

Global transparency report 2022

January 2023





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References to 'Grant Thornton' in this report are to the brand under which the member firms of GTIL operate and deliver services to clients. Together, these member firms form the Grant Thornton network of independent firms (the 'network'). 'Grant Thornton' is used to refer either to the member firms collectively or to individual or several firms within the network, as the context requires.

As of 30 September 2022, GTIL has more than 130 member firms in over 145 markets around the world. Each member firm is a separate legal entity. Membership in the global network does not make any firm responsible for the services or activities of other member firms. GTIL and the 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.

Foreword

2022 saw profound changes in the world including Russia's invasion of Ukraine, with its resulting energy crisis and the downgrade of global growth projections. I found myself increasingly proud of the collective resilience shown by Grant Thornton member firms, as they responded to these unique challenges while continuing to support their people and clients.

Our network began 2022 with record global revenues and optimism for a post-pandemic future for most of our network, as we focused on executing our Go Beyond network strategy 2025. That strategy is designed to grow and protect the Grant Thornton network with a particular focus on international business, risk management and quality, alongside the development of strategic capabilities and supported by our international network culture. It is an intentional shift toward greater alignment around common methodologies, learning, technology platforms and culture. It guides the direction of the global network through to 2025, as we collectively work to continually improve the sustainability and inclusiveness of our own operations and strive to make a positive impact on clients, people, markets and the communities in which we operate, in line with the United Nations Sustainable Development Goals.

When Russia invaded Ukraine in late February, many Grant Thornton people, clients and member firms were impacted, and GTIL focused on supporting our colleagues in Ukraine and protecting the international reputation of the Grant Thornton brand, through a negotiated separation from our firm in Russia. We were the first global network to take this action. The resulting energy crisis continues to have political, economic and social consequences globally as businesses and people struggle with inflation, disrupted supply chains and a rise in the cost of living.

It has been my continued belief for many years that sustainability is the single most important external driver for business, and I believe 2022 was finally the year when business sustainability became understood and accepted – and moved to the top of corporate agendas. As one of the largest global networks, Grant Thornton continued to be at the centre of the debate about our role in sustainability reporting and in influencing and supporting clients to shift towards more sustainable business models. I see our signature to the Glasgow Financial Alliance for Net Zero (GFANZ) commitment having an increasing influence on the sustainability activities of member firms and their clients. Our member firm-led sustainability solutions steering committee has also focused the network's efforts towards a few, global sustainability services that member firms have collectively agreed to build capabilities around. Our most effective response to reducing the carbon footprint of GTIL and the wider network has been to limit international travel. Having adopted a "virtual-first" philosophy

at the start of the pandemic, this approach has allowed us to execute our network strategy faster and more efficiently.

The focus on constant improvement in quality across the whole business remains a key priority for Grant Thornton. In preparation for the new international quality management standard ISQM 1 which took effect in late 2022, GTIL has coordinated a networkwide ISQM 1 readiness project for the past two years. GTIL will continue to monitor member firm compliance and escalate as necessary, as without high quality we will never achieve our strategic objectives. GTIL also issued a public statement on our commitment to the multidisciplinary model, which allows member firms to deliver high quality audit, tax and advisory services to clients through an integrated model and a seamless and differentiated client experience. Not least, the diversity of work our firms can deliver through the multidisciplinary model is a powerful driver to attract and retain talent, especially when that work is international.

The evolution of our network's technology environment continues and demands investment, focused change management and continuous maturing of our operational and practice platforms. Our network has accelerated its efforts to identify common tools and platforms, in support of winning and serving international business and creating more efficient and productive practice models globally. Our proprietary, global assurance platform, Leap, launched in July and is a milestone in our network's history. It was built to comply with international auditing standards but is customisable for local standards. It also provides Grant Thornton clients and people with a superior, state-of-the-art experience that is both efficient and effective.

Our 2022 Transparency Report provides in-depth insight into the approach we take at Grant Thornton to ensure we continually evolve our processes and capabilities, improving our quality so each of these aspects not only reflects, but also anticipates, the changing commercial and regulatory markets in which we operate. If you have questions about anything covered in this year's report, I encourage you to get in touch.



A handwritten signature in black ink, appearing to read 'Peter Bodin'.

Peter Bodin
CEO, GTIL

Culture and values

As a global network with member firms operating in many different countries, Grant Thornton's common values and strategic focus on diversity, inclusion and psychological safety help us meet the demands of a changing and complex world.

The Grant Thornton network culture sets us apart by creating a seamless experience for our people and clients when we work across borders. It helps us build a network where everyone knows they are welcome and included, contributing to our success and fueling our sustainable growth.

Our distinctive network culture is underpinned by showing care and respect in everything we do, and by the CLEAR values (Collaboration, Leadership, Excellence, Agility, Respect and Responsibility) that the global Grant Thornton community share.

Our people know that the care at the heart of our network culture is strongest when we:

- demonstrate respect for all
- collaborate widely
- deliver high quality and excellence
- include others.

That is exactly what our people and clients can expect from all Grant Thornton firms when they work across borders – friendly attitudes, passion for quality, determination to go beyond for clients, and an inclusive approach at every level.

Dr. Tim Klatte, partner and head of forensic advisory services at Grant Thornton China, notes the importance of consistency across the network:

“Every client experience should be unique and high quality, where they feel confident coming back to us because of that experience. Businesses have multiple needs over multiple years, so if we give them a great Grant Thornton experience today, with a focus on quality, we are likely to have them come back to us. It is about setting the foundation for future opportunities.”

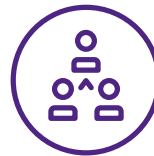
Global quality

Quality is the foundation of all we do. It is a core element of our Go Beyond network strategy 2025.

These historical core areas of quality management will continue and are being enhanced, as we enter a new era governed by International Standard on Quality Management 1 (ISQM 1). In addition, GTIL has established more than 50 member firm obligations which set out detailed policies and procedures all member firms are required to follow to support high-quality services. These include, for example, implementing our global audit methodology and complying with cybersecurity standards.

Grant Thornton International Ltd (GTIL) has developed a global quality framework which sets quality standards for all member firms across assurance, tax and advisory services. This framework is a permanent reference point, setting the expectations of member firms to deliver services to agreed quality standards.

