



SNG Grant Thornton Transparency Report

2023





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Culture and Values

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 CLEARR 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.

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

Respect
Listen and understand, be forthright
We create honest relationships

Collaboration
Ask for help, give help
We work well together

Responsibility
Use influence wisely
We own our actions

Excellence
Find a better way every time
We never get complacent

Agility
Think broadly, act quickly
We thrive in change

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 CLEARR 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.

Foreword

We are pleased to present this inaugural transparency report, which comprehensively covers key aspects of SNG Grant Thornton. It addresses significant changes in our macro-operating environment and within our firm.

As a firm, we continue to anticipate changes in our environment as well as the impact of these changes. We are, accordingly, agile to adapt to ensure that we succeed in all respects.



SNG Grant Thornton is the largest home-grown audit and advisory firm in Southern Africa. It is a member firm of the Grant Thornton International global network. Grant Thornton member firms operate in over 145 countries around the world, with 68,000+ people generating combined global revenues of over USD 7.2 billion.

Our implementation of the new quality standards has proceeded well and we continuously monitor our progress. Our Digitech project is aimed at scaling the use of technology in our internal Standards Operating Procedures and in our client assignments.

Market Focus

Our chosen markets are as a result of our collective experience and our strategy. Our operating model is driven by our industry specialisation and expertise to better serve our clients. We focus on Financial Services, Telecommunications Media and Technology, Energy and Natural Resources and Higher Education as key industries for the firm. Our energies and resources are thus channeled towards research, scaling expertise and solutions in those industries.

Integrated Approach

Our integrated approach on our engagements leads to seamless service delivery that enables the lead engagement directors and teams to coordinate and source all necessary skills required. Our audit methodology, Leading an Effective Audit Practice (LEAP) takes into cognisance the Combined Assurance Model to optimise the relevant assurance from management, internal audit, management experts and to other external assurance providers. The methodology is used consistently throughout the Grant Thornton network.

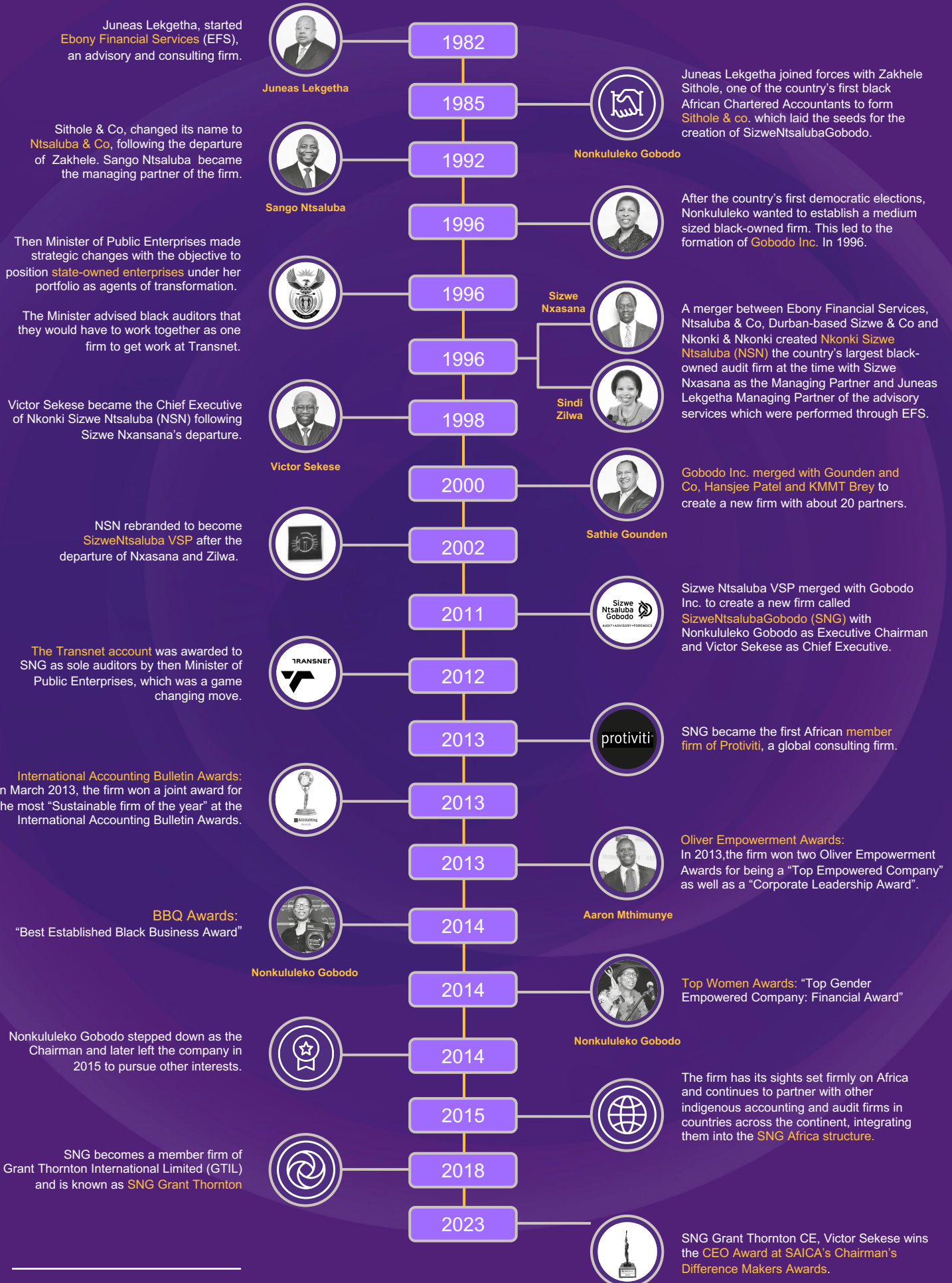
Quality Assurance

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 that reads "Sekese".

