

# Transparency Report 2011

Grant Thornton International



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# Foreword

The 2011 Grant Thornton International transparency report is a public statement of our commitment to provide high quality assurance services to organisations operating all over the world.

As part of our continuing focus on transparency, the report aims to help our many stakeholders (including clients, audit committees, regulators and the general public) understand our global organisation – our governance and management structure and how Grant Thornton member firms deliver high quality assurance services throughout the world. Our stakeholders rightly expect us to have people, processes and technology in place that result in quality service regardless of where we operate.

I have just completed my first year as chief executive officer of Grant Thornton International. While the economies of many countries improved in 2010, I continue to see challenges ahead as businesses, investors and governments come to terms with today's economic landscape. We are passionate about our role in addressing these challenges and increasing confidence in the world's capital markets.

Our combined global revenues for the year to 30 September 2010 were \$3.7 billion, a healthy increase of 2.3% from 2009. Assurance services accounted for approximately 46% of revenues.

In 2011 we will continue to focus on quality and build on our reputation for distinctive client service. Grant Thornton member firms, and our 30,000 people worldwide, are committed to making a difference for clients, other stakeholders and the global community.



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**Ed Nusbaum**  
Chief executive officer  
Grant Thornton International  
March 2011

# Governance and management

Grant Thornton International is a private company limited by guarantee, incorporated in England and Wales. It is an umbrella organisation that does not provide services to clients. Services are delivered by Grant Thornton member firms.

Grant Thornton member firms are independently owned professional services firms. Each member firm is a separate legal entity. Membership in the global organisation does not make any firm responsible for the services or activities delivered by any other member firm. Each firm is locally governed and managed. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names. At 30 September 2010, there were 96 Grant Thornton member firms.

## **Governance**

### **Board of governors**

The Board of governors (the Board) is the principal and overriding authority in Grant Thornton. The Board is a group selected from member firms worldwide and exercises governance on their behalf. The Board's responsibilities include:

- approving the global strategic direction and policies of Grant Thornton as established by the chief executive officer (CEO)
- suspending the rights of, or expelling, a member firm
- appointing and setting the remuneration of the Chair of the Board
- appointing, evaluating performance and setting the remuneration of the CEO.

### **Chair of the Board**

The role of the Chair of the Board (the Chair) changed in 2010. There is now a more proactive role for the Chair with a focus on ensuring that the Board functions as a coordinated group in support of the CEO on global strategy, including, but not restricted to, provision of distinctive client service by our member firms. The expected annual time commitment of the Chair has increased accordingly.

The current Chair was initially appointed for a two year period commencing 1 January 2010. The role of the Chair is pivotal to creating the conditions necessary for a highly effective board focused on our strategic global development.

### **Board committees**

The Board has five committees as follows:

- CEO remuneration and performance committee
- audit committee
- budget committee
- member firm matters committee
- governance review committee.

The Board committees have responsibility for various matters delegated to them by the full Board.

## The Board of governors as at 30 September 2010

\*Retired from Board 31 December 2010

<b>Peter Bodin</b> Chair, Sweden	<b>Ed Nusbