

# SNG Grant Thornton Transparency Report

2024





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# Culture and Values

## Collaboration

Ask for help, give help  
We work well together

## Excellence

Find a better way every time  
We never get complacent

## Respect

Listen and understand, be forthright  
We create honest relationships

# CLEARRR

## Leadership

Have courage and inspire others  
We challenge ourselves to be the best we can be

## Agility

Think broadly, act quickly  
We thrive in change

## Responsibility

Use influence wisely  
We own our actions

**SNG Grant Thornton's culture sets us apart by creating a seamless experience for our people and clients locally and globally, everyone knows they are welcome and included, contributing to our success and fueling our sustainable growth.**

Our distinctive culture is underpinned by showing care and respect in everything we do, and by the CLEARRR values that the global Grant Thornton community share.

### **Our people know that our culture is strongest when we:**

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

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

**SNG Grant Thornton's common values and strategic focus on diversity, inclusion and psychological safety help us meet the demands of a changing and complex business environment.**

Our CLEARRR values are the basic and fundamental beliefs that motivate and guide the attitudes and actions of our staff. Our values help us determine what is important as it drives our culture and guides our day-to-day behaviours and informs how we shape the decisions we make. We recognise that we all have a role to play in the success of the organisation, and our ability to deliver on that success lies in the strength of our values.

# Foreword

We are pleased to present our second transparency report for SNG Grant Thornton South Africa and SNG Grant Thornton Eswatini. The report gives an account of our quality journey, highlights key milestones as well as objectives that still need to be achieved.



This report is prepared on the backdrop of a radically changed operating environment. The firm has embraced a hybrid way of work, using technology to effectively deliver services to our clients. Last year we reported on our comprehensive quality strategic plan, which was still in progress. We have since completed all planned activities. This has resulted in noticeable improvement in the quality of our professional work.

SNG Grant Thornton is the largest home-grown audit and advisory firm in Southern Africa. It is a member firm of Grant Thornton International consisting of firms operating in over 150 countries around the world, with 73,000+ people generating combined global revenues of over USD 7.2 billion.

Our culture of quality is the bedrock of a world class quality system. We have accordingly, since our first quality strategy been prioritising the embedding of consistent culture of quality throughout the firm. We are pleased with visible progress as attested by latest people voice survey. According to the survey, 76,3% of our people believe that the leadership of the firm demonstrates commitment to quality. Similarly, our Client Voice score related to the quality of our deliverables increased by 4%, from a score of 83% in 2022 to 87% in 2023. Leadership of the firm is committed to quality and modelling living our values, which are consistent with a culture of quality.

## Quality Standards

We are pleased that we have successfully implemented new quality standards, ISQM 1. The impact of these standards is to embed integrated risk management within major business processes. At the end of 2023, we were able to conclude that the system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved.

Furthermore, the IRBA and Grant Thornton global office independently inspected the implementations of standards and did not report significant findings.

## Quality Assurance

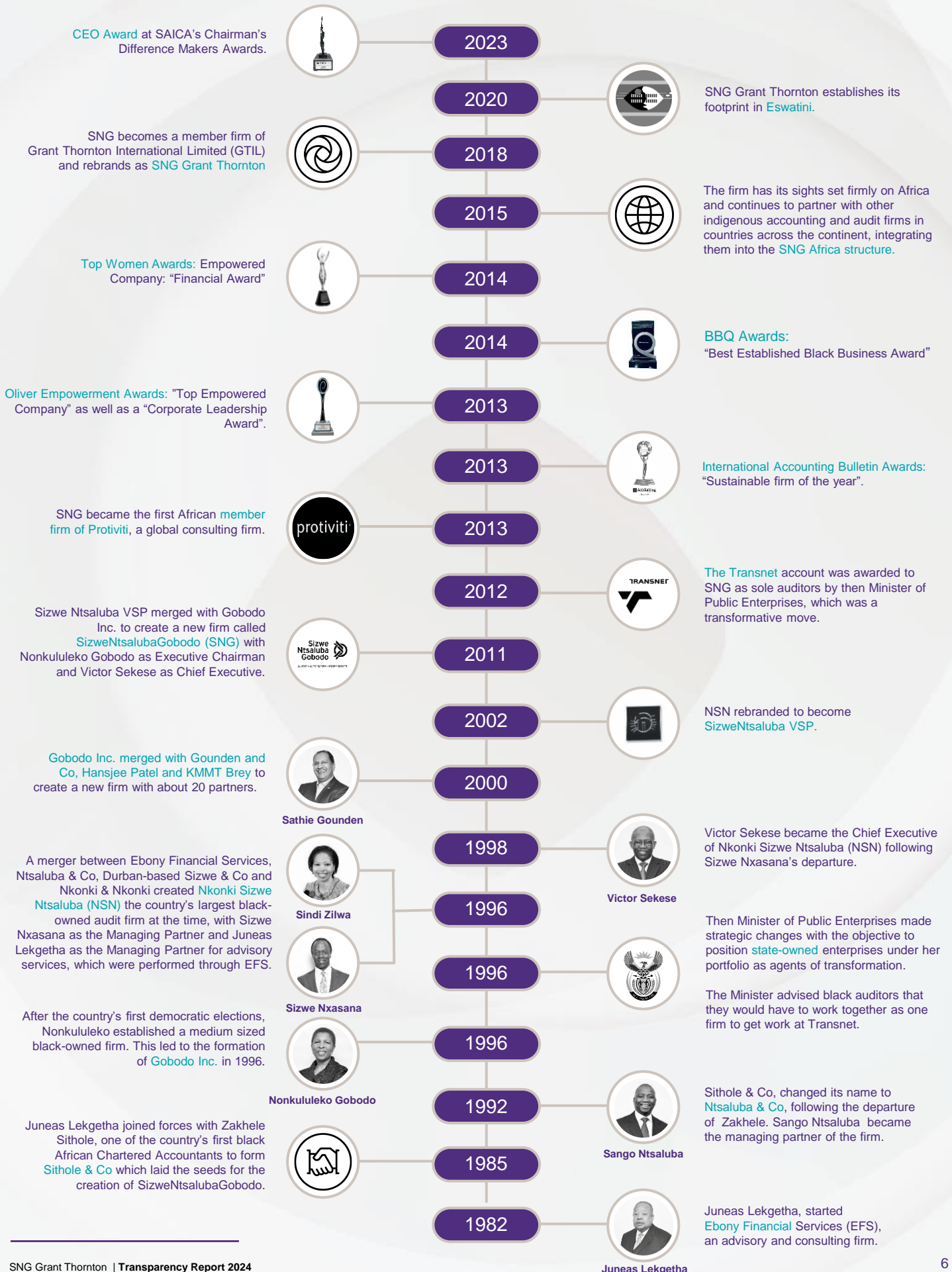
Developments in global and local economies have heightened public interest around the role of auditors. We are committed to upholding the highest ethical and professional standards in serving the public interest and reinstating confidence in audited financial statements. Excellence is one of our fundamental values that ensures quality of our assignments.

A handwritten signature in black ink, appearing to read 'Victor Sekese'.

**Victor Sekese**  
CE - SNG Grant Thornton

# Historical Highlights

6



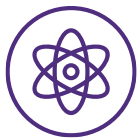
# Our industry experience

## The firm's experience serving clients of different sizes

SNG Grant Thornton is proud to serve clients of all sizes across various industries, including large multinational corporations, publicly traded companies, owner-managed businesses, and emerging enterprises. SNG Grant Thornton provides tailored solutions and transparent reporting to meet the unique needs of organisations in various sectors, based on a deep understanding of the complexities and challenges they face. The firm's industry experience ensures that clients of all sizes receive exceptional service and guidance, whether it's navigating global regulatory frameworks, improving financial transparency, or supporting growth strategies. Our industry experience includes the following sectors:



Education



Energy & Mining



Healthcare & Pharmaceutical



Technology, Media & Communication



Finance



Manufacturing



Transport Logistics & Aviation



Property & Construction



Small & Medium Enterprises



Art, Entertainment & Broadcasting



Non-Profit Organizations



Security



Automotive



Engineering & Equipment



Retail & Wholesale



Agriculture



Hotel & Leisure



Trusts

**Our commitment to service quality of the highest standards is best demonstrated by the number of clients who call on SNG Grant Thornton's expertise in achieving their strategic objectives**

### Grant Thornton Industry hub and thought leadership

Our industry focus groups, as listed above, are aligned to and supported through our International Network, with industry specialists residing both locally and internationally. As SNG Grant Thornton, we have four industry focus groups that monitor emerging trends and regularly issue thought leadership publications which are shared with our staff and clients.

On a number of our multinational listed clients, we have leveraged off these focus groups to provide support when required but also shared these insights providing both a local and international perspective on emerging matters.

