrics. This links performance to the firm's strategy and achievement of its long-term goals. Partners are assessed individually against our scorecard on contribution to implementing our strategy and with particular reference to ensuring that quality is at the heart of everything we do:

- markets: be the vibrant firm at the heart of growth
- clients: seize opportunities in a connected world
- people: build an innovation culture that creates value leadership in the development of colleagues
- operations: make it easy and rewarding to deliver superior and sustainable results.

Behaviours inconsistent with the firm's values and the expected standards of behaviour set out in the Code of Conduct result in reduction of profit shares.

The remuneration framework of the CEO is determined by the Remuneration Committee, which is a subcommittee of the POB. The Remuneration Committee is responsible for setting the basis and criteria against which the CEO is measured, including the setting of targets and assessment of actual achievements. It also approves the CEO's allocation of profit-sharing units to other partners on the Strategic Leadership Team.

Remuneration of audit personnel

Audit partners and directors are quality graded by reference to the complexity, risk and quality of the work for which they are responsible, and taking into account a number of other criteria including the results of the monitoring reviews of the National Assurance Services team (both quarterly office audit quality measures and the National Audit Review process), the GTIL global audit review team, and by our regulators; attendance at all required audit technical update sessions; and any technical roles that they perform on behalf of the firm. The quality grade that is awarded as a result of these assessments contributes towards the level of remuneration received by each audit partner and director.

Audit partners (and audit personnel) are not remunerated by reference to sales of non-audit services to their audit clients

I Public interest entities

The list of public interest entity audit clients for which Grant Thornton UK LLP has signed an audit opinion in the year ended 30 June 2018 is given below.

The definition of a public interest entity for this purpose is that given under Directive 2006/43/EC, as amended by Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, being:

- a) entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC;
- b) credit institutions as defined in point 1 of Article 3(1) of Directive 2013/36/EU of the European Parliament and of the Council, other than those referred to in Article 2 of that Directive
- c) insurance undertakings within the meaning of Article 2(1) of Directive 91/674/EEC
- d) entities designated by Member States as public interest entities, for instance undertakings that are of significant public relevance because of the nature of their business, their size or the number of their employees.

- 1 Allianz Technology Trust Plc
- 2 Astrenska Insurance Limited
- 3 Aurora Investment Trust Plc
- 4 Bank Saderat Plc
- 5 Bank Sepah International Plc
- 6 Birmingham City Council
- 7 Blackburn with Darwen Borough Council
- 8 Caffyns Plc
- 9 Calculus VCT Plc
- 10 Cambridgeshire Housing Capital Plc
- 11 Coventry City Council
- 12 Downing Strategic Micro-Cap Investment Trust Plc
- 13 Dudley Metropolitan Borough Council
- 14 East Finance Plc
- 15 Edge Performance VCT Plc
- 16 Ediston Property Investment Company Plc
- 17 Fuller, Smith & Turner Plc
- 18 Griffin Insurance Association Limited (The)
- 19 Grifonas Finance No. 1 Plc
- 20 GVC Holdings Plc
- 21 Hansa Trust Plc
- 22 Helical Plc
- 23 Henderson Alternative Strategies Trust Plc
- 24 Henderson International Income Trust Plc
- 25 HgCapital Trust Plc
- 26 Interserve Plc
- 27 Invesco Perpetual UK Smaller Companies Investment Trust Plc
- 28 JPMorgan Japan Smaller Companies Trust Plc
- 29 JPMorgan US Smaller Companies Investment Trust Plc
- 30 Liverpool City Council
- 31 London Borough of Croydon
- 32 London Pensions Fund Authority
- 33 Manchester City Council
- 34 Masters and Fellows of University College Oxford
- 35 Mears Group Plc
- 36 Medica Group Plc

37 Melli Bank Plc
38 Menhaden Capital Plc
39 MGM Advantage Life Limited
40 MPS Risk Solutions Limited
41 National Exhibition Centre (Developments) Plc
42 Oldham Metropolitan Borough Council
43 Pantheon International Participations Plc
44 Pembroke VCT Plc
45 S4B (Issuer) Plc
46 Salford City Council
47 Simplyhealth Access
48 Sports Direct International Plc
49 Standard Life Equity Income Trust Plc
50 Swan Housing Capital Plc
51 University of Greenwich
52 Value and Income Trust Plc
53 Vordere Plc
54 Warrington Borough Council
55 Witan Investment Trust Plc
56 Woodford Patient Capital Trust Plc
57 World Trade Systems Plc
58 Yorkshire Housing Finance Plc

J Major local audits

The list of all major local audits in respect of which an audit report has been made by the transparency reporting local auditor in the financial year of the auditor that were conducted in the financial year ended 30 June 2018 is given below.