Victor Sekese
CE - SNG Grant Thornton

Our history



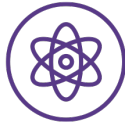
Our industry experience

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:



Education



Energy
& Mining



Healthcare &
Pharmaceuticals



Technology,
Media &
Communication



Finance



Manufacturing



Transport
Logistics &
Aviation



Property &
Construction



Small
& Medium
Enterprises



Art,
Entertainment
& Broadcasting



Non-Profit
Organizations



Defense/
Military



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 SNG Grant Thornton their trusted business partner.

Grant Thornton Industry hub and thought leadership

Our industry focus groups, as referred to 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

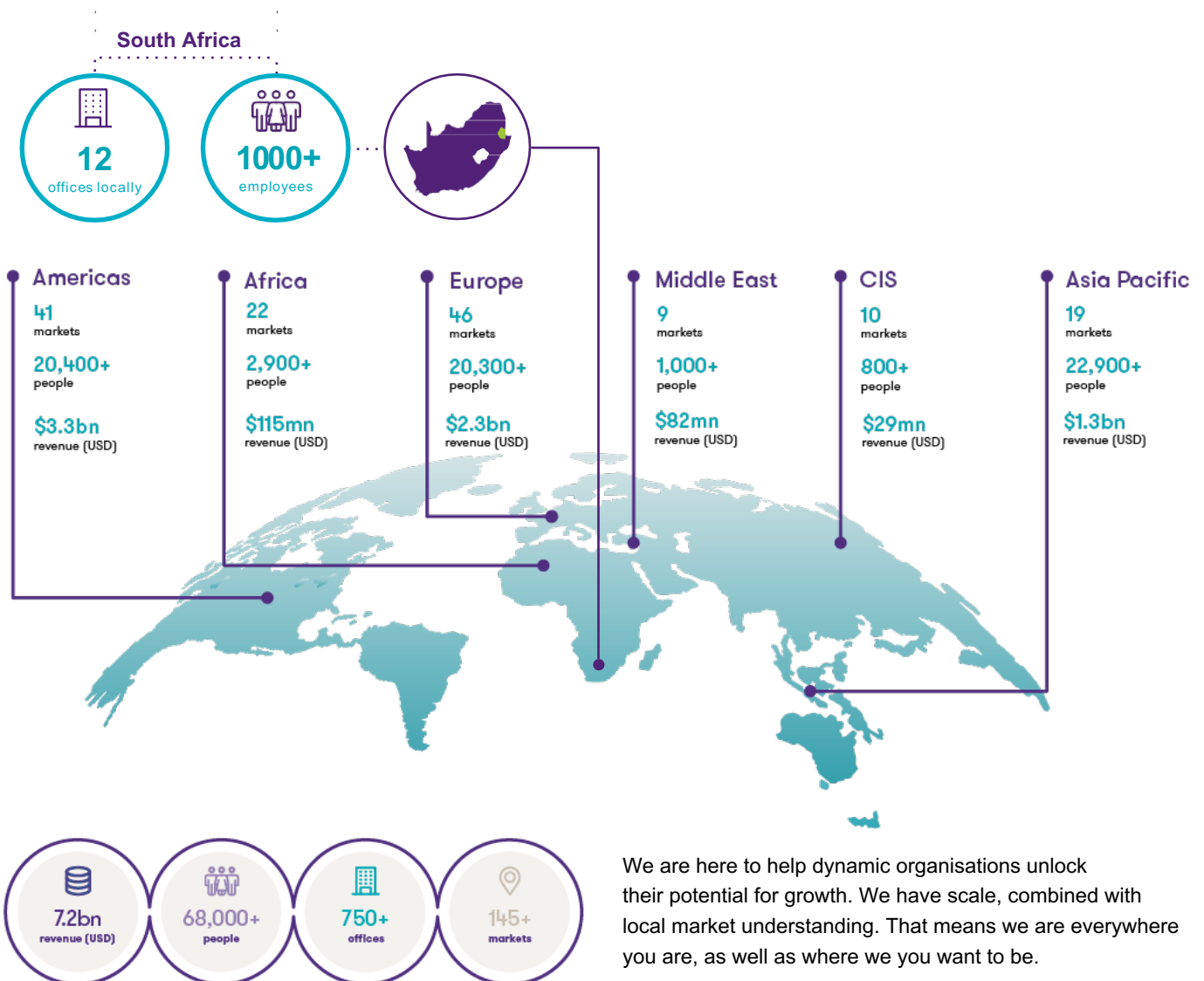
Capacity and Global Reach

We're a network of independent assurance, tax and advisory firms, made up of 68,000+ people in more than 145 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 you want to be.