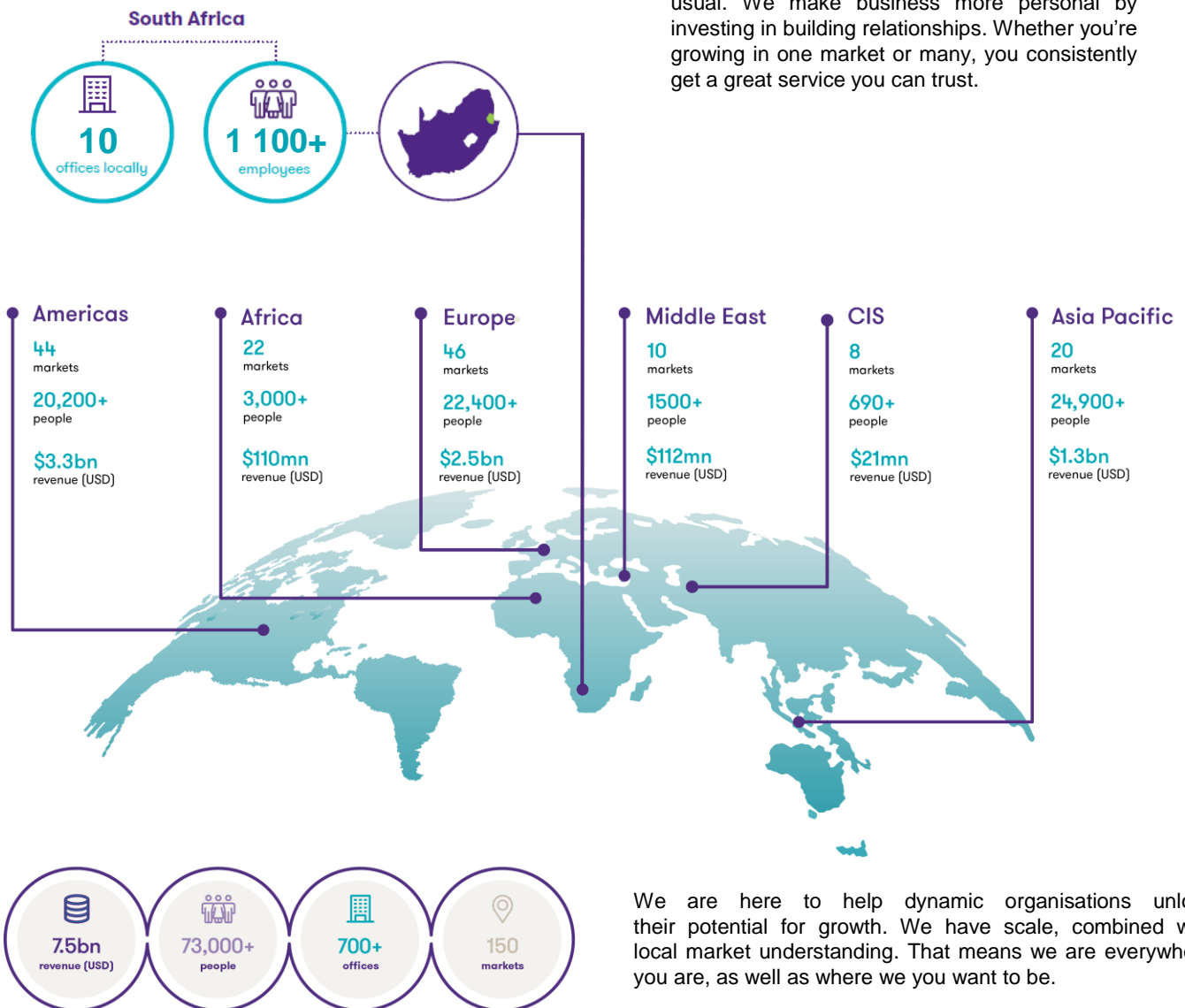
# Overview of Grant Thornton

## Capacity and Global Reach

**Grant Thornton. Going beyond business as usual so you can too.**

We're a network of independent assurance, tax and advisory firms, made up of 73,000+ people in more than 150 markets operating everywhere you are, as well as where you want to be.

For more than 100 years, we have helped dynamic organisations realise their strategic ambitions by combining global scale and capacity with our local insight. Whether you're looking to finance growth, manage risk and regulation, optimise your operations or realise stakeholder value, we will help you go beyond business as usual. We make business more personal by investing in building relationships. Whether you're growing in one market or many, you consistently get a great service you can trust.



We are here to help dynamic organisations unlock their potential for growth. We have scale, combined with local market understanding. That means we are everywhere you are, as well as where we want to be.



## SNG Grant Thornton Statistics



**1 100+**  
Professionals



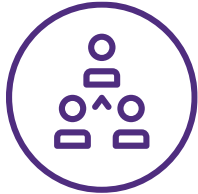
**CSR**  
Very active CSR program



**Level 1**  
B-BBEE Contributor



**R633 mil**  
Revenues in ZAR



**57**  
Directors



**70.26%**  
Black-owned



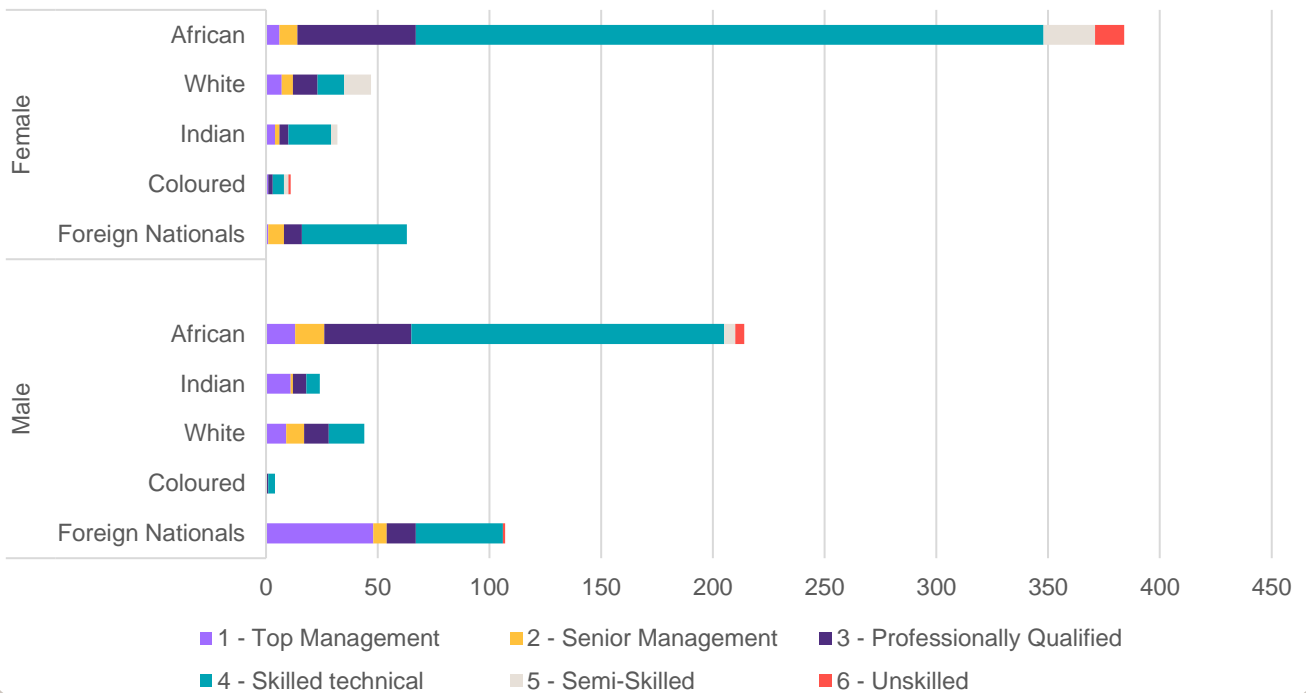
**27.08%**  
Total female ownership



**20.51%**  
Total black female ownership



## Equity Statistics



## Transformation

As a truly indigenous local firm with a global footprint, we consider ourselves to be the pioneers of transformation in the industry, and we are fully committed to the journey.