Member firms are required to meet certain standards on the following:



Leadership



Ethical requirements



Client acceptance and continuance



People



Engagement performance



Monitoring

Global audit support and monitoring

Grant Thornton's emphasis on global quality is demonstrated in the continued focus on delivering high-quality audits. Our network has established standards, service delivery systems, controls and risk management systems to provide the necessary framework to help meet professional standards. Member firms receive support and resources to help maintain quality, including the following:

- A global audit methodology, with supporting software
- Audit manuals containing policies and procedures that are benchmarked against international auditing, quality control, independence and ethics standards
- Protocols that enable member firms to consult with the global auditing standards team and, if necessary, with audit specialists in other member firms
- Protocols that enable member firms to consult with an International Financial Reporting Standards (IFRS) helpdesk
- A comprehensive intranet service that includes up-to-date information for member firms on auditing, financial reporting, ethics and independence standards, and guidance on applying them effectively

The **assurance strategy group**, comprising assurance leaders from both large and small Grant Thornton member firms, helps to set and execute the global assurance strategy and continues to monitor the ever-changing audit landscape. It is supported by a number of subgroups comprising senior partners from member firms.

- The assurance technology innovation group explores global audit technologies and makes recommendations on global tools and methodology
- The global assurance quality steering committee focuses on audit quality matters, including audit quality requirements, root cause analysis, whistle blowing and ISQM 1
- The IFRS steering committee sets strategic priorities in light of decisions and actions made by the International Accounting Standards Board (IASB), the IFRS Interpretations Committee (IFRIC) and the IFRS Foundation

At Grant Thornton we build consistency and quality through a global audit methodology, a global assurance technology platform (Leap) and comprehensive learning programmes.

The quality journey begins with a global audit methodology that meets the stringent requirements of International Standards on Auditing (ISAs). Each member firm then localises the global methodology to meet their local jurisdictional and regulatory requirements.

The GTIL IFRS team promotes quality and consistency across all member firms through publishing alerts, technical insight articles and example financial statements. GTIL updates this material on a regular basis. For example, the 2022 example financial statements include illustrative guidance on climate-related financial disclosures.

GTIL also monitors member firm compliance with the network's standards and has taken steps, when necessary, to exit firms from the network that consistently fail to meet those standards. This essential safeguarding work builds trust; creates confidence among member firms, clients and other stakeholders; and helps to ensure delivery of high-quality services.

Global tax and advisory support and monitoring

Tax and advisory service lines deliver services to member firm clients through a combination of domestic and international services. Domestic services, such as income tax services in a given country, are customised to the relevant jurisdiction. International services receive support in the form of standard tools, methodologies, training and guidance. Grant Thornton's primary global sub-service lines include the following:



Tax

Global mobility services

Transactions tax

Direct tax

Indirect tax

Transfer pricing



Advisory

Business process solutions

Business risk services

Business consulting

Cybersecurity

Forensic

Mergers & acquisitions

Recovery & reorganization

Transaction advisory services

Valuations

Policies covering authorisation, client acceptance and consultation are in place to enable member firms to develop high-quality services and sustainable tax and advisory practices. These policies give transparency on member firm capability and seek to manage risk more effectively when working cross-border or for international clients.

Member firms require authorisation from GTIL to perform specific types of tax and advisory services. For each service, firms are categorised according to their level of experience, capability and ability to support other firms and international assignments.

To help member firms provide tax services that are of the highest quality, dedicated specialist steering groups promote quality within their communities. Each specialist tax sub-service line has one or more dedicated global leaders who meet regularly and convene regionally to share insights and best practice. All steering groups report to the tax strategy committee responsible for setting the overall global strategy for tax and overseeing measures to improve quality and consistency across the Grant Thornton network.

Similarly, the advisory service line is guided by the advisory steering committee which is supported by specialist groups of subject matter experts in each advisory sub-service line and across the network's focus industries.

Finally, in concert with the assurance service line, GTIL monitors member firm compliance with the network's standards in tax and advisory. That monitoring programme is described in more detail in the [Quality monitoring](#) section.

Client acceptance and continuance

Quality begins with an effective process for approving new clients, and for routinely evaluating the member firm relationship with them from a risk and quality perspective. Accordingly, GTIL has established policies and procedures for client acceptance and continuance. Accepting new clients during the COVID-19 pandemic has been accompanied by additional levels of risk. Clients in certain sectors may have higher solvency risks in the current environment or may be

dismissing auditors due to professional disagreements. As a result, member firms have needed to strengthen controls during the COVID-19 pandemic, including the following:



Member firms must be knowledgeable and diligent about risks that may threaten the firm's, or another firm's, or the network's brand and reputation. Once identified, these risks may require appropriate and timely consultation with GTIL prior to client acceptance. Grant Thornton member firms do not accept assignments where there is an unacceptable risk of reputational damage or where the engagement does not correlate with our strategic objectives.

KAA submissions for the three quarters ending 30 September 2022



In 2021 assurance services across the Grant Thornton network saw a 50% increase in KAA submissions, partly driven by the increased risks associated with COVID-19. This has increased further in 2022 as a result of the sanctions now imposed on companies that have connections to Russia.

Focus on training

GTIL is committed to providing high-quality, consistent technical training across all service lines and sustainability.

Training programmes are driven by our global service line leaders and supported by the methodology and learning steering committee including representation from 10 of our network's largest firms.

Sustainability

Awareness training is available across all service lines, as this becomes an increasingly important consideration in the work we do



Audit

- The ISA Proficiency Series walks every auditor through the ISAs and culminates in the Audit 360 simulation which takes the auditor through the planning of an engagement using our global audit methodology
- This training is supplemented with customised training for any local requirements that may differ from the ISAs, such as for audits subject to standards established by the US Public Company Accounting Oversight Board



Tax

- Dedicated international tax e-learning modules develop foundation-level, technical knowledge in international tax specialist areas
- Virtual learning academies aimed at managers and senior managers
- Specialist training for partners and directors at the annual heads of tax conference and cross-border tax conference









Advisory

- Regional training academies led by subject matter experts from both within and external to the network
- Support provided to member firms in developing and growing their capabilities in globally strategic service lines

Audit quality indicators

In recent years audit regulators around the world have suggested that global auditing networks consider publishing meaningful audit quality indicators. Identifying the right indicators, and accurately compiling the data across hundreds of firms in a network, is a challenge but one we believe is worth tackling. Accordingly, GTIL has introduced a process to track and measure quality across six global audit quality indicators. We will expand this list as and when the necessary information is available.

Key indicators	2020	2021
 <p>Internal review results Percentage of regulated audit engagements reviewed internally where opinion was not fully supported</p>	12%	9%
 <p>Financial statements restatements Percentage of audit clients that have restated in the year</p>	1.6%	3.3%
 <p>Average personal independence violations Number of independence violations per person during the year</p>	0.03%	0.03%
 <p>Learning hours Average learning hours per personnel during the year</p>	50 hours	50 hours
 <p>Utilisation rate per audit professional Hours charged as a percentage of available hours</p>	75%	75%
 <p>Average staff turnover rate Voluntary departures as a percentage of total assurance personnel</p>	16%	21%

Root cause analysis (RCA)

The root cause analysis (RCA) process is an important activity that helps to identify the underlying causes of deficiencies to prevent them from recurring in the future. It is carried out when deficiencies have been identified, in order to help direct remedial actions. It can also be carried out on a positive event, such as on a good quality file, to determine any best practice. RCA is an effective tool for driving positive change and ensuring remediation is targeted and efficient.