SNG Grant Thornton offices

South Africa



1 000+
Professionals



CSR
Very active
CSR program



Level 1
Contributor



R752 mil
Revenues in ZAR



60+
Directors

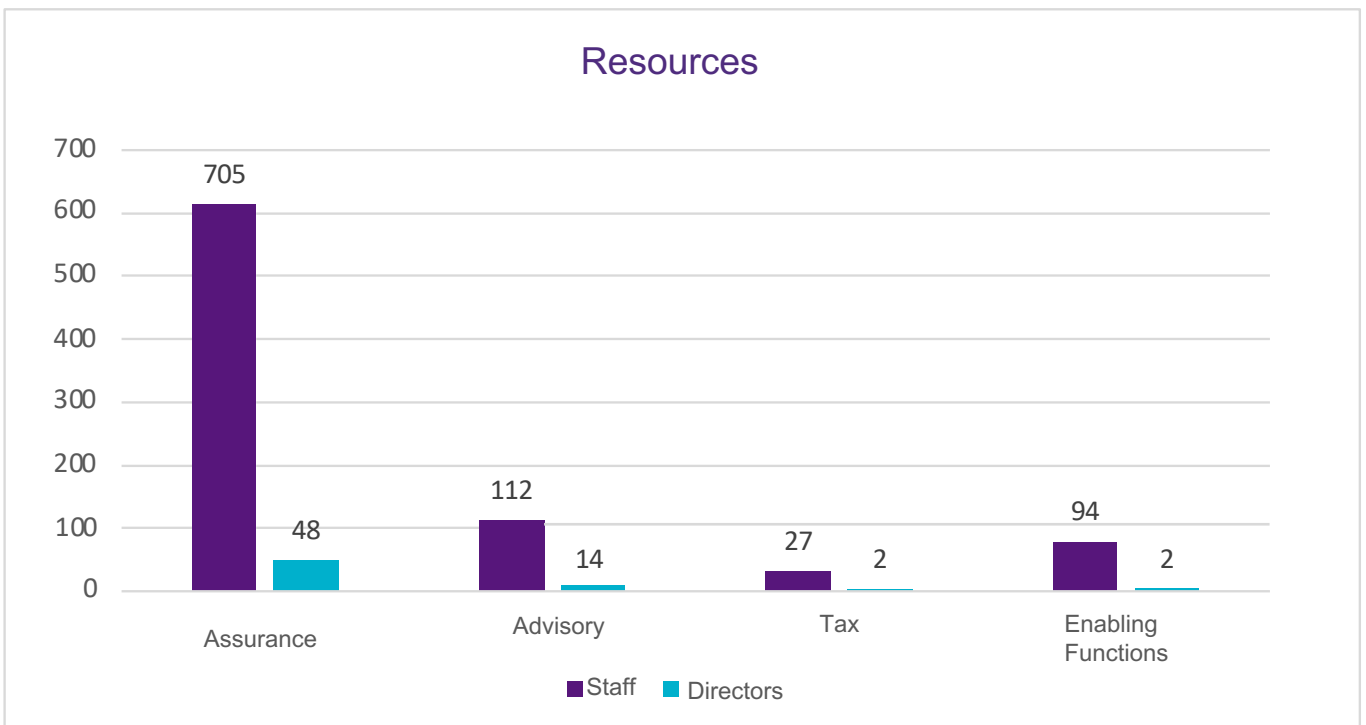


78.39%
Black-owned

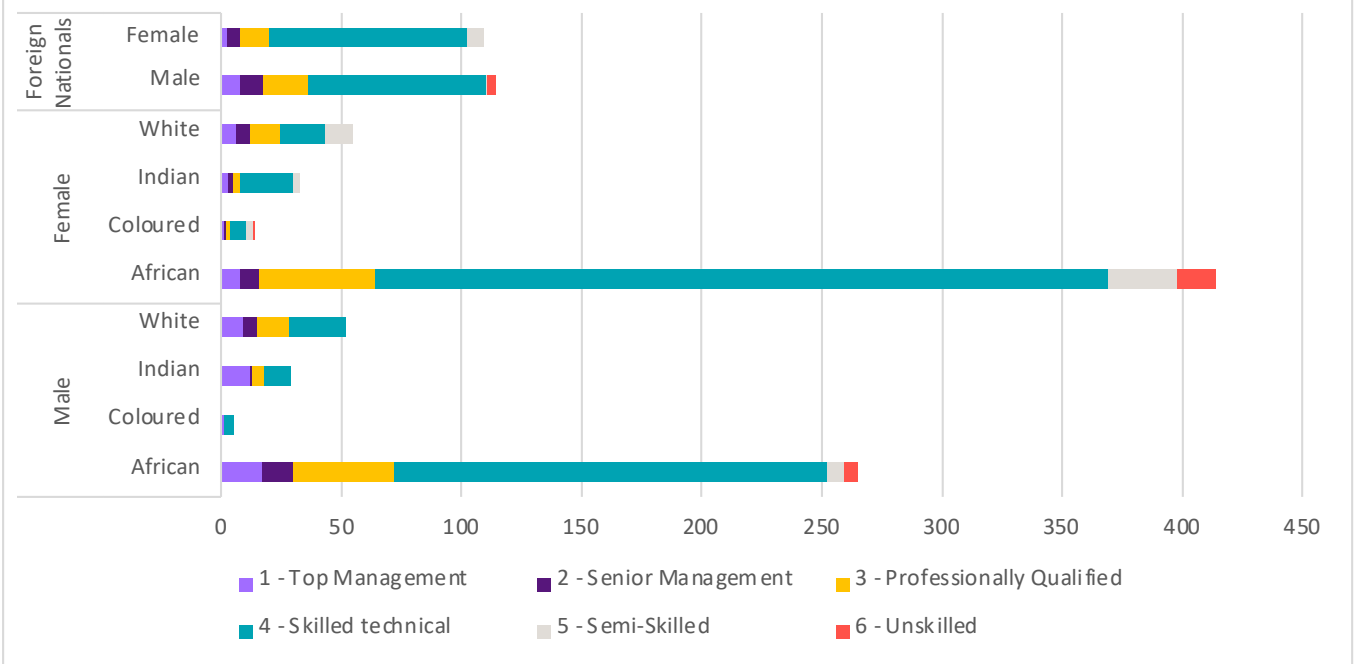


27.08%
Total female
ownership

Equity statistics



Cross-service personnel



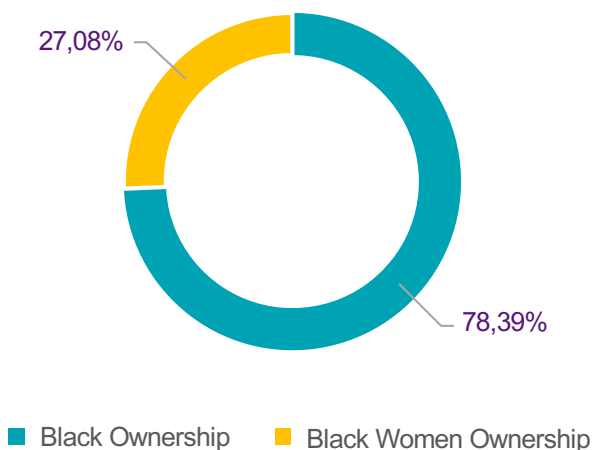
Transformation

Our transformation and B-BBEE strategy and policy is aligned to the elements contained in the Department of Trade, Industry and Competition's (DTIC) revised generic code.