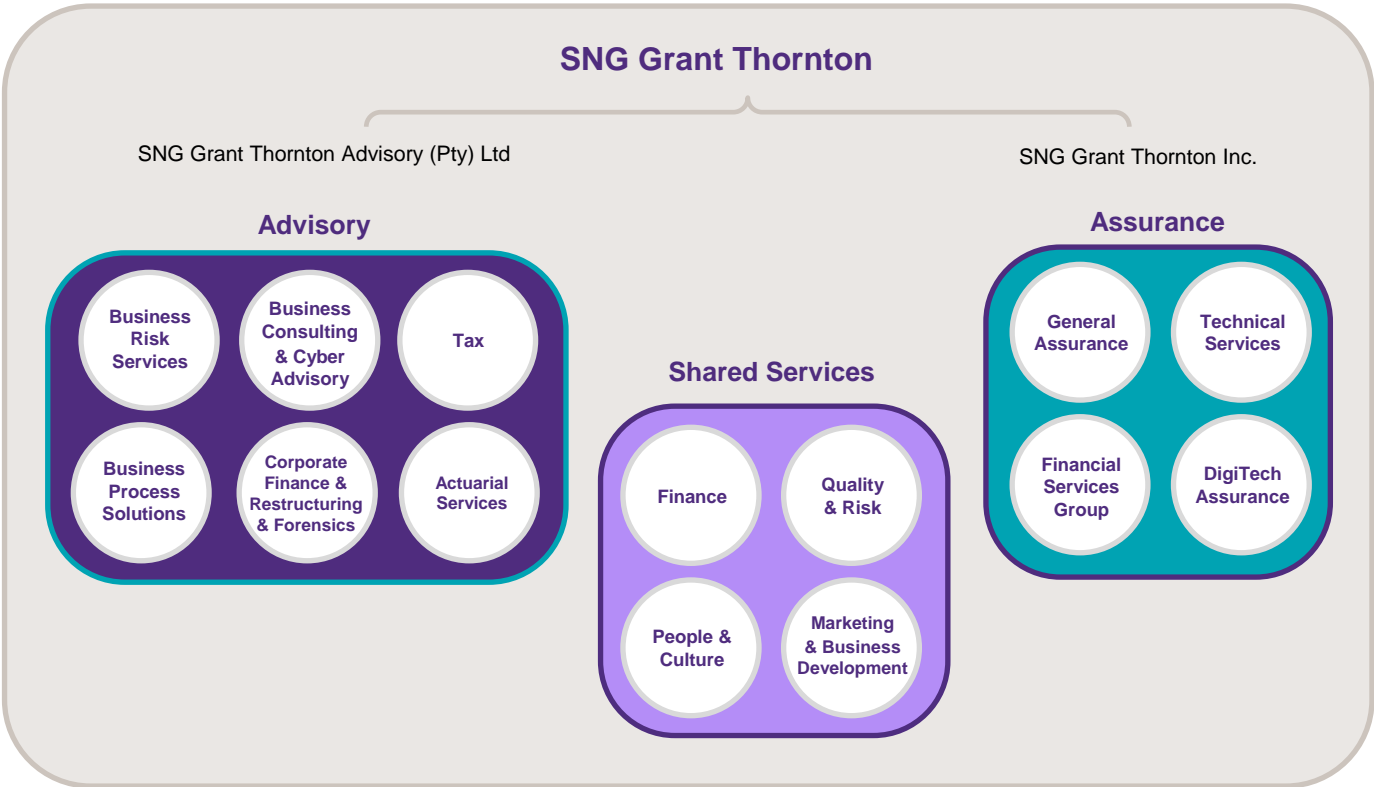
To date, we have retained our level 1 B-BBEE status, and our intention is to maintain this level in the future. Our transformation strategy is robust, and extends beyond creating a non-racial environment, to be embracing of a non-sexist environment as well.

Gender diversity is not just the right thing from a social standpoint, it is the best thing for business. As leaders, we have recognised that we hold the power to drive change, and as such, the focus on gender parity and specifically the development of women into senior leadership positions has long been a key priority driven through various initiatives from a national and international perspective across the Grant Thornton membership network.

The Women in Business is our flagship international thought-leadership report, which we launch annually in March for International Women's Day - casting a light on the progression of women in senior leadership in the mid-market across the globe. 2024 is our 20th year of research and enables us to lead conversations on this issue.

We have set ourselves a bold target of achieving a 40% ratio of women in leadership positions across the firm by the end of 2027. The target we set relates to black female ownership, black female management control, black females in middle and junior management.

# Firm Structure



# Membership with various institutions

We are affiliated to the following organisations and regulatory bodies:



# Collaboration in the profession (committees)



**Pravesh Hiralall**

- SAICA Investment Management Project Group
- SAICA Insurance Project Group



**Madelie Olivey**

- Financial Reporting Council
- Accounting Practices Committee (SAICA)
- Financial Reporting Standards Council (DTI)
- Chairperson of the Financial Reporting Technical Committee (DTI)



**Omar Kadwa**

SAICA Medical Aid Schemes Project Group



**Alfred Sambaza**

Institute of Chartered Accountants of Zimbabwe  
ICT Committee



**Darshen Govender**

- SAICA Investment Manager Project Group
- SAICA Retirement Funds Project Group



**Nkabaneng Mashile**

SAICA Assessment of Professional Competence  
Examinations Committee



**Patience Bhebhe**

SAICA Retirement Funds Project Group



**Robert Webb**

ESIA representative on ERS Tax Forum



**Agnes Dire**

- IRBA – Regulated Industries and Reports Standing Committee
- SAICA – Banking Project Group, Basel Task Group and Audit Matters; SAICA Assurance Guidance Committee



**Azwinndini Magadani**

SAICA National Tax Committee



**Nhlanhla Sigasa**

SAICA – Banking Project Group



**Khanyisa Cingo-Ngandu**

Corporate Tax Technical Work Group Meeting SAIT



**Dirk Fouche**

IRBA Public Sector Standing Committee



**Runyararo Makanza**

IRBA CFAS) (SAICA Banking  
Assurance Matters Working Group



**Alice Chireshe**

SAICA Materiality Sub Committee



**Willem Gray**

SAICA Sub Committee for Financial Reporting



**Grace Muchirahondo**

Public Sector Accounting Forum



**Vusi Nkabinde**

- ESE Market Committee - Market participant and the Deputy Chair of the ESE Market Committee
- Global Reporting Initiative (GRI) - Speaker in ESE and GRI Functions
- Eswatini Bankers Association - Speaker/collaboration during the Fraud Awareness Week
- IIA Eswatini - collaboration during Fraud/Ethics weeks.

# Ownership and governance

The highest governing body is the Board of Directors which carries ultimate responsibility for the firm. In terms of the Companies Act relating to professional services companies, all directors are shareholders. Shareholding is allocated on an egalitarian basis akin to equal partnership models.

The framework of appointing directors is informed by factors that include professional risk management considerations, capacity, and audit quality indicators. Candidates considered for promotion to directorship undergo a detailed psychometric assessment, panel interview and evaluation of performance quality.

## Board of Directors



Aaron Mthimunye



Abendran Govender



Agnes Dire



Alex Philippou



Alfred Sambaza



Altaf Fajandar



Andri Booyens



Anoosh Rooplal



Ayesha Ameer



Azwinnidini Magadani



Darshen Govender



Dirk Fouche



Fana Manana



Fikile Zwane



Georgia Diedericks



Gerard Musthan



Gerdileen Taylor



Herman Leach



Jacobeth Ramapela



Jeanine  
Nellmapius-Clarke



Jonathan Jansen



Khanyisa Cingo



Kudakwashe  
Charandura



Leonie Els

# Ownership and governance (cont.)

## Board of Directors (cont.)



Lesiba Mahlobogoane



Lourenz de Jager



Luvo Mvinjwa



Dr. Sylvia Sathekge



Madelie Olivey



Mohammed Hafiz



Mthunzi Dwanya



Muhammad Joosub



Natalie Arendse



Neridha Moodley



Nhlanhla Sigasa



Nick Kyriacou



Nkabaneng Mashile



Omar Hassan



Omar Kadwa



Ongeziwe Nyenjana



Oupa Mbokodo



Patience Bhebhe



Pietman de Villiers



Piloshini Daver Rampersadh



Pravesh Hiralall



Priya Madhav



Ria Pretorius



Robert Sithebe



Rob Webb



Ryan Smit



Selvin Moodley



Siyakhula Vilakazi



Suleman Lockhat



Thabo Mogano



Victor Sekese



Vusi Nkabindze



Willem van Niekerk

*Ownership and Governance is presented as at the date of publication.*

# Governance Committee

The Governance Committee is elected by the Board of Directors to oversee overall governance of the firm. Members of the committee are elected by at least 60% of the Board members ensuring they have sufficient support for this task.

The current committee is made of 100% female leadership, which further emphasises our firm's commitment to gender parity.

## Governance Committee



**Agnes Dire**



**Gerdileen Taylor**



**Priya Madhav**

Other governance structures are within the remit of the executive committee, and include the Quality and Risk Committee, Remuneration Committee and Information Technology Committee.





# Sustainability Reporting

## Adoption of a coherent climate reporting standard: IFRS S1 and S2

The International Financial Reporting Standards (IFRS) Foundation established the International Sustainability Standards Board (ISSB) to address the fragmented landscape of voluntary, sustainability-related standards and requirements that add cost, complexity and risk to both companies and investors. The ISSB's mandate is to develop and issue a comprehensive global baseline of sustainability reporting standards. These standards aim to ensure consistent, comparable, and high-quality sustainability reporting, meeting the needs of investors.

### The (ISSB) issued its first two sustainability reporting standards on 26 June 2023:

- **General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1).** IFRS S1 is the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **Climate-related Disclosures (IFRS S2).** This is the first thematic standard, given the global focus on climate, and sets out requirements for entities to disclose information about climate-related risks and opportunities.

The IFRS Sustainability Disclosure Standards are based on the four-pillars of the Task Force on Climate-Related Financial Disclosures (TCFD framework): governance, strategy, risk management and metrics and targets, [IFRS S1 para BC3]. The TCFD framework is required or used voluntarily in several territories. Therefore, the structure of the IFRS Sustainability Disclosure Standards will be familiar to preparers and users of sustainability reporting that have used, or have an understanding of, the TCFD framework.

Consistent with the process to adopt IFRS, IFRS Sustainability Disclosure Standards need to be adopted locally, this includes both an amendment to the Companies Act in terms of the company's legislative framework as well as the adoption by local securities exchanges for the Standards to become mandatory in South Africa. An entity can choose to voluntarily apply IFRS Sustainability Disclosure Standards, even if the entity does not apply IFRS.

We take cognisance that the IFRS Foundation is conducting a listening tour, whose purpose of the presentation is to propose a discussion to engage African jurisdictions to drive the uptake of ISSB standards.



# Sustainability Reporting (cont.)

## The (ISSB) issued its first two sustainability reporting standards on 26 June 2023 (cont.):

The jurisdictional journey towards the implementation of IFRS S1 and S2, particularly in Africa and South Africa is highly dependent on the range of capabilities and preparedness of reporting entities to apply these Standards. The success of local adoption and implementation is a matter of relevance, proportionality, and scalability.