The definition of a major local audit is defined as public sector entities under the Local Audit and Accountability Act 2014 (including Local Government, NHS Foundation Trusts, NHS Trusts and CCGs), Audit Scotland and Welsh Audit Office, including non-statutory audit engagements with entity or consolidated gross revenue or expenditure (from all sources) greater than £500 million or pension schemes with greater than £1,000 million of assets.

Note that some major local audits also meet the definition of Public Interest Entity on account of them maintaining listed debt.

- 1 Avon Pension Fund
- 2 Barts and the London NHS Trust
- 3 Birmingham City Council
- 4 Blackburn with Darwen Borough Council
- 5 Buckinghamshire Pension Fund
- 6 Cheshire East Council
- 7 Cheshire Pension Fund
- 8 Cheshire West and Chester Council
- 9 Commissioner of Police for the Metropolis and Mayor's Office for Policing and Crime
- 10 Cornwall Council
- 11 Cornwall Pension Fund
- 12 Coventry City Council
- 13 Croydon London Borough Council
- 14 Croydon Pension Fund
- 15 Cumbria County Council
- 16 Cumbria Pension Fund
- 17 Devon County Council
- 18 Devon Pension Fund
- 19 Dudley Metropolitan Borough Council
- 20 Gloucestershire County Council
- 21 Gloucestershire County Council Pension Fund
- 22 Greater Manchester Combined Authority
- 23 Greater Manchester Pension Fund
- 24 Greater Manchester Waste Disposal Authority
- 25 Greenwich Pension Fund
- 26 Hull and East Yorkshire Hospitals NHS Trust
- 27 Kent County Council
- 28 Kent Pension Fund
- 29 Lancashire County Council
- 30 Lancashire Pension Fund
- 31 Lewisham Pension Fund
- 32 Liverpool City Council
- 33 London Borough of Lewisham
- 34 London Borough of Sutton
- 35 London Borough of Westminster
- 36 London Borough of Westminster pension fund

37 London Pensions Fund Authority
38 Manchester CCG
39 Manchester City Council
40 Merseyside Pension Fund
41 NHS Birmingham CrossCity Clinical Commissioning Group
42 NHS Bristol Clinical Commissioning Group
43 NHS Croydon Clinical Commissioning Group
44 NHS Cumbria Clinical Commissioning Group
45 NHS Dorset Clinical Commissioning Group
46 NHS East Lancashire Clinical Commissioning Group
47 NHS Gloucestershire Clinical Commissioning Group
48 NHS Kernow Clinical Commissioning Group
49 NHS Liverpool Clinical Commissioning Group
50 NHS Nene Clinical Commissioning Group
51 NHS Northern, Eastern and Western Devon Clinical Commissioning Group
52 NHS Somerset Clinical Commissioning Group
53 NHS Wandsworth Clinical Commissioning Group
54 NHS West Hampshire Clinical Commissioning Group
55 NHS Wigan Borough Clinical Commissioning Group
56 NHS Wiltshire Clinical Commissioning Group
57 North Bristol NHS Trust
58 North West Healthcare NHS Trust
59 Oldham Metropolitan Borough Council
60 Pennine Acute
61 Rochdale Metropolitan Borough Council
62 Royal Borough of Greenwich
63 Royal Liverpool and Broadgreen University Hospitals NHS Trust
64 Salford City Council
65 Shropshire Council
66 Shropshire Pension Fund
67 Somerset County Council
68 South Gloucestershire Council
69 Southwark Council

70 Southwark Pension Fund
71 Stockport Metropolitan Borough Council
72 Surrey County Council
73 Surrey Pension Fund
74 University Hospital of Leicester NHS Trust
75 University Hospital of North Midlands NHS Trust
76 Warrington Borough Council
77 Warwickshire County Council
78 Warwickshire Pension Fund
79 West Midlands Pension Fund
80 West Midlands Police & Crime Commissioner
81 Wigan Council
82 Wirral Metropolitan Borough Council
83 Wolverhampton MBC
84 Worcestershire Acute Hospitals NHS Trust
85 Worcestershire County Council
86 Worcestershire Pension Fund



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