Gender diversity is not just the right thing from a social standpoint; it's 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 in senior leadership positions has long been a key priority driven through various initiatives from a national and international perspective across the Grant Thornton network.

We have set ourselves a bold target of achieving a 40% ratio of women in leadership positions across the firm by end of 2025. SNG Grant Thornton is committed to ensuring that we maintain a Level 1 B-BBEE rating.

Black Ownership

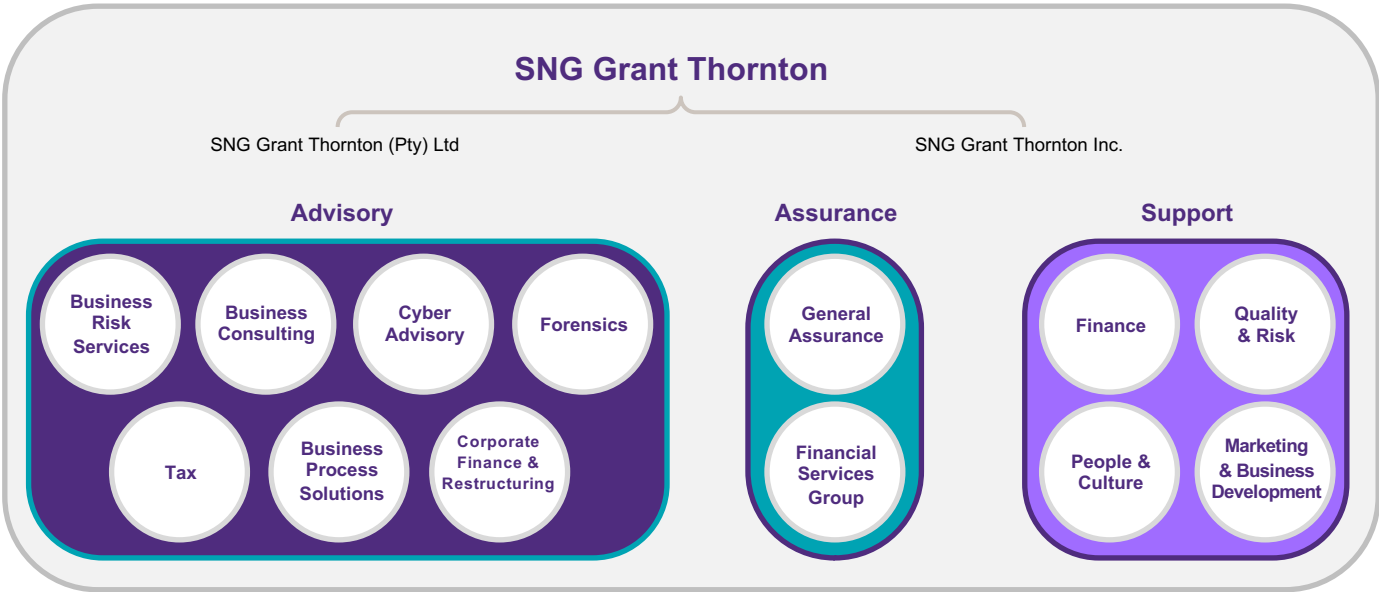


Revenue

Financial Highlights



Firm structure



Membership with various institutions

We are affiliated to the following organisations:



Collaboration in the profession (committees)



Pravesh Hiralall

SAICA Investment Management Project Group
SAICA Insurance Project Group



Omar Kadwa

SAICA Medical Aid Schemes Project Group



Darshen Govender

SAICA Investment Manager Project Group
SAICA Retirement Funds Project Group



Patience Bhebhe

SAICA Retirement Funds Project Group



Agnes Dire

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



Nhlanhla Sigasa

SAICA – Banking Project Group



Dirk Fouche

IRBA Public Sector Standing Committee



Madelie Olivey

Financial Reporting Council



Alfred Sambaza

Institute of Chartered Accountants of Zimbabwe ICT Committee



Nkabaneng Mashile

SAICA Assessment of Professional Competence Examinations Committee

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.

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

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

Board of Directors



Aaron Mthimunye



Abendran Govender



Agnes Dire



Alex Philippou



Alfred Sambaza



Altaf Fajandar



Andri Booyens



Anoosh Rooplal



Ayesha Ameer



Azwinndini Magadani



Darshen Govender



Dirk Fouche



Fana Manana



Fikile Zwane



Georgia Diedericks



Gerard Musthan



Gerdileen Taylor



Gibson Mudimba



Herman Leach



Jacobeth Ramapela



Jeanine
Nellmapius-Clarke



Jonathan Jansen



Khanyisa Cingo



Kudakwashe
Charandura

Ownership and governance (cont.)

Board of Directors (cont.)



Leonie Els



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 Amrathlall



Ria Pretorius



Robert Sithebe



Robert Webb



Ryan Smit



Selvin Moodley



Siyakhula Vilakazi



Suleman Lockhat



Tarisai Takawira



Tebogo Mokale



Thabo Mogano



Victor Sekese



Vusi Nkbindze



Willem van Niekerk

Our CSR



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:

4 QUALITY EDUCATION



11 SUSTAINABLE CITIES AND COMMUNITIES



2 ZERO HUNGER



Our CSR (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.

We run leadership programmes such as the Advanced Director Development, Advanced Leadership Programme, Emerging Leadership Programme and the Senior Leadership Programme.



THUTHUKA

inspiring success

Ongeziwe Nyenjana, a Leader in Assurance, completed the 2023 Comrades Marathon and partnered with the **Thuthuka Education Upliftment Fund (TEUF)** to raise funds for disadvantaged students who want to become CAs(SA). He raised **R38 500**.