Globally, Grant Thornton is pleased to support the IFRS Foundation in their push for a common global standard for climate-related disclosures. The purpose of our firm is to make business more personal and to build trust into every result. We make business more personal by listening and responding to the needs and priorities of our people — our clients, our peers, and all those we serve across our communities. We build trust into every result by reporting on our work with transparency and accountability. That is just good business. We believe setting as well as reporting on our environmental, social and governance (ESG) initiatives and goals is an opportunity to use our position and resources to not just do good business — but to go beyond it. As a firm, we have established an ESG response team, consisting of ESG specialists, IFRS S1 and S2 reporting specialists and advisors with deep knowledge of the ESG environment to support our clients in their ESG reporting journey.

Over the past few years, the public discussion about ESG and diversity, equity and inclusion (DE&I) has intensified. DE&I is core to who we are as a firm, and our efforts to create, assess and track toward our DE&I aspirations are just as imperative as our ESG and climate initiatives. In 2024, Grant Thornton will celebrate its 100th anniversary. That represents 100 years of helping our clients navigate complex challenges in an ever-changing world. We are continuing and accelerating this work by developing and caring for people and communities, protecting our natural environment, providing personalised, high-quality services and outcomes to all our clients and acting with integrity in every facet of our business.



# Building a Better Tomorrow



Founded on the three guiding principles to Act, Commit and Share, Grant Thornton's global approach to Corporate Social Responsibility (CSR) advocates each of us to have an impact by being passionately involved in our communities.



## Act

### Take action

By volunteering your time or making a financial contribution toward a socially responsible cause.



## Commit

### Make a commitment

To take action in the future.



## Share

### Share your stories

Take the time to share your success stories and commitments.

At SNG Grant Thornton, caring for our communities is as important to us as being financial partners of choice. For us the two are interlinked, we believe that through caring for our neighbours, we develop a better appreciation for people. This enables us to better understand and serve our clients. As such SNG Grant Thornton recognises its obligation to be a responsible corporate citizen, an organisation with a social conscience! We strongly feel that we have a responsibility to shape a sustainable future.

Our CSR approach is aligned with our organisation's values and strategy. We strive to be responsive to the needs of our communities where we work and live, where our ideas, people and resources can contribute towards building a positive legacy.

We as a firm, we recognise the role played by martyrs in our history to create an enabling environment for a better South Africa for everyone. As such, we seek to honor those martyrs through our participation in various CSR programmes.

## Our CSR focus areas are in line with the UN Sustainable Development Goals, specifically on:



# Building a Better Tomorrow (cont.)



## Commitment to Development

- Mandela Day initiative – SNG Grant Thornton participated in the STOP Hunger Now;
- Donate a book;
- Rise against hunger;
- Sanitary drive.

## Women Ownership

Initiatives include:

- Advanced Management Programme;
- Leadership Development Programme;
- Senior Leadership Programme.

## Our Transformation Journey

Our transformation and B-BBEE strategy is aligned to the elements contained in the DTI's revised generic code.

- Growing Sustainable Black Business and Driving Transformation within the Accounting Profession;
- A transformation strategy that promotes the Economic Empowerment of all black people.

## Our Transformation Efforts

- Home-grown Leadership;
- SNG Grant Thornton Bursary Scheme;
- Community Focus;
- Enterprise and Development Initiatives;
- Commitment to Women Empowerment.

## Commitment to Education

As a firm, our focus has always been in the advancement and growth of the profession. Our key strategic initiative in building a pipeline has been our commitment to education, which has taken various forms. In support of our employees, we run a CTA bootcamp to enhance candidates' chances of success.

For our communities, we continue to participate in industry initiatives such as the Thuthuka Bursary Fund. The firm successfully managed its internal bursary fund for a number of years, making contributions of up to R5 million in certain years. The firm has outsourced our internal bursary fund to Thuthuka to further enhance our impact in education.



# Expertise – Integrated Team



## Audit

### General Assurance

- Audit of Financial Statements
- Sustainability Reporting
- Agreed Upon Procedures
- Integrated Reporting

### Financial Service Group

- Audit of Financial Institutions
- Debt and capital markets
- Actuarial Services

### Technical Services

- Accounting Standards
- Auditing Standards
- IFRS S1 and IFRS S2

### DigiTech

- IT assurance
- Cyber security
- Data analytics



## Tax

### Taxation Services

- Direct
- Indirect
- Transfer Pricing
- International Tax
- Global Mobility Services
- Africa Tax Desk



## Advisory

### Business Consulting

- Strategy & Performance
- Digital and Data (Centre of Excellence)
- Human Capital
- Sustainability – ESG & ESD (IFRS S1 & IFRS S2)
- Cyber Consulting (Cybersecurity, Data Privacy & Managed Services)
- Project Management Consulting

### Corporate Finance and Restructuring and Forensic Services

- Mergers and Acquisitions
- Due diligence (Financial, Commercial, Tax, Tech, Cyber Security, Legal, etc.)
- Transactional Advisory Services & Valuations
- Recovery & Re-organisation
- Infrastructure Advisory
- Forensics

### Business Risk Services

- Governance, Risk & Compliance
- Internal Controls
- Internal Audit
- Tech & Change Risk (Programme Assurance)

### Business Process Solutions

- Accounting and Reporting
- Payroll
- Independent Reviews
- Tax Compliance
- Secretariat Services
- Backoffice Outsourcing/Managed Services

### Actuarial Services

- Financial Services
- Specialist Services
- Independent Peer Review

# Our client promise

As part of our client promise, we provide a transparency report, ensuring that our clients have access to comprehensive and accurate information regarding our processes, methodologies, and interactions. This commitment further enhances the trust and effectiveness of our client experience, resulting in more profound guidance and fostering stronger collaborative partnerships.

## We discover what's important to you and make it important to us

### The bottom line

- A relationship-led approach with more time and attention from directors and senior advisers.
- A deeper understanding of your business for more meaningful advice and recommendations.

## Agile and responsive service

### The bottom line

- A faster response when you need quick answers and clarity.
- Anticipating the answers you'll need before you ask.

## Pragmatic solutions to help you improve and grow

### The bottom line

- Helping you think ahead and think more broadly.
- Proactively identifying opportunities for improvement and growth.

## Collaborative teams with a different mindset

### The bottom line

- Teams and solutions built around your needs not our structures.
- A better working relationship with you and your team.

## Client indicators

### Net Promotor Score

How likely is it that you would recommend SNG Grant Thornton to another organisation or a colleague?

- 2022: 50%
- 2023: 63.3%

### Client Satisfaction Score

- 2022: 85%
- 2023: 88%

### Client experience Score

The four key elements of our Client Promise

- 2022: 82%
- 2023: 86%

# What some of our clients have said?



*Communication and understanding of what our needs are.*

*The team understood my challenge, had in-depth knowledge of my industry and challenge at hand. As a result, were able to respond timeously.*

*They listen carefully to our needs and provide us with distinctive customer service.*

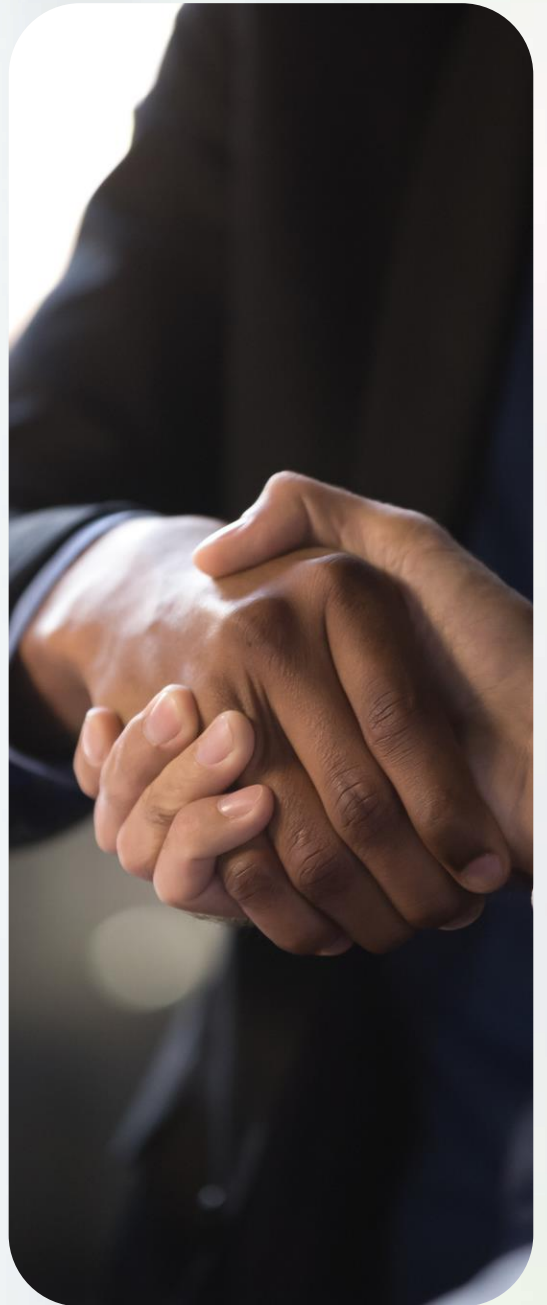
*Willingness to understand our business.*

*The team makes an effort to understand our business and its challenges well. Apart from the normal audit engagement, they are always willing to listen and give advice.*

*The entire team at SNG Grant Thornton that assists us with various functions from auditing, tax services, secretarial services, know our business very well and provide services to us effectively and efficiently and are pro-active in pointing out areas that require attention. The team has an in-depth knowledge of our business and are able to offer a quality service as a result thereof.*

*Professional with strong technical knowledge, good in communication and feedback, added value to our accounting methodology.*

*Relatable partner and team that understands our business and has become a partner on our journey.*



## Technology and its impact on audit

The auditing landscape is undergoing a significant transformation driven by several key technology trends. We keep abreast of latest trends and monitor the impact on the business, auditors and the practice. Our strategy is integrating our audit methodology and auditors with tech savvy solutions thereby building the digital auditor of the future.