Member firms are required to carry out an RCA whenever a relevant deficiency is identified in a completed assurance engagement or in their wider quality control system.

In our continual effort to drive quality, GTIL routinely evaluates and prioritises areas for potential improvement. In 2022 GTIL selected the following areas of focus:



Engagement with regulators

As a large global professional services network, Grant Thornton personnel meet several times annually with the International Forum of Independent Audit Regulators (IFIAR) to report on progress in developing and maintaining audit quality. IFIAR comprises independent audit regulators from 54 jurisdictions around the world. Its mission is to serve the public interest, including investors, by enhancing audit oversight globally.

IFIAR has established a Global Audit Quality Working Group (GAQWG), comprising 10 regulators from Australia, Canada, France, Germany, Japan, the Netherlands, Singapore, Switzerland, the United Kingdom, and the United States.

The Grant Thornton network has an open and constructive dialogue with IFIAR and the GAQWG on the following topics:



Quality monitoring

Quality monitoring at Grant Thornton takes place at three levels through a global programme called the Grant Thornton Assessment and Review (GTAR):

Engagement level	Partner and engagement quality reviewers are assigned to monitor quality on a real-time basis
Member-firm level	As part of internal quality control reviews, member firms are required to review completed engagements on a schedule that ensures all partners are reviewed on a regular basis, typically once every three years
Global level	Member firms are reviewed by the global quality team on a regular basis, typically once every three years

GTAR is an important part of the GTIL global safeguarding responsibility. It has been effective in fostering high quality and identifying deficiencies in member firm processes. It has also been instrumental in supporting member firms to improve standards of quality and risk management.

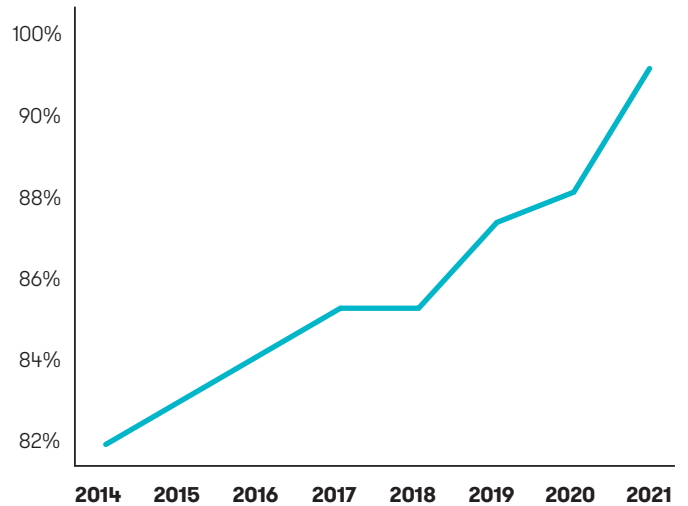
GTARs are coordinated by a member of the GTIL global quality team and include a team of independent and qualified partners and senior managers from member firms under the overall direction of the global quality leader. The GTIL global quality team, in collaboration with partners from member firms, also conducts reviews to evaluate the quality and suitability of firms interested in joining the network.



26

GTARs were completed in 2021

% of files that passed inspection



91%

During the 2021 review cycle our network's quality monitoring efforts, including GTARs and internal quality reviews, found that 91% of engagements meet professional standards in all material respects, which has been increasing since 2014.



Response to ISQM 1

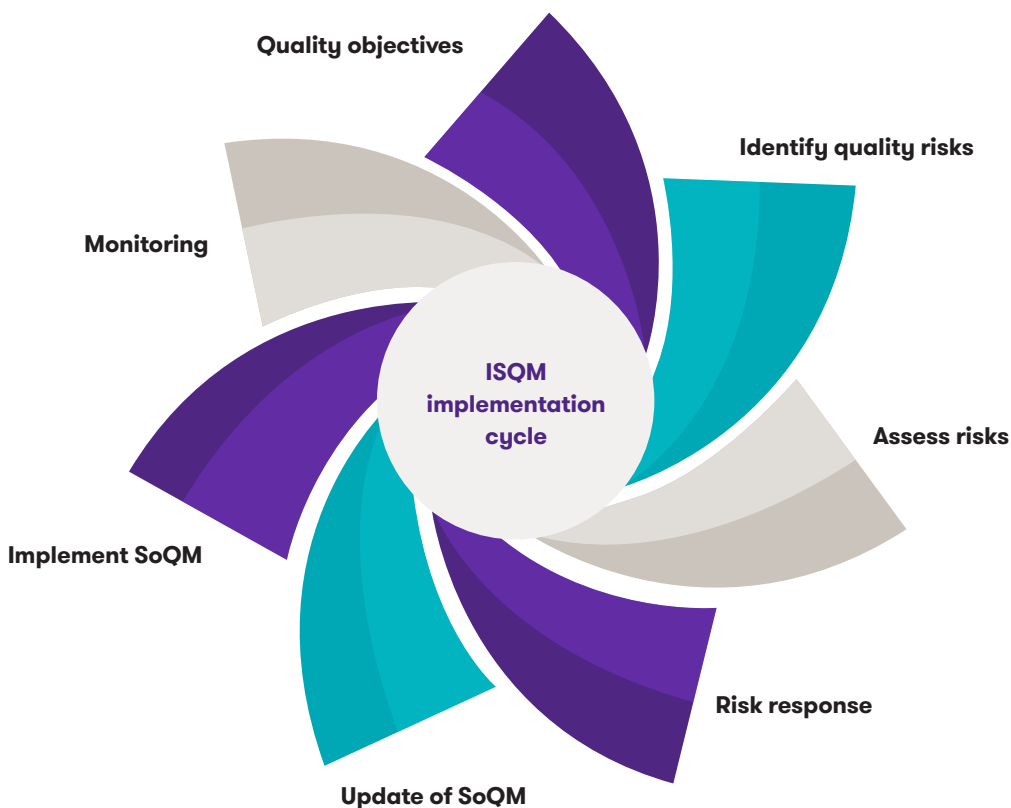
Grant Thornton welcomes the changes being introduced by the International Auditing and Assurance Standards Board's (IAASB) suite of quality management standards, and recognises the importance of a whole-firm approach to driving and maintaining quality and the key roles that both the engagement partner and engagement quality reviewer fulfill.

The successful implementation of ISQM 1 across the network is of paramount importance to Grant Thornton, as it is integral to the achievement of the risk management and quality aspect of the network strategy. It is another opportunity to drive consistency and quality across the network. This alignment of goals is reflected in the expectations set out in Grant Thornton's global quality framework.