Expertise – Integrated Team



Assurance

General assurance

- Audit of financial statements
- Agreed upon procedures
- Integrated reporting
- Financial review engagements
- Probity assessments

Financial Service Group

- Audit of financial institutions
- Debt and capital markets

Technical

- IFRS compliance/ accounting technical
- Audit
- Sustainability reporting

DigiTech

- IT assurance
- Cyber security
- Data analytics



Tax

Taxation Services

- Tax compliance
- Tax accounting
- Tax analytics
- Tax risk management
- Share incentives schemes
- Payroll
- Value Added Tax (VAT) services
- Custom and Excise tax
- Due diligence
- Africa Tax Desk services



Advisory

Business Consulting

- Financial management
- Technology
- Business transformation
- Data and analytics
- Operations improvement
- Human capital strategy
- Environmental, social and governance (ESG)
- B-BBEE advisory services

Cyber Advisory

- Cybersecurity strategy, risk, and governance
- Privacy & Data Protection (Gap Assessments & Implementation)
- Cyber security testing
- Awareness & training
- Third party cyber risk Management
- IOT/SCADA security
- Cyber incident response

Business Process Solutions

- Back-office outsourcing
- Global compliance and reporting solutions (GCRS)
- Business process outsourcing (BPO) and Shared Services Centre (SCC)

Corporate Finance and Restructuring

- Due diligence reviews
- Valuations
- Mergers and acquisitions
- Financial modelling and reviews
- JSE Listing and reporting Accountants services
- Infrastructure and project advisory
- Insolvency, business rescue & restructuring

Business Risk Services

- Internal audit
- Corporate governance
- Regulatory and compliance
- Risk management
- Third party & IT operations
- IT risk and assurance

Forensics Services

- Forensics investigations
- Digital forensics
- Anti-financial crime advisory/compliance
- Cybercrime investigations
- Disputes
- Fraud prevention strategies and awareness

Technology and its impact on audit

In this digital age, technology is ever-changing and we keep abreast of latest trends within this industry. Our strategy is integrating auditors to tech savvy solutions in building the digital auditor of the future. There is training on tools such as IDEA in using technology for most of our clients. We have also deployed digital tools to seamlessly integrate into audits using predefined parameters for key business processes. Teams can now use data analytic tools to identify patterns and unusual transactions that may indicate control deficiencies. Trend analysis and total population testing is now being performed as opposed to sampling on identified areas of coverage. We will continue in our journey to upskill auditors on leveraging technology as part of the audit process. We have Innovation and Digitisation Committees that form part of the available technologies within key industry sectors and within but not limited to the Grant Thornton network. We take lessons learned on tools that have been utilised on the GTIL network and deploy only tried and tested areas such as the use of IDEA for Data.

Our Digital transformation journey is currently at a stage of deploying digital tools (such as Alice) as part of the audit process. The tools will enable the auditor to select entire data populations and test in its entirety as opposed to sampling. Currently, journal testing using digital tools has been deployed on the bulk of audit clients with Payroll and Procurement following suit. Our vision is leveraging technology to seamlessly extract data from client source systems, test completeness and use robotics to analyse key risk areas. The process will enable early warning signal for high control risk failure such as 3-way match and duplicate payments as examples, to enable management to remediate the control deficiencies and for audit to verify accordingly.

Audit of Revenue using data analytics for telecommunications (nature of being complex for sources of info) has been developed and used in major telecommunication clients thus far. We also have in-house developed tools for financial services clients around interest rate re-calculation and fees.



LEAP



IDEA



Alteryx



ALICE



Data Sniper



Project Management Tool

Our Innovation committee reviews the available technologies that would benefit the organisation 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.

The next phase will be deploying a project management software that monitors the audit cycle to ensure key performance indicators are met. We are currently in the analysis and selection process.



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 Go Beyond network strategy 2025.

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



Leadership



Ethical requirements



Client acceptance and continuance



People



Engagement performance



Monitoring

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 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.

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 human capital

Selection, recruitment, and retention

COVID-19 had a significant impact on many facets of the corporate world, including how we select, recruit and retain our Talent. We as an organization had to look at recruitment and selection in the “new normal beyond coronavirus”. This resulted in the firm adopting a combined (virtual and face to face) recruitment approach.

Although we adopted a combined approach, most candidates still choose the virtual interview.

Our key objective remains focused on bringing in the right talent; people who are of the right culture fit, at the right time, and for the right positions even during these unprecedented times, and then to ensure that we optimise their experience in the organisation.

Despite the challenges experienced post the pandemic, we have been able to adapt and accommodate the new way of engaging with talent virtually and face to face, from interviewing, on-boarding, and inducting talent. We have focused efforts on understanding how to improve our retention strategies to place us in a competitive position to combat the global war for talent that all organisations seem to be confronted with.

We remain committed to searching the market for the best talent for every vacant position in the firm while not compromising on our quality of hire.

We use various interviewing techniques supplemented with various psychometric tests in our recruitment processes. We manage the career journeys of our people through a well-defined talent management framework with oversight from the mentorship process.

The approach and goals of continuing professional education

With change as a constant in our environment, the organisation has placed significant emphasis on fashioning a policy for Continuous Professional Development (CPD) that encourages our people to commit to ongoing learning. CPD is linked directly to the roles and responsibilities of the individual to ensure that there is focus on developing the individual in areas requiring such.

Our CPD policy provides a framework that guides our people in attaining the skills necessary to perform their day-to-day job, as well as to enhance their promotional opportunities for the future. We make use of coaching sessions linked to our performance review cycles to enable the completion of competency analysis for employees based on the organisational strategy, team goals and one's role.

Once the competency analysis has been completed, employees are required to record the courses they will be completing for the respective year on the online My Risk Space System. The Coach and Coachee then track the progress of the individual against this system.