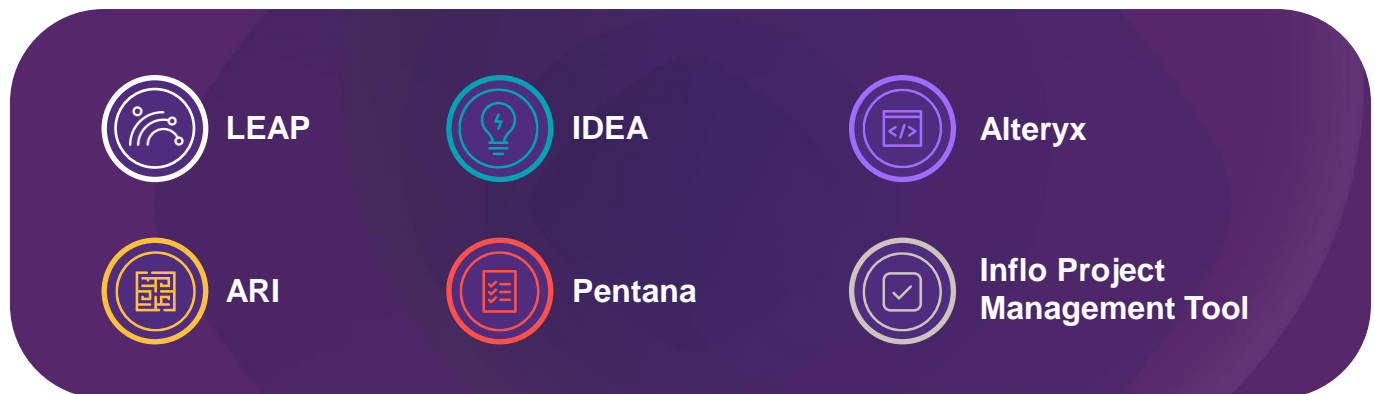
We are therefore looking at:

- **Shifting skillset:** From manual tasks to data analysis, critical thinking, and technology expertise.
- **Increased efficiency:** Faster audits, more accurate results, and better resource allocation.
- **Focus on judgement:** Emphasising auditors' expertise in interpreting data and providing insights.
- **Collaboration and communication:** Encouraging collaboration with clients and stakeholders using technology platforms.

The overall impact of technology is positive, leading to a more efficient, insightful, and future-proof audit practice.

However, the following challenges cannot be ignored:

- **Cost and implementation:** Integrating new technologies requires investment and training.
- **Data security and privacy:** Protecting sensitive data in a connected environment is crucial as cybercrime is on the rise.
- **Regulatory landscape:** Keeping pace with evolving regulations and adapting technologies accordingly.



Our Innovation and Digital Technology committees reviews the available technologies that would benefit the business and together with the audit teams, assess the product viability for possible implementation. Our approach is to run tools in 'Pilot' phase to ensure they achieve the desired outcomes rather than implementing without assessing the impact. In this review we have made progress with 3 tools; namely ARI (Audit Risk Insights), Client Portal and Collaboration Tool (Inflo) and ARRMS (Audit Report Risk Management System).

ARRMS is an in-house developed tool, which assists the assurance team to capture information related to signed audit opinions, as well as to track the status of engagements through the engagement life cycle, sending reminders and/or confirmation e-mails at various stages. Currently, both Assurance and Advisory teams are using the application for this purpose. The application plays a major role in ensuring that our assurance files are locked within the required timeframe per the firms Archiving Policy. The application also ensures reporting is accurate, complete and that information is readily available to various stakeholders. We also use the application to track partner rotation on our assurance engagement files. .

ARI is also in-house developed and has various modules. ARI enables the auditor to select entire data populations and test it in its entirety as opposed to sampling. Currently, journal testing using digital tools has been deployed on majority of audit clients. Payroll and Revenue are the next modules that are planned to be deployed.

The Inflo Project Management Tool monitors the audit cycle to ensure key performance indicators are met, while providing a secure and centralised portal to request and store data and enhance collaboration between the client and the audit team. We are currently in the pilot phase and have deployed it across selected clients. This tool has been well received.

Leap is Grant Thornton's global assurance and related services technology platform. This proprietary, cloud-based tool delivers the best possible value to our clients, no matter where they are. The tool has been built to keep quality at the centre of our global audit approach. The Leap platform delivers on our three-part vision to provide the very best client experience through high-quality engagement, smarter service delivery and an enriched experience.

Alteryx is a platform that we use in our analytics and provides insights for teams to make decisions on the engagements

The Pentana checklist is an application for assessing the consistency between the disclosures in the financial statements and the requirements of IFRS and IFRS for SME's. The application is updated annually to ensure quality and relevant information is presented in the financial statements of our assurance clients.

The latest edition was to digitalise and automate our client acceptance and/or continuance process.



## Technology and its impact on audit (Cont.)

Our digitisation strategy and plans going forward are:



### Increased Use of Automation and AI:

**Impact:** This will allow for efficient processing of large datasets, identifying risks and opportunities faster. Auditors can focus on complex judgements and insights, leaving repetitive tasks to automation.



### Data Analytics and Visualisation:

**Impact:** This will enable deeper analysis of financial data, revealing hidden patterns and trends. Visualisations will help with clear communication and stakeholder understanding.



### Continuous Auditing:

**Impact:** This will allow for a shift from periodic audits to continuous monitoring, providing near-real-time insights into risk areas. It will also improve responsiveness and enable more proactive risk mitigation and management.



### Cloud Computing, Cybersecurity and Connectivity:

**Impact:** It will facilitate remote collaboration, real-time data access, and improved scalability. Audit teams can work seamlessly across locations and access data securely.



### Cyber:

**Impact:** Interactive dashboarding solutions designed using Artificial Intelligence (AI) to provide a 360-degree view on the organisations cyber security posture.



## QUALITY

**Networks, associations and similar structures, are how the firm ensures a consistent approach to audit quality from all members of the structure.**

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.

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

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



Governance and Leadership



Ethical Requirements



Client acceptance and continuance



Resources



Engagement performance



Monitoring



Information and Communication



Risk Assessment Process

These historical core areas of quality management are being enhanced 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 that all member firms are required to follow to support high-quality services.

These include, but not limited to implementing our global audit methodology and complying with cybersecurity standards.

### 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 management, 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 these effectively.**

# Our people

## Selection, recruitment, and retention

Our recruitment, selection and retention strategy has continued to evolve significantly over the past twelve months. In keeping with our drive to create a working environment that drives innovation and change, as with most organisations, we too have revisited our office spaces. The intention is to create a suitable workspace that supports collaboration with the flexibility to support well-being and productivity.

Flexibility, mindfulness, and a supportive community continue to be instrumental in creating an environment where our people can thrive. Over the forthcoming months, we will continue in our efforts to secure premises that fit into our culture and strategic objectives.

We have renewed our commitment of enabling our people to continue on the basis of a hybrid way of working in order to remain abreast of our competitors in the war for talent, and more importantly to encourage the well-being of our people.

As always, the focus of our talent acquisition team has been to bring in the right talent – people who are experienced in their field, and who have the capacity and capability to take on additional responsibilities within the organisation. Multi-skilled, resilient individuals, who are a culture fit for the organisation.

Retention strategies have evolved to focus on what is important to our people – flexibility in working hours, paid time off to attend to their well-being, and great success in the form of our wellness initiatives which included “Re-energisation day”, an initiative which bolstered our spirits after a very tough period.

We have also enhanced our global mobility program to cater to an ever-increasing demand for talent and collaboration across the Grant Thornton network.

## The approach and goals of continuing professional education

**Continuous Professional Development (CPD)** has remained a key focus area for the year. For us to remain abreast of competitors, it is essential that we actively identify and train our people in multidisciplinary skills necessary to take us forward. CPD is a requirement of our profession - each individual in the organisation is responsible for his/her CPD initiative.