To achieve this, GTIL has actively contributed to supporting member firms with implementation through a dedicated ISQM 1 resource providing oversight and technical webinars, guidance and templates. At the same time, GTIL recognises the importance for member firms to remain responsible for their own systems of quality management.

Grant Thornton is seeing engagement from every member firm and is pleased with the collaboration across the network, from member firms supporting each other to the establishment of regional working groups. These initiatives maximise the benefit of belonging to a network and serve to drive progress, deliver efficiencies and further contribute to greater consistency and quality through sharing of good practice.

The Grant Thornton network recognises the importance of ISQM 1 in enabling the consistent performance of quality engagements, capturing themes identified in root cause analysis and embedding them in a standard. The network also appreciates the role it plays in serving the public interest and maintaining trust in the profession. Grant Thornton is pleased to see the profession evolving in a high-quality way.



Risk management and independence

The COVID-19 pandemic introduced new risks. GTIL proactively supported member firms in their delivery of high-quality audit, tax and advisory work in this unprecedented environment by

- facilitating global collaboration
- issuing additional guidance
- modifying the quality monitoring programme to operate remotely.

The post-pandemic period continues to see external factors posing additional risks to our network.

- GTIL has supported firms in navigating the evolving sanctions on Russian businesses and individuals by different countries and their impact on the work of our network firms. This includes the departure of member firms in both Russia and Belarus, as well as enhanced client acceptance and continuance procedures.
- Rising inflation in many countries continues to bring uncertainty to the markets and impacts Grant Thornton member firm clients across the globe. GTIL continues to provide guidance to member firms across all service lines on additional risks and how this may impact the work they do with clients.
- The risk of cyber attacks continues to increase. GTIL has developed a global information security framework with a goal of risk reduction and better management of information and cybersecurity risks at the member firm and network level.

GTIL supports member firms through an agile approach to be able to quickly adapt to the rapidly changing environment and provide guidance to continue to deliver high-quality outputs to clients.

Every member firm is also required to have a crisis management plan that, at a minimum, includes a reporting process if an issue arises (including a process to report issues confidentially), and a list of key internal contacts who comprise the firm's crisis management team.

Global risk management

Risk management is overseen by the enterprise risk management committee (ERMC) of the GTIL Board of Governors. The ERMC comprises several Board of Governors members, including one of GTIL's independent governors. The ERMC reports on its activities to the Board of Governors (the board).

Enterprise risk management at Grant Thornton focuses on processes to identify, monitor, and manage key risks in a prioritised manner, including a strong emphasis on continuous procedures to monitor quality and necessary improvements.

The global leadership team (GLT) monitors professional risks, with operational support from the global risk management function under the direction of the global head of risk management.



Enterprise risk management includes the following:



Managing the GTIL risk register, including providing operational support to the GLT, the ERMC and the board on the assessment and prioritisation of key risks facing the network



Developing training programmes covering the global policies and procedures



Reporting to the ERMC and board about key risks and risk management activities



Developing and maintaining technology solutions to facilitate the effective and efficient execution of the procedures



Developing, communicating and maintaining global policies and procedures designed to:

- maintain independence and objectivity of member firms and professionals
- establish policies and procedures for enhancing and monitoring quality of service delivery
- establish standards for client acceptance and client continuance activities of member firms



Monitoring the effectiveness of the design and operation of member firms' systems of quality control over providing high-quality services



Reporting to the ERMC on member firm progress in executing action plans developed in response to quality inspection programme findings

Member firm admissions and other business combinations

Prospective member firms must meet certain criteria for membership of the network. These include:



Evaluating the prospective firm's reputation for quality and its adherence to high standards



Maintenance of a system of quality control that meets or exceeds IAASB's International Standards on Quality Control¹ (ISQC 1) prior to December 2022, and ISQM 1 going forward



Completion of a thorough client review process to ensure that any potential independence and conflict issues are identified and resolved



Agreement to the periodic evaluation of their system of quality control by global quality monitoring teams.



Commitment to adopting GTIL policies, procedures and methodologies

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.

In addition to prospective member firms, other business combinations, including member firms pursuing transactions such as mergers, acquisitions, joint ventures, lateral hires or other arrangements for sharing of interests, are subject to the above criteria.

Independence policies, guidance and training

Member firms are required to adopt policies and procedures which are designed to safeguard independence and identify circumstances that could cause a potential independence impairment or a conflict of interest.

The independence policies and procedures are based upon the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (Code), with supplements to govern compliance with network independence policies and processes. If local regulatory requirements are more restrictive, member firms are required to adhere to those.

GTIL monitors compliance with these policies. Member firms are required to identify a partner with responsibility for overseeing independence matters, including providing training and obtaining annual confirmations of compliance with independence policies.

The increase in regulations and standards and the growing volume of services provided to international clients by Grant Thornton member firms continue to make compliance with independence requirements a priority. A GTIL independence team (led by the global head of risk management and

independence) assists member firms with understanding these requirements. The GTIL team continually reviews all policies and processes to ensure that they are appropriate to safeguard the risk of failing to comply with independence rules and standards.

The GTIL independence team's responsibilities include providing member firms with the following:

- Policy, guidance and training relating to independence matters
- Guidance on complying with global policies or specific auditor independence rules
- Oversight, compliance monitoring and support of the automated global independence system to monitor compliance with financial interest restrictions
- An international relationship checking process that provides reasonable assurance that services are not provided to a member firm client or its related entities without appropriate consultation with the engagement teams and other parties as warranted
- Independence consultation when dealing with complex international regulatory and independence matters.

1. The ISQC 1 standard was developed by the IAASB. ISQC 1 was the standard of quality control prior to 2022 for firms that perform audits and reviews of financial statements, and other assurance and related services engagements and was issued by IFAC. ISQC 1 has been superseded by [ISQM.1](#) effective 15 December 2022.



Position on corporate reporting reform

Audited financial statements remain the only independently verified source of information that investors and creditors use to make investing and credit extension decisions. Accordingly, Grant Thornton welcomes the increased focus on the improvement of corporate reporting by governments and regulators around the world. Three key elements that make up the corporate reporting ecosystem are all under scrutiny.



Corporate governance

Corporate governance

Good corporate reporting starts with good corporate governance. Almost every failure of corporate reporting finds its root in the reporting entity insufficiently managing the risk leading to the failure. Effective corporate governance improves both the quality of reported information and the overall efficiency to comply with the requirements. It does so by reducing re-work, decreasing litigation and regulatory fines, and improving the quality of internal information used for making important decisions. Grant Thornton does not believe it will be possible to adequately improve the quality of corporate reporting without an appropriate focus on corporate governance, including the role of management, the role of the audit committee and the effectiveness of internal controls.