The CPD system provides for:



Review of Skills

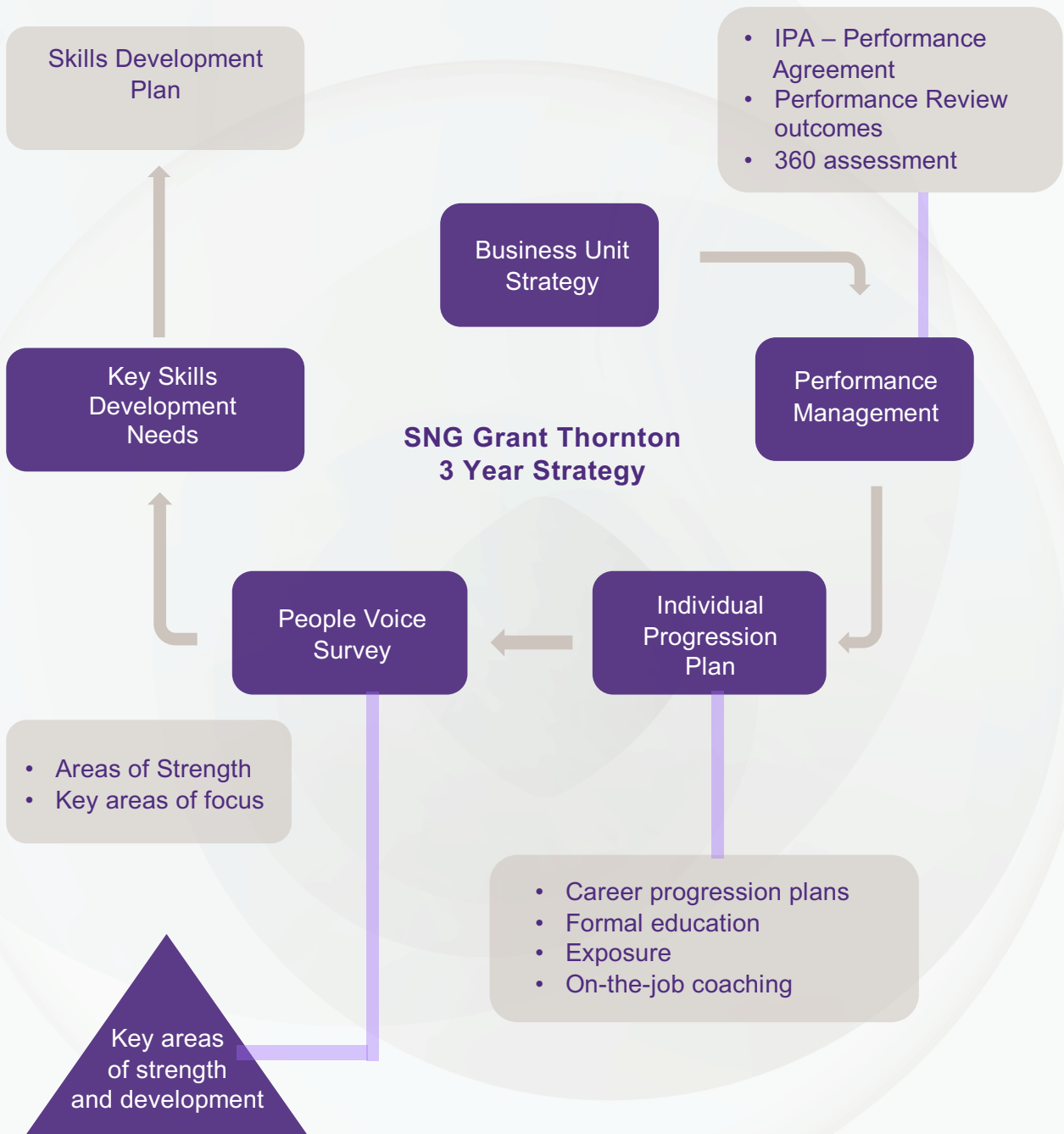


Review of Behaviour



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 performance individuals. Remuneration also reinforces, encourages, and promotes superior performance.

Through consistent performance linked to value drivers, superior performance is recognised and rewarded while poor performance and under achievement are penalised. Remuneration is never a standalone management process, but is rather fully integrated into other management processes, such as the performance management process, and the overall human resource policies.

The directors' remuneration policy serves to guide individuals as directors of the firm through the implementation of the Director Development and Reward System, as well as to serve as a reference point for ongoing application. 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 comprise 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 organisations incentivisation 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 BU, SL, PO to the individual director.

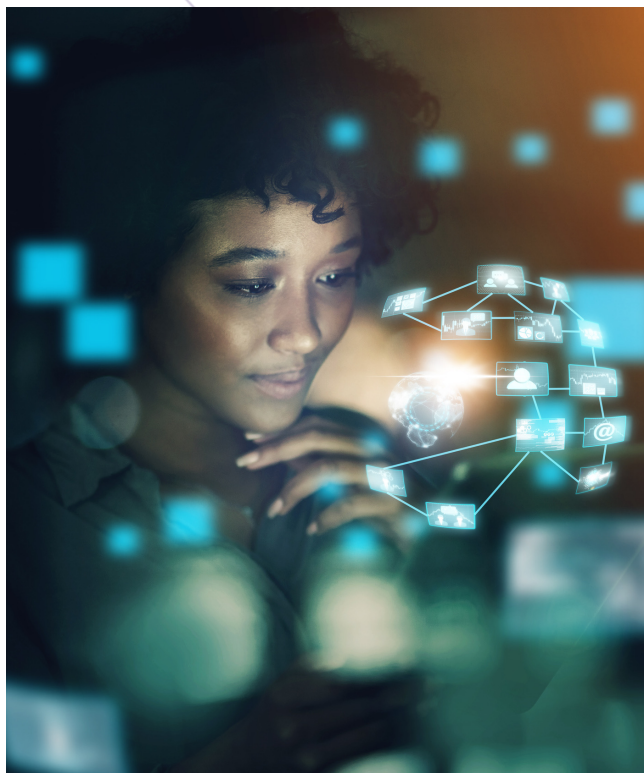
Transformation policies and statistics (include BBBEE status)

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 BBBEE 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.



Africa Director Development Programme

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 over 9 sessions for a period of 1 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.



Nomination & Selection Criteria



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 managers and senior managers, who are recognised as future leaders.

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 recognized as future leaders by their firm.

Programme Duration:

One-year leadership development programme.