### The CPD system provides for:



Review of Skills



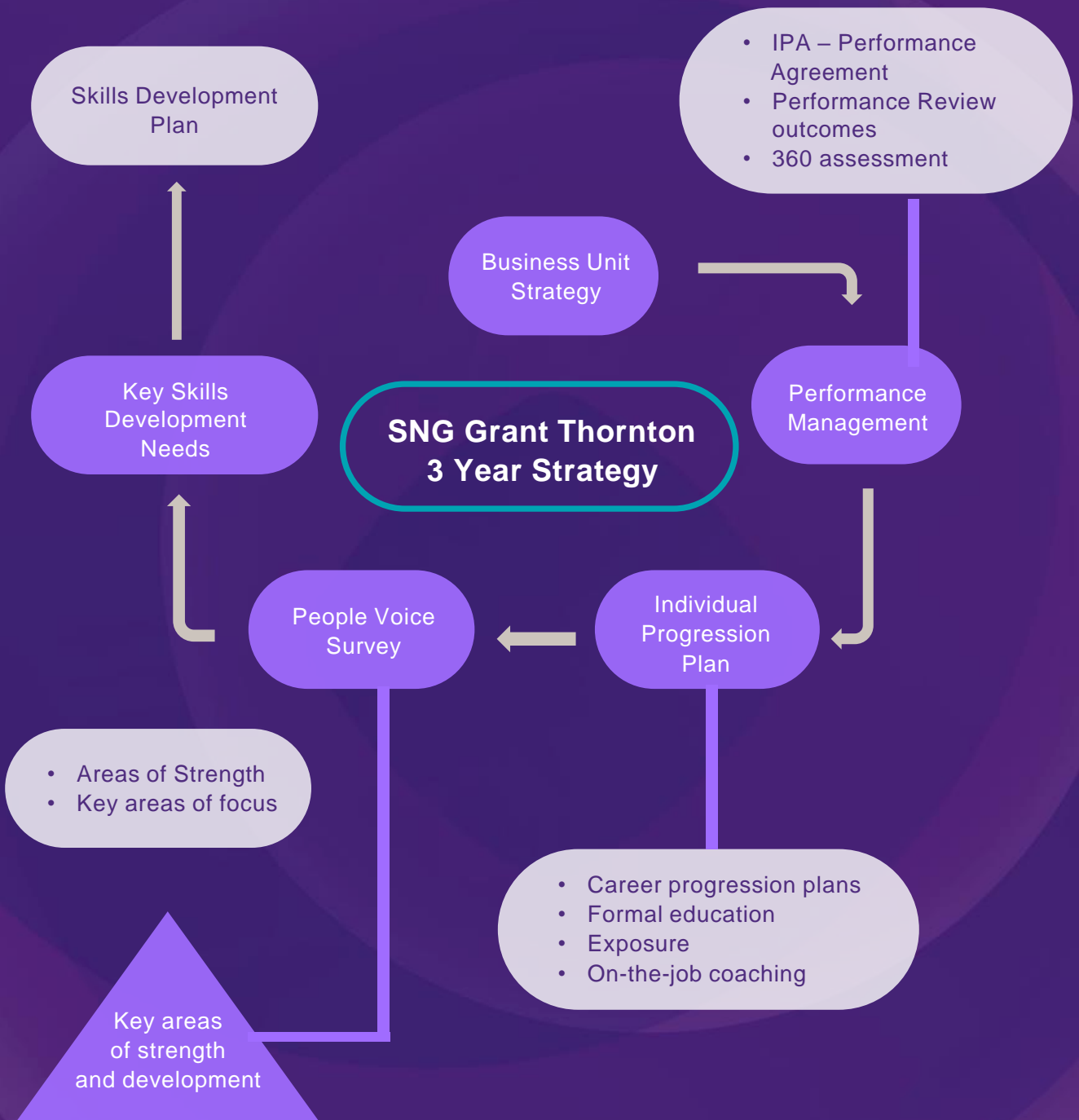
Review of Behaviour



Review of Knowledge



# Skills Development Focus Areas



## Basis for remuneration of partners or directors

Our organisation remunerates directors based on the dynamics of the market and the context within which the company operates. The Remuneration Policy aligns to the strategic direction and specific value drivers of the business within which our organisation operates. Remuneration plays a critical role in attracting, motivating, and retaining high performing individuals. Remuneration also reinforces, encourages, and promotes superior performance.

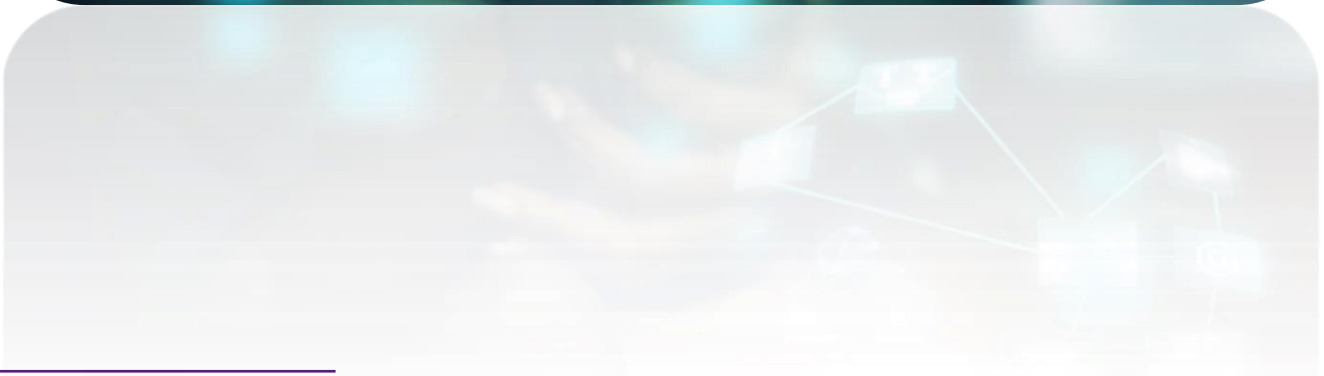
The directors' Remuneration Policy serves to guide individuals as directors of the firm through the implementation of the Director Development and Reward System. The system was designed to support the firm's strategies and to recognise and reward individuals based on their roles and the extent of their sustained performance.

## Basis of incentives and remuneration in relation to KPIs

The organisation's remuneration structures comprises of a two-tier system linked directly to the Paterson grading system.

Tier one links to the fixed remuneration of the individual and is largely dependent on the roles and responsibilities of the individual in the organisation.

Tier two is attributable to the organisation's incentive system and is dependent on the performance of the organisation and individual performance. Individual performance is assessed and scored per the director's approved Balanced Scorecard that further reflects the firm's strategic objectives, goals, and targets, cascaded downwards from the Business Unit, Service Line, Provincial Office to the individual director.



# Africa Director Development Programme (ADDP)

The ADDP programme drives the development of our succession pipeline for Directorship positions.

This leadership programme is delivered in partnership with one of the top Business Schools in the World – Henley Business School for 9 sessions over a year.

The programme equips our Senior Managers with the ability to be adept at moving quickly in today's complex, fast-paced, competitive environment and to build new leadership capabilities to envision the SNG Grant Thornton Future.

We had two successful cohorts:

Cohort 1: 14 individuals graduated

Cohort 2: 13 individuals graduated



## Nomination & Selection Criteria for ADDP



# Grant Thornton International Limited Leadership Programmes



## Emerging Leaders Programme

### Programme Objectives:

This programme aims to provide participants with an opportunity to develop the knowledge, skills and confidence to maximise collaboration and impact across the region.

### Target Audience:

High-performing, experienced senior managers and recently promoted directors, who are recognised as future leaders by their firm.

### Delivery Method:

A combination of virtual and in-person sessions.

## Advanced Leadership Programme

### Programme Objectives:

This is a highly transformative programme that builds cohorts of culturally aware, widely connected and collaborative leaders who can work across borders to grow our international business.

### Target Audience:

High-performing, experienced senior managers and directors and recently promoted partners, who are recognised as future leaders by their firm.

### Delivery Method:

A combination of virtual and in-person sessions.

## Senior Leadership Programme

### Programme Objectives:

This senior leadership development programme aims to develop transformational leaders with a global mindset, through thought-provoking new thinking and strategically aligned interventions aligned to the Go Beyond Strategy 2025 and our global aspirations.

### Target Audience:

CEOs and leaders in senior strategic positions and those leaders who are starting a board, board office, or firmwide leadership role.

It is also ideal for high potential partners being prepared to take on leadership roles in their firms.