Statutory audit

Audits are performed by appropriately skilled professionals who understand the culture, risks and relevant local requirements. Without statutory audits, local economies and the capital markets will suffer. For that reason, companies need an appropriately diverse group of qualified audit firms from which to select their statutory auditors.

Grant Thornton believes that there should be increased choice of auditors for Public Interest Entities (PIEs). The market is best served when there are sufficient, high-quality options for companies to choose from.



Statutory audit

Supervision of the auditor

Effective supervision by experienced and professionally qualified competent authorities is beneficial to the auditing profession and to the marketplace. It brings an important level of objectivity. It also allows regulators to monitor the overall consistency of the auditing profession and to continually update best-practice guidance.

Supervision of corporate reporting

Similar to oversight of auditors, effective supervision of corporate reporting is critical to the fair and efficient operation of the capital markets. Here too, Grant Thornton believes there is an opportunity for securities regulators to collaborate and harmonise their oversight functions more closely. While local regulatory and economic conditions will always create some differences in approach, securities regulation could be simplified and made more consistent without sacrificing sovereignty. This will only become more important as expectations increase for required disclosures regarding corporate social responsibility. This is critical for those entities that operate in multiple jurisdictions so that they have the clarity of one set of rules.



Supervision – of the auditor and of corporate reporting

Investing in the future

Audit technology

Keeping quality at the centre of our global, digital audit approach

Grant Thornton is committed to keeping quality at the centre of everything we do. This includes modernising our global audit approach with Leap. Leap is the Grant Thornton global assurance technology platform. The proprietary, cloud-based tool launched in July 2022 and delivers greater value to clients, people and member firms. Seamlessly operationalising our global audit methodology, the platform empowers higher-quality audits; enables flexibility to perform an efficient and effective audit; and enhances both the people and client experiences.

The core objectives of Leap are rooted in keeping quality at the centre of everything we do and supporting the execution of the Grant Thornton network strategy by taking advantage of new technologies and efficiencies. It does so by enabling consistent, seamless operation across borders; efficient delivery of all audits; and deeper insights into client businesses.

Rigorous focus on quality across our network

The Leap platform brings a more proactive and tailored approach to managing quality, with more rigorous oversight of systems of quality monitoring and effective remediation of deficiencies. It also enables monitoring of the implementation of our global audit methodology more effectively, allowing for a more seamless people and client journey across borders.

Leap showcases built-in project management features to help manage the lifecycle of an engagement, with an efficient review process that minimises administrative tasks. It also has the ability to scale and grow as member firm clients' businesses scale and grow.

The vision of Leap

The Leap platform delivers on a three-part vision with a goal of driving efficiency, security, scalability and global consistency.

Enhance quality

Leap facilitates consistent execution of our global audit methodology, allowing for timely updates to the methodology that can be implemented, as necessary, on engagements. It provides our network with increased visibility around quality by performing real-time and post-archive monitoring of engagements and facilitating continuous improvement for engagements.

Improve delivery

Leap allows the largest and most complex audits to be performed efficiently and effectively via a stable, trusted cloud platform that can scale down for less complex engagements. It reduces administrative burdens and provides a user interface that is easy to navigate, use and understand. Leap also allows for the ability to develop and integrate additional functionality and future innovations into the platform.

Enrich people and client experience

Leap enables engagement teams to plan and execute the appropriate audit plan for each engagement, reducing time spent on non-value-added tasks and thus promoting a better user experience. It also delivers on the Grant Thornton commitment to continuously enhance audit quality, demonstrating to clients that the network's firms operate seamlessly across borders, providing better insights.



In line with the Grant Thornton network strategy to become a digitally driven business, Leap is 100% online which means that engagement teams can work in the same file from multiple locations.

There is no check-in or check-out of files, offering real-time updates to files and the ability to review, edit and share data while collaborating across teams and geographies.

Leap leads the way in Grant Thornton's digital journey and represents our network's continuing commitment to quality, consistency and the people and client experience.

Innovation

Technology development and disruption continues and has been accelerated because of the pandemic, particularly the use of virtual working technology.

The opportunities to operate in a more digital and virtual way impact every element of the network strategy. In fact, GTIL has transformed into a 'virtual first' organisation since the start of the pandemic. This enables GTIL to expand its reach in hiring high-quality professionals anywhere in the world. It has also served to help reduce carbon footprint through a significant reduction in international travel.

Additionally, member firms have developed customised technology to meet the needs of the changing environment, including the following:



Audit

- Enhanced audit data analytics
- Automated workpapers
- Simplified and automated confirmations



Tax

- Simplified and automated tax compliance
- Increased use of technology for upskilling and technical trainings



Advisory

- Enhanced corporate data analytics
- Automated controls testing
- Automated intercompany transactions through blockchain technology

In 2022, Grant Thornton launched the technology and innovation governance committee (TIGC), comprising technology and practice professionals from across the network. The TIGC serves as the primary governance body for technology and innovation investment by the network. Its members bring their collective expertise and service line knowledge to leverage innovative solutions to identify, address, and prioritise global business opportunities and challenges. The TIGC analyses and recommends to the GLT and the technology and innovation committee of the Board of Governors (TIC) a portfolio of innovative solutions for use across the network.

The global innovation council, comprising representatives from GTIL and the member firms, remains focused on broadening and deepening network engagement and inspiring Grant Thornton people to think and work differently. This includes launching an innovation exchange platform to enable the effective sharing of innovations

across the network; growing the blockchain community; developing an innovation 'stack' of standardised methods and tools; and launching InnovationU, a learning resource centre with materials on innovation topics.

GTIL received a 2021 Innovation Management Award for 'Best Innovation' from IdeaScale, a cloud-based software company that provides the platform for the global innovation exchange. This category recognises the IdeaScale community that has implemented the most exciting or impactful idea.



People focus

Develop leaders with a global mindset

To achieve Grant Thornton's vision of being the most valued network in the profession, we need people with a global mindset. A global mindset is about bringing our shared, global knowledge, experience and understanding to benefit every client – domestic or international. A global mindset focused on intentional collaboration and sincere inclusivity is essential to growing international business and to the overall long-term sustainable growth of Grant Thornton.

Grant Thornton's global milestone leadership development programmes aim to develop our adaptive, agile, collaborative and entrepreneurial culture among leaders at every level across the network, building trust and confidence between member firms and nurturing diverse opinions to challenge conventional thinking.

The three leadership development programmes are aimed at different seniority levels to match the demands and experience of participants.

- Senior leadership programme (SLP) is year-long and aimed at CEOs and leaders in senior strategic positions; it is run in collaboration with the Harvard Business School
- Advanced leaders programme (ALP) is aimed at high-performing, experienced and client-facing senior managers and directors, who are recognised as future leaders by their firm and regional leadership
- Emerging leaders programme (ELP) is aimed at high-performing managers and senior managers, who are recognised as future leaders.