Senior Leadership Programme

Programme Objectives:

This Senior leadership development programme aims to develop transformational leaders with a global mindset, through leading edge and strategically aligned development 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

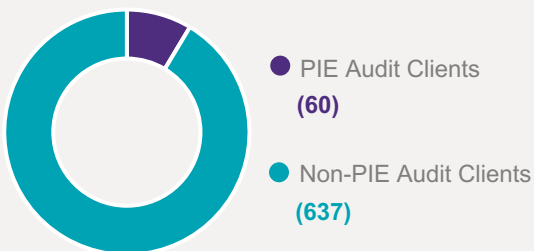
Identification of Public Interest Entities (PIEs) for which the firm has carried out statutory audits

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

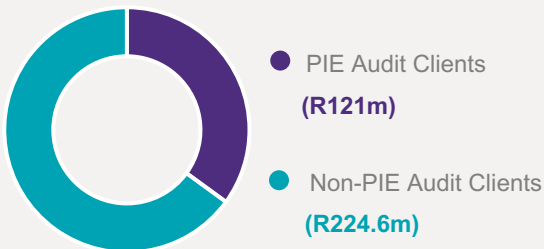
Public Interest Entities (PIEs)

(Information relates to the 2022 year)

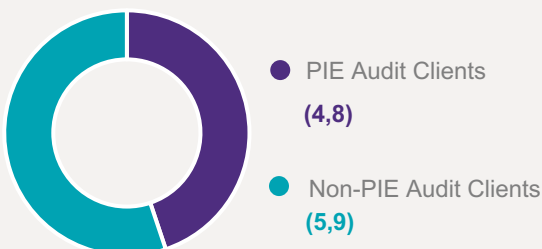
Total number of audit clients



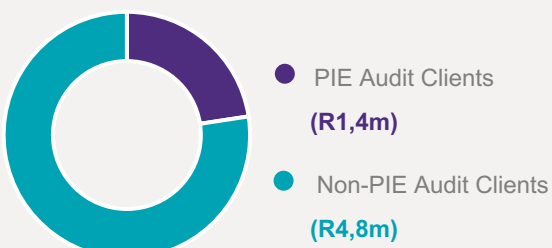
Total audit fees



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

Our client acceptance and re-acceptance policies and procedures represent a critical element of our firm's quality management system. 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.

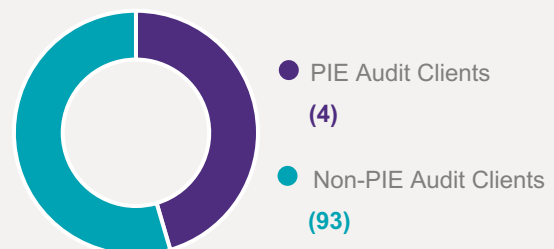
The firm has defined a criterion of high-risk engagements that require acceptance and re-acceptance approval from the Quality Risk Management Committee. Certain clients that meet the criterion defined by GTIL require acceptance approval by the Global office.

Audit clients not accepted:



Clients with an amount of **R90m+**

New audit clients



Quality and Risk management (cont.)

Independence practices

The firm complies with the ethical requirements set out in the IESBA, IRBA and SAICA codes as well as the Companies Act. The directors and all staff are required to be independent, both of mind and appearance of 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 acknowledges that providing certain non-assurance services to audit clients may create threats to independence. Firm policy requires the engagement team to evaluate and document the potential independence threats associated with providing a non-assurance service to an audit client and ensure that appropriate safeguards are implemented to safeguard the independence of the firm.

The evaluation must be reviewed, and the provision of the non-assurance service approved by the Risk Department prior to offering the service to the client.

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

A familiarity threat may be created by using the same senior personnel on an engagement over a long period of time and appropriate measures are put in place to address such a threat. The firm complies with long association provisions as determined by the IRBA Code and the Companies Act.

The Companies Act 71 of 2008, Section 92 require that the same individual may not serve as the auditor or designated auditor of a company for more than five consecutive financial years. The IRBA Code states that an individual shall not be a key audit partner, an engagement partner, or the engagement quality review partner of a public interest entity for more than seven years or as otherwise determined by legislation or regulation.

Annually during client re-acceptance, the team considers the familiarity threat that may be created by using the same senior personnel on all service lines and develops safeguards to reduce this threat to an acceptable level.

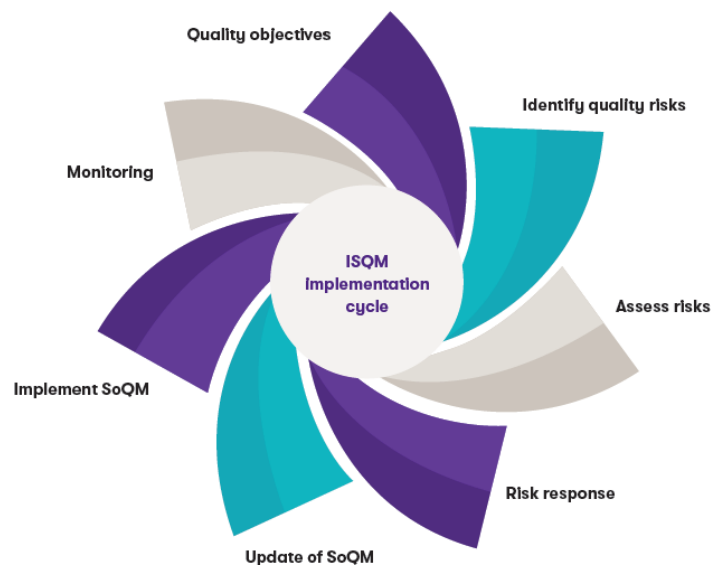
Partner rotation, EQRs and key audit directors on audit engagements are continuously monitored in order to track the length of service.

Quality Management

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

SNG Grant Thornton welcomes the changes 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 director and engagement quality reviewer fulfill.

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.