### Delivery Method:

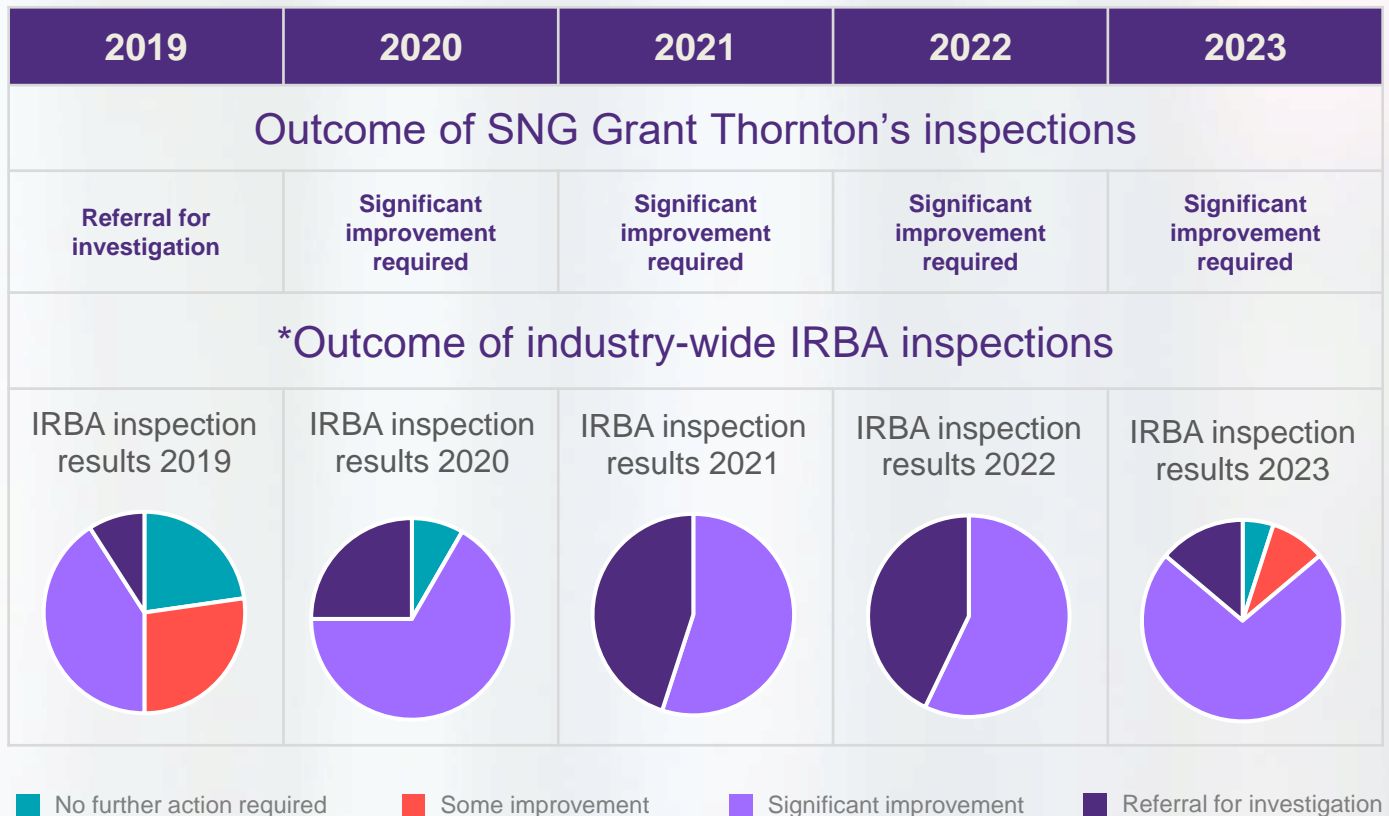
A combination of virtual and in-person sessions.

# Quality and Risk Management

## Quality reviews

The leadership within SNG Grant Thornton are fully committed to delivering quality audits on a consistent basis. The firm has seen the benefits of conscious remedial actions and transparent reporting which has led to increased accountability. Below are the results of the firm's inspections from the IRBA and over the last few years.

## Results of regulatory reviews



**In 2023, the IRBA inspection department also performed firm level theme-based inspections with the following results:**

- **Theme 1: Engagement Quality Control Reviews**

No reportable findings

- **Theme 2: Archiving of audit and assurance engagement files**

Not all entities within a few of the groups selected where archived within 60 days of the group audit report.

*\*IRBA Public Inspections Report*





# Quality and Risk Management (cont.)

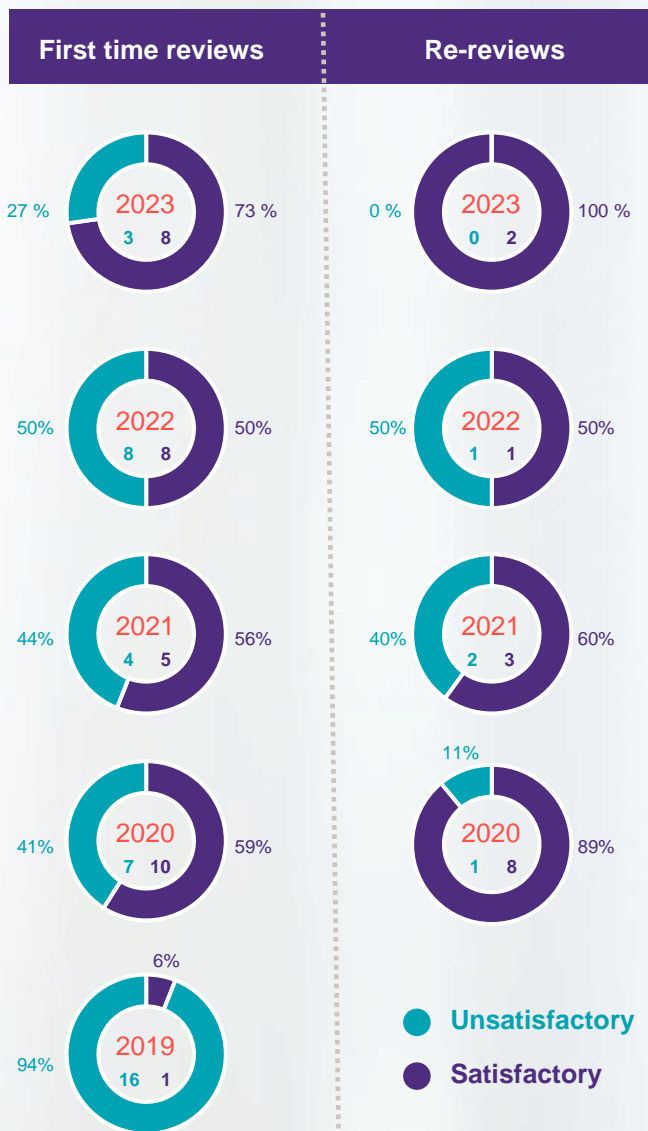
## Internal Quality Reviews

2023 marked the first year of the monitoring of the firm's System of Quality Management. Our internal quality reviewers monitored the implementation of the responses to significant quality risks and a sample of the remainder of the quality risks, for all components of the system, in line with the firm's 3-year monitoring plan and presented the results to the Quality Risk Management Committee. The results of these reviews also assisted the Chief Executive in formulating the overall opinion on our system of quality management as required by ISQM1.

Regarding the engagement performance component of the system, the internal quality reviewers reviewed 13 engagement files in 2023, which included 11 new reviews and 2 re-reviews. The internal quality control reviews are performed in terms of a monitoring plan which covers a 3-year cycle. All engagement directors are required to be reviewed at least once in a 3-year cycle.

While we recognise that there are still areas of improvement noted by these reviews, we are encouraged to see an increase in the number of engagement files that had no reportable findings.

## Results of Internal Quality Reviews



## Evaluation of the system of quality management

In December 2023, SNG Grant Thornton attained a milestone of reasonable assurance overall for the firm on the evaluation of its quality management system. This achievement underscores the paramount importance of quality in professional practices. Quality management ensures adherence to stringent standards, fostering trust and reliability in financial reporting. Through meticulous evaluation and continuous improvement, the firm upholds integrity, accuracy, and transparency in its operations. Attaining reasonable assurance signifies a commitment to excellence, instilling confidence in stakeholders and investors alike. Quality management isn't merely a regulatory obligation; it's the cornerstone of credibility and accountability in the auditing profession. SNG Grant Thornton's accomplishment highlights the unwavering dedication to maintaining the highest standards of quality.

## Importance of root cause analysis

Root cause analysis (RCA) is key to identify the precise root causes of deficiencies highlighted by internal quality reviewers and regulatory findings. It's not merely about addressing symptoms but tackling underlying issues to prevent recurrence and enhance organizational resilience. RCA enables proactive problem-solving, fostering a culture of continuous improvement and risk mitigation.

ISQM requires firms to conduct RCA as part of their quality monitoring program. GTIL has introduced a global policy on RCA and issued a template to carry out the analysis. The RCA process also highlights high audit quality characteristics, determining primary causal factors.

Remedial actions are monitored by the Quality Management Leader quarterly. When monitoring procedures indicate inappropriate reports or insufficient audit work, the firm and individual directors must take appropriate actions to comply with standards and regulations. Prioritising RCA isn't just about compliance—it's a strategic imperative for sustained success and credibility.

# Quality and Risk Management (cont.)

## Independence practices

The firm complies with the ethical requirements set out in the IESBA (International Ethics Standards Board for Accountants), IRBA and (South African Institute of Chartered Accountants ) SAICA codes as well as the Companies Act. The directors and all staff are required to be independent, both in fact and in appearance to their clients. The firm complies with the requirements contained in Parts 4A and 4B of the IESBA Code and IRBA on all audit, review, and other assurance clients.

The firm has revised its internal policies on what matters to consider when deciding whether or not assurance clients can receive non-assurance services. Six steps make up the procedure, which ensures that all pertinent relationships, financial interests, and circumstances are considered before reaching a decision. Appropriate mitigation measures are implemented following the identification and evaluation of independence threats. These steps could involve disposing of things that pose a risk including financial interests, assigning an Engagement Quality Reviewer to the engagement, or declining the non-assurance service engagement. In order to provide direction and resolution, the risk department closely monitors the provision of non-assurance services to assurance clients.