Grant Thornton's awarding-winning Exceptional Coach Programme (ECP) is an accredited coach development programme, where all participants attain a globally recognised

qualification in coaching, upon completion. The programme also develops participants' ability to bring a different approach to their clients and build a coaching culture in their member firm. Participants learn a question-led approach that helps them co-create businesses fit for the future – skills that have never been more important as businesses adapt to a new normal.

Reflecting on the programme, Froso Yiangoulli, assurance partner at Grant Thornton Cyprus, highlights the difference a coaching approach has made to her interactions with clients: "As a partner, people come to me for solutions. Our clients pay us for the answers we give them. My biggest learning is that I don't need to always have the answer to be an effective leader. The look on a client's face when they have been made to think and have an a-ha moment is so powerful."

Diversity

Diversity is about valuing differences. At Grant Thornton, we celebrate all forms of diversity because we know the inclusion of diverse team members ensures higher levels of engagement, innovation, creative problem-solving, collaboration across the network, and contributes to a more successful and sustainable business. In other words, diversity is critical.

For example, Grant Thornton member firms have different programmes in place to attract, develop, and retain female leaders. At GTIL, nearly half of the global leadership team members are women. Globally, 23% of partners are females and member firms are working hard to accelerate progress by providing opportunities for female leaders to connect on a global and regional level through leadership events. Additionally, all global milestone programmes have at least 40% female representation.

Olesea Bride, managing partner at Grant Thornton Romania, said at a Women in Leadership event for Europe:

"I have been fortunate to meet women at Grant Thornton that inspire me and give me the example of how to create positive change. Having them in my network is a great opportunity to learn, self-develop, exchange new ideas, and to strengthen meaningful business connections."

Inclusion and psychological safety

To fully realise the benefits of a diverse workforce, there must be an inclusive culture. People feel included when they are treated equitably and with respect; when they feel valued and know that they belong; and when they feel safe and empowered to speak up, ask questions, and be themselves.

Across the network, we want to foster a vibrant, diverse workforce with an intentional culture of collaboration, innovation, trust, and confidence, to achieve our vision of becoming the most valued network in the profession. To get there, our people must feel comfortable expressing and being themselves, and Grant Thornton firms must provide psychologically safe environments.

This is also essential to meet global quality standards. Professional standards for audit define ‘professional scepticism’ as “an attitude that includes a questioning mind, being alert to conditions that may indicate possible misstatement due to fraud or error, and a critical assessment of audit evidence”. It is critical to Grant Thornton’s commitment to quality that our people feel empowered to speak up.

By including wider perspectives, Grant Thornton can unleash the power of diversity, retain great talent, and lay the foundations for delivering excellence to clients.

Jamie Downs, partner and national head of management consulting at Grant Thornton Australia, reflected on the importance of psychological safety after attending the senior leader programme at Harvard:

“It is not enough to hire smart and knowledgeable people – they need to know that it’s safe to ask questions; share half-formed ideas; flush out issues that need collaborative focus and make mistakes.”

The professional of the future

Over the past few years, there have been fundamental changes to how and where people work. Repetitive and routine tasks are automated, workflows are digital, and much information is stored in the cloud, enabling work to be carried out anywhere.

This is allowing a more flexible working model based on the needs of the individual, the member firm and client. Member firms are navigating the implications of hybrid working models on all stakeholders, including their people, the wider firm, and their clients. Challenges include supporting and coaching junior staff members, creating an organisational culture and a sense of belonging, and requests from clients to be on-site for audits.

The war for talent undoubtedly continues in the professional services industry; however, providing diverse career opportunities, offering hybrid and flexible working, emphasising work/life balance, and fostering an inclusive culture where people can be their whole selves, lays a good foundation for attracting talent into the profession.

The future will bring a wide range of opportunities and challenges to the profession, and as a network we must be agile and willing to try new solutions to create the best outcome for our people, clients and communities.

Sustainable actions now

Businesses are facing greater pressure than ever to report on environmental, social and governance (ESG) goals.

The market is increasingly questioning what the organisations they work with – and for – are doing to address global issues and achieve social impact. Therefore, having a strong stance on sustainability helps Grant Thornton achieve its goal to become the most valued network in the profession, centered around sustainable growth.

Grant Thornton began its ESG journey with its “GT in the Community” initiative where people across the world give back to their local communities through volunteering and other activities. Years later, the initiative continues to be celebrated and supported by member firms across the world, including during the COVID-19 pandemic.

Grant Thornton member firms are now helping existing and new clients accelerate their sustainability journey and make progress in delivering sustainable value to their stakeholders.

Sustainability solutions for clients

Across the Grant Thornton network, there is strong knowledge and experience in providing sustainability services. The sustainability solutions steering committee (SSSC) comprises leaders from 10 member firms. This committee ensures delivery of consistent, high-quality ESG-related services around the world and across all three assurance, tax and advisory disciplines.

The SSSC is supported by the sustainability centre of excellence, which comprises experts from 13 member firms. The centre of excellence produces thought leadership material, training, guidance, methodologies and tools that help member firms deliver outstanding service in this space.

The SSSC drives the strategy for global solutions to clients. The needs of clients continue to evolve and change, and member firms need to be agile to these changes. The SSSC, through the centre of excellence working groups, promotes best practices for providing these services to clients. At Grant Thornton we understand that sustainability and ESG services are additive to the existing services lines. We offer integrated services across the network to support clients’ sustainable growth. Member firms’ advisory, assurance and tax practices help clients identify ESG risks and opportunities and how to manage them.



Given the far-reaching impact of sustainability on the profession, Grant Thornton monitors closely the changing reporting landscape as dictated by the International Sustainability Standards Board (ISSB) and other standard setters. Dedicated resources across global regions provide timely guidance to clients, understanding the importance of integrating financial and non-financial reporting.

Commitment to net zero

Grant Thornton considers actions against climate change a priority for the network. In demonstrating our commitment, Grant Thornton joined the [Net Zero Financial Service Providers Alliance](#) (NZFSPA) alliance in September 2021. Joining the alliance requires us to sign an eight-part commitment related to: (1) how we manage our own carbon footprint, and (2) how we manage the delivery of our audit services as they might relate to carbon emissions.