Results of regulatory reviews

The results for the profession

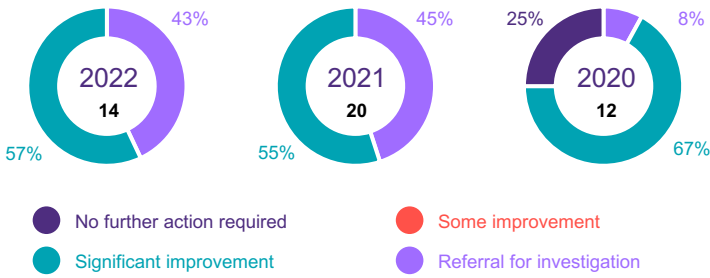


Figure 2: Firm-wide inspections results, including the engagement deficiencies escalated to the firm level. Extract from the 2022 IRBA Public Inspection Report

The results for SNG Grant Thornton

Inspection report date	Inspection outcome
5 September 2019	Referral to Investigation
2 December 2020	Significant improvement required
3 December 2021	Significant improvement required
15 December 2022	Significant improvement required

In 2022 the IRBA inspection department also performed firm level theme-based inspections with the following results:

- **Theme 1: Evaluation of independence consultations and non-assurance services**
- No reportable findings
- **Theme 2: Archiving of audit and assurance engagement files**

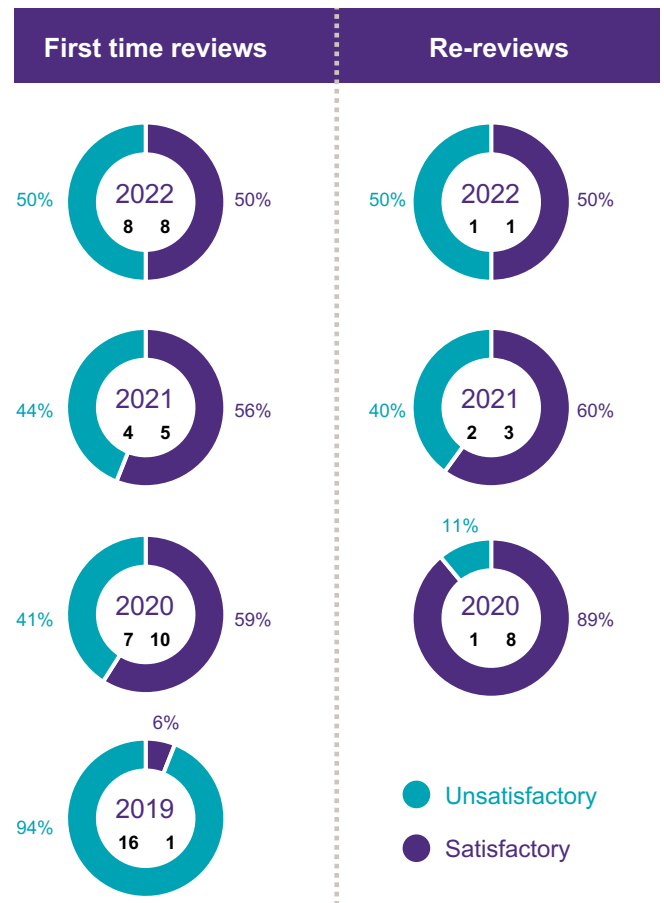
One file identified as archived on day 61 resulted in a reportable deficiency on the internal control system relating to file archiving.

Results of root cause analysis on internal and external review findings

To ensure that any deficiencies identified by internal, regulatory or network reviews are appropriately addressed, and a reoccurrence prevented in the future, the firm requires an in-depth root cause analysis and remedial action plan to be performed.

The root cause analysis identifies the actual cause of the deficiency and the area within the system of quality management to which it relates. Understanding the real root cause assists in developing an effective remedial action plan. The implementation of remedial actions is monitored on a quarterly basis by the Head of Quality and reported to the Quality Risk Management Committee.

Results of Internal Quality Control Reviews



Monitoring reviews and remedial action plans

The firm has a dedicated team of experienced reviewers who perform monitoring reviews in terms of the system of quality management. 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. The monitoring plan also includes monitoring firm level policies and procedures.

The firm values the inputs by the IRBA inspection team and is committed, through various internal interventions, to minimise the repeat occurrence of identified deficiencies.

In-depth root cause analysis are performed, and remedial action plans established. These action plans are monitored the quality leader on a quarterly basis.

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.

Key indicators

Employee survey results:



2021: 77.3%
2022: 76.3%

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

Independence: Non-audit Fees



2021: 2.14%
2022: 1.39%

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

Training (hours per person)



2021: 43 hrs
2022: 4.6 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.

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

Our culture is built on a genuine interest in our clients – their challenges, growth ambitions and wider commercial context. You get the attention you deserve from approachable, senior professionals who ask the right questions, listen and provide real insight and a clear point of view.

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

Our size and structure create advantages for you. We adopt a flatter structure, with shorter decision-making chains, empowered teams and no complex chains of command. We have all the necessary processes and controls, but they're streamlined and efficient. Our teams are more responsive.

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

Our teams bring ideas to the table, going beyond the technical issues to recommend ways to make your business better. We balance a desire to do what's best for you in the future with an experienced sense of what's going to help you now.

The bottom line

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

Collaborative teams with a different mindset

Our people are open, accessible and easy to work with. We work through the issues alongside you, always with an independent perspective and challenging where necessary. Our collaborative style also enables us to assemble teams across service lines, industries and geographies to tailor our capabilities for you.

The bottom line

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

Awards

It's great to be collectively competitive. Our awards acknowledge how we help dynamic organisations grow through our independent assurance, tax and advisory services. Seeing our clients achieve their goals: that's a big reward for us.

SNG Grant Thornton's, Group CE, Victor Sekese, won the CEO Award at SAICA's Difference Maker's Awards that took place in May 2023. This award recognises an individual who spearheads initiatives that propel the accountancy industry forward, leaving an enduring legacy that will continue to inspire generations to come.

List of Abbreviations

Abbreviation

Definition

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