## Policy concerning the rotation of key audit partners and where relevant, staff

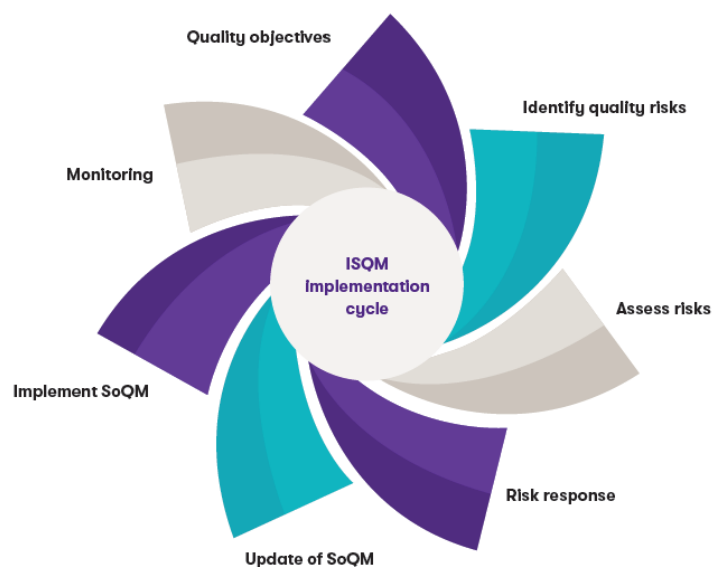
Using senior staff on an engagement for a lengthy period of time may create a familiarity threat, as per the IRBA / IESBA Code of Professional Conduct. The firm has implemented appropriate measures to limit this risk. The IRBA Code prohibits an individual from serving as the primary audit partner, engagement partner, or engagement quality review partner of a public interest entity for more than seven years. Furthermore, section 92 of the Companies Act 71 of 2008 stipulates that an individual cannot hold the role of auditor or designated auditor of a business for more than five consecutive fiscal years.

During the client acceptance and re-acceptance (continuance) process, partner rotation is monitored to ensure compliance with the above requirements. The length of service, EQRs, partner rotation, and key audit directors is considered as a trigger event for audit engagements. The trigger event will ensure that the engagement is rotated to the most suitable individual while taking experience, abilities, and training into consideration.

## Quality Management

### Measures to foster audit quality, and quality monitoring and remediation systems.

The firm has successfully implemented ISQM 1 and believes that the system of quality management supports risk management and the firm's quality strategy. The firm recognises the importance of ISQM 1 in enabling the consistent performance of quality engagements and appreciates the role it plays in serving the public interest and maintaining trust in the profession.



# Quality and Risk Management (cont.)

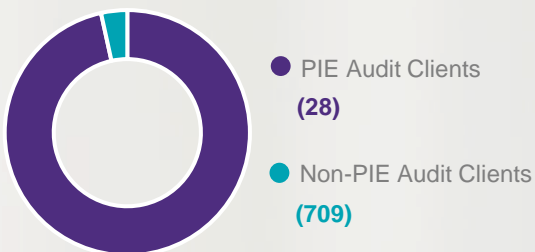
## Identification of Public Interest Entities (PIEs) for which the firm has carried out statutory audits

The firms' Public Interest Entity (PIE) policy, aligned to the Independent Regulatory Board for Auditors' (IRBA) definition of a PIE, sets the parameters for identifying PIE audit clients.

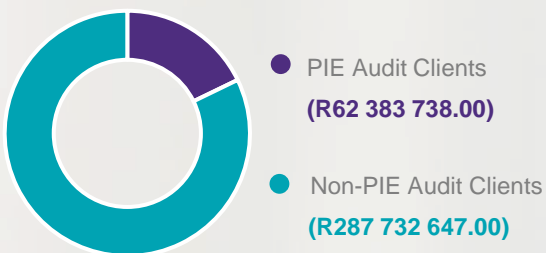
### Public Interest Entities (PIEs)

(Information relates to the 2023 year)

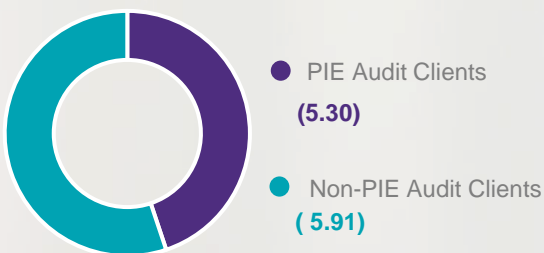
#### Total number of audit clients



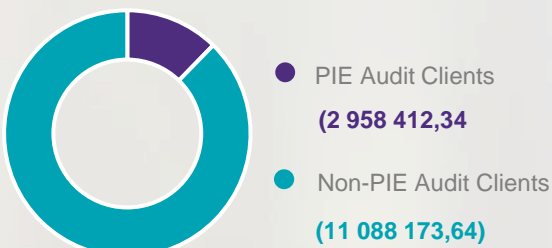
#### Total audit fees



#### Average audit tenure (years)



#### Non-audit fees to audit clients



## The firm's approach to client acceptance and retention and how related risks are addressed

Over the past year, the business environment has undergone substantial upheaval, and the economy is still facing extreme pressure. This includes the fact that our clients were negatively impacted by the business environment. In light of these circumstances, it is more crucial than ever to evaluate our clients' honesty and their capacity to accurately and impartially report on the entity's financial performance and situation. Even with the difficult market conditions, the firm is dedicated to take on high quality clients who share the same values and ethos as the firm.

In order to make informed acceptance decisions, we collect essential data as part of our client acceptance and re-acceptance (continuance) procedures.

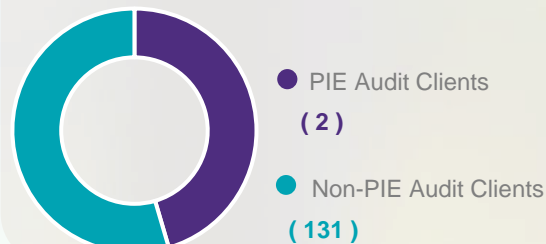
The firm has put in place policies and procedures to document and approve the acceptance and re-acceptance of engagements. The firm requires engagement teams to ensure that they obtain the necessary information for it to make an informed acceptance decision, including considerations of the following, amongst others:

- Whether the integrity of the client is acceptable to us.
- Whether the firm has the necessary capabilities and resources to perform the work.
- Whether the firm can comply with relevant ethical requirements when providing the service.

The firm has defined a criterion for high-risk engagements that require acceptance and re-acceptance approval from the Quality Risk Management Committee. Potential clients meeting additional criteria as defined by GTIL, require acceptance approval from the Global office.



#### New audit clients



# Reporting on performance against key performance indicators for assessing the effectiveness of quality control processes

## The firm's Audit Quality Indicators (AQIs)

The firm is committed to achieving and maintaining the highest audit quality. High audit quality does not only protect our brand and reputation, but also protects the financial interests of the investing public and provide them with the much-needed confidence. We use AQIs to benchmark and manage audit quality within the firm.

We recognise that no one measure can determine whether an audit is of high quality, we therefore use AQIs collectively to enhance dialogue and understanding about audit quality, which can in turn lead to higher quality audits.

GTIL has a global methodology on AQIs. We use the global benchmarks as a guide when assessing results from the firm's AQI process.

## 2023

### Employee survey results:



**2022: 76.3%**  
**2023: 77.4%**

Percentage of employees who stated that their leader demonstrates commitment to a culture of quality in performing engagements/ tasks.

### Independence: Non-audit Fees



**2022: 1.39%**  
**2023: 2.92%**

Non-audit fees billed as a percentage of the total audit fees billed for completed engagements.

### Training (hours per person)



**2022: 220 hrs**  
**2023: 180 hrs**

Total hours of structured training delivered for audit professional staff for the calendar year as a ratio to average (monthly) audit professional staff for the year.



# List of Abbreviations

## Abbreviation

## Definition

<b>A</b>	Alteryx
<b>AWB</b>	Amazon Web Services
<b>AI</b>	Artificial Intelligence
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>ACFE</b>	Association of Certified Fraud Examiners
<b>AQIs</b>	Audit Quality Indicators
<b>BPG</b>	Banking Project Group
<b>BMF</b>	Black Management Forum
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>BI</b>	Business Intelligence
<b>CA(SA)</b>	Chartered Accountant (South Africa)
<b>CPD</b>	Continuous Professional Development
<b>COVID-19</b>	CoronaVirus Disease of 2019
<b>CSR</b>	Corporate Social Responsibility
<b>DTIC</b>	Department of Trade, Industry and Competition
<b>ERP</b>	Enterprise Resource Planning
<b>ETL</b>	Extract, Transform, and Load
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>GT</b>	Grant Thornton
<b>GTAR</b>	Grant Thornton Assessment and Review
<b>GTIL</b>	Grant Thornton International Ltd
<b>IRBA</b>	Independent Regulatory Board for Auditors
<b>IT</b>	Information Technology
<b>IoD</b>	Institute of Directors
<b>IIA</b>	Institute of Internal Auditors
<b>IQCR</b>	Internal Quality Control Review
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IESBA</b>	International Ethics Standards Board for Accountants
<b>IFRS</b>	International Financial Reporting Standards
<b>ISQM</b>	International Standard on Quality Management
<b>IMPG</b>	Investment Management Project Group
<b>JSE</b>	Johannesburg Stock Exchange
<b>KPI</b>	Key Performance Indicator
<b>LEAP</b>	Leading Effective Audit Practice
<b>MIPA</b>	Mauritius Institute of Professional Accountants
<b>NYSE</b>	New York Stock Exchange
<b>PCAOB</b>	Public Company Accounting Oversight Board
<b>PIE</b>	Public Interest Entities
<b>RIRSC</b>	Regulated Industries and Reports Standing Committee
<b>SMME</b>	Small Medium and Micro Enterprises
<b>SAICA</b>	South African Institute of Chartered Accountants
<b>sas</b>	Statistical Analysis Software
<b>SNG</b>	SizweNtsalubaGobodo
<b>SQL</b>	Structured Query Language
<b>TEUF</b>	Thuthuka Education Upliftment Fund