Global financial information

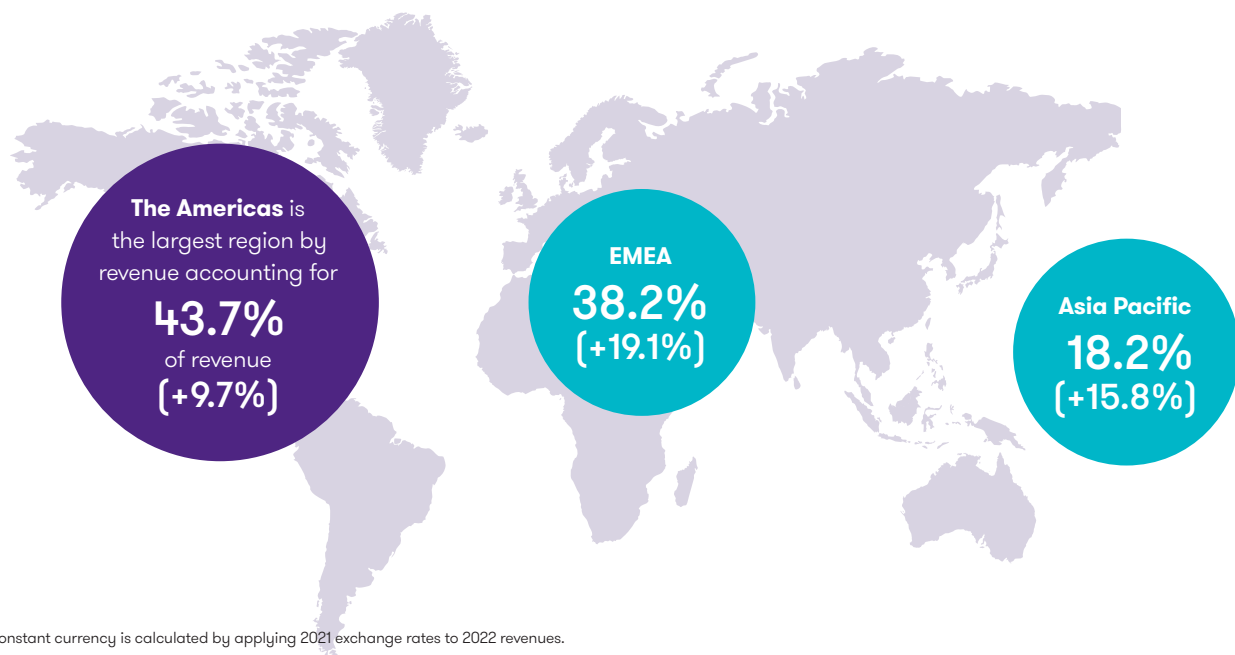
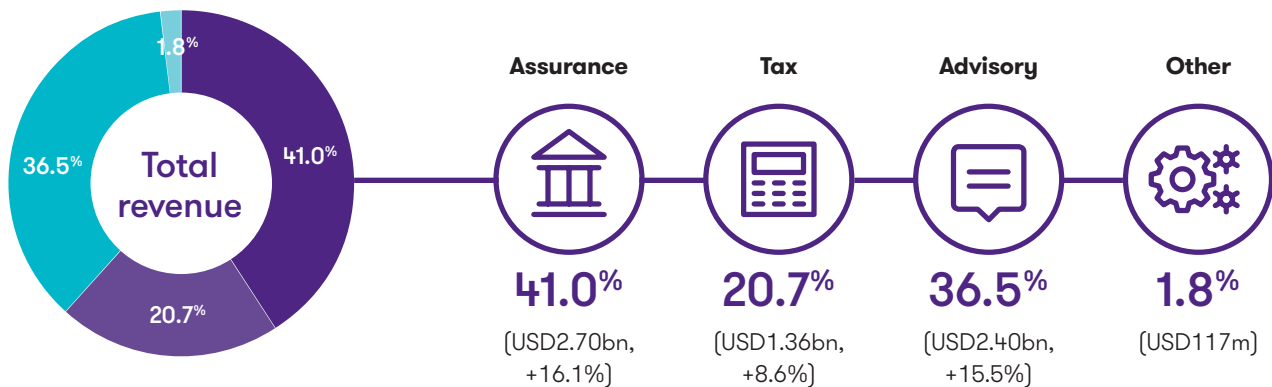
Results for year ending 30 September 2022 in summary:

The Grant Thornton network recorded global revenues of **USD7.2 billion** for the financial year ended 30 September 2022, up from USD6.6bn in 2021. This represents growth of **13.7%** in constant currency terms* and **8.8%** growth in USD terms.

Double-digit growth in constant currency across all major service lines was led by advisory (up **18.1%** to **USD2.7bn**), followed by tax (up **12.3%** to **USD1.5bn**) and assurance (up **10.9%** to **USD2.9bn**), reinforcing Grant Thornton's commitment to the multidisciplinary model.

Regionally, growth in constant currency was led by Americas (up **16.2%** to **USD3.3bn**), followed by Asia Pacific (up **13.5%** to **USD1.3bn**) and EMEA (up **11.0%** to **USD2.6bn**).

Overall headcount grew from 62,000 to **68,000** reflecting the network's ongoing investment in its people and its commitment to building a diverse and inclusive global culture.



*Constant currency is calculated by applying 2021 exchange rates to 2022 revenues.

Revenue 2021 v 2022

Analysis by region

Region	No. of firms	Assurance	Tax	Advisory	Other	2022 Total revenue	% contribution	2021 Total revenue	Growth % (LC)
Americas	27	1,295	803	1,215	11	3,324	46.5%	2,874	16.2%
Asia Pacific	18	624	273	320	60	1,278	17.9%	1,194	13.5%
EMEA	84	948	392	1,169	44	2,554	35.7%	2,510	11.0%
Total revenue	129	\$2,867	\$1,469	\$2,704	\$115	\$7,155		\$6,578	13.7%

Analysis by service line

Service line	2022 Total revenue	% contribution	2021 Total revenue	Growth % (LC)
Assurance	2,867	40.1%	2,699	10.9%
Tax	1,469	20.5%	1,364	12.3%
Advisory	2,704	37.8%	2,398	18.1%
Other	115	1.6%	117	3.5%
Total revenue	\$7,155		\$6,578	13.7%

2022 revenues are calculated in US\$ using 2022 USD rate. 2021 revenues are calculated in US\$ using 2021 USD rate. Growth is in local currency calculated by applying 2021 exchange rates for both 2022 and 2021 revenues. Contribution % is calculated and shown for 2022 results only.

Governance and management

Governance

Board of Governors

The Board of Governors (the board) is the principal and overriding authority in GTIL, and it exercises governance over GTIL. The board comprises the following people: the chair of the board; the chief executive officer (CEO) of GTIL; managing partners from the largest Grant Thornton member firms; managing partners elected or appointed from other Grant Thornton member firms that are not amongst the largest; and independent directors. The board aims for a balance of diversity and representation from different geographical areas, including emerging markets. The board's responsibilities include the following:

- Approve and provide input into the global strategic direction and policies
- Approve and oversee the implementation of the global strategy
- Oversee membership matters (including approving new member firms, suspending the rights of a member firm, or expelling a member firm)
- Appoint and set the remuneration of the chair of the board
- Appoint, evaluate performance, and set the remuneration of the CEO
- Approve the GTIL budget and member firm fees
- Oversee the financial health of GTIL
- Oversee enterprise risk management
- Oversee the technology and innovation strategy
- Oversee 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 coordinated group in support of the CEO to deliver on the global strategy. Judith Sprieser was appointed chair as of 1 January 2020, for a term of three years, and she was reappointed for a second term as chair as of 1 January 2023 for a term of two years. Judith is GTIL's first independent chair. The role of the chair is pivotal to creating the conditions necessary for a highly effective board, focused on the global strategic development of the Grant Thornton network.

The Board of Governors as of 30 September 2022

- **Peter Bodin**, CEO
- **Nathalie Boyer**, Canada (observer)
- **Mauricio Brizuela**, Mexico
- **Robert Dambo**, France
- **David Duncley**, United Kingdom
- **Martin Geh**, independent
- **Anna Johnson**, Sweden
- **Kevin Ladner**, Canada
- **Li Huiqi**, China
- **Michael McAteer**, Ireland
- **Ngozi Ogwo**, Nigeria
- **Victor Sekese**, South Africa
- **Seth Siegel**, United States
- **Judith Sprieser**, chair and independent
- **Florence Tondou-Melique**, independent
- **Shigeyoshi Yamada**, Japan

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.

GTIL currently has three independent board members, which is the maximum allowable by our governing documents. Most recently, Florence Tondou-Melique was appointed to the board in September 2022, joining Martin Geh and chair Judith Sprieser, as an independent board member. Independent board members bring different perspectives and provide an additional risk management function.

Committees

There are seven committees with authority and powers for certain matters as delegated to them by the board.

- **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, including 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
- **Technology and innovation committee (TIC):** governs and oversees Grant Thornton's global technology and innovation strategy and ensures that global technology and innovation projects are aligned with Grant Thornton's commercial objectives
- **Governance committee (GC):** ensures efficient and effective operation and oversight of GTIL's leadership structures and performance
- **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.

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

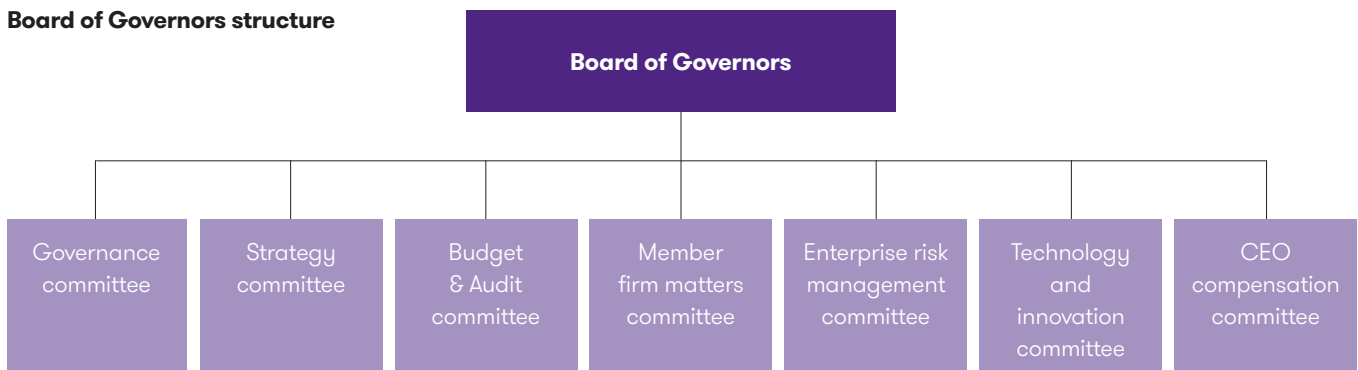


Chief executive officer (CEO)

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. In 2017, the board appointed Peter Bodin, formerly the CEO of the Swedish member firm, to be the GTIL CEO for a term of five years, as of 1 January 2018. The board reappointed Peter for a second term of three years, as of 1 January 2023.

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.

Board of Governors structure

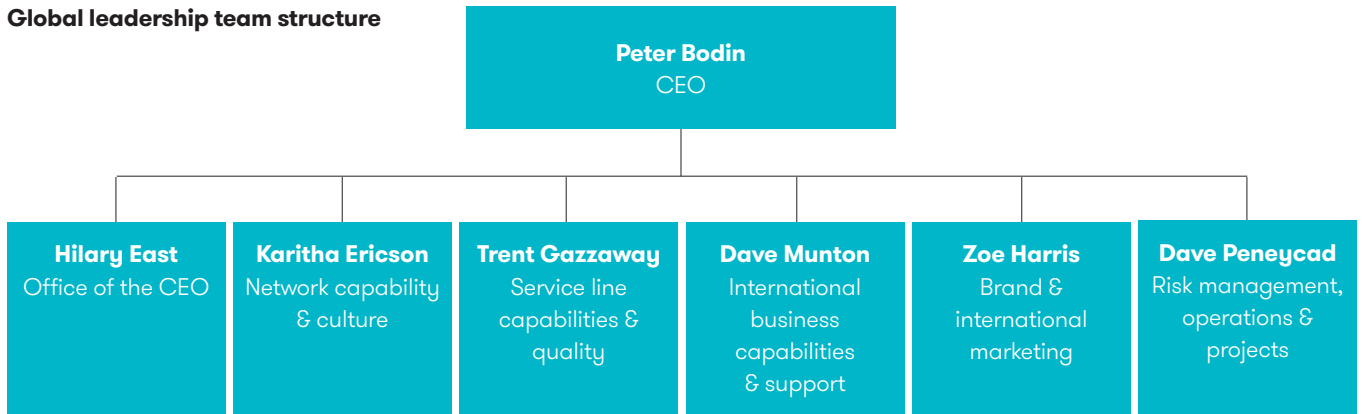


Management

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 strategy². Between them, GLT members have global development, service lines, functional and regional responsibilities. The diagram below depicts these responsibilities as of 30 September 2022.

Global leadership team structure



A critical role of the GLT is to work with member firms in driving the execution of the global strategy. Grant Thornton's vision is "to be the most valued network in the profession" and this guides everything we do.

Our Go Beyond network strategy 2025 focuses on:



Strategic capabilities



Risk management and quality



Culture

It sets out how Grant Thornton will achieve its vision and identifies the actions it will take, including a laser focus on growing and protecting international business. Everything we do will be aligned around this goal and making sure we have the core infrastructure to deliver it.

The implementation of the network strategy builds on strategic frameworks, prioritised investments and growth strategies that are appropriate for our chosen markets.

2. Learn more about Grant Thornton International Ltd's global leadership team in the [About Us](https://www.grantthornton.global/en/) section on the website: <https://www.grantthornton.global/en/>





Grant Thornton

[grantthornton.global](https://www.grantthornton.global)

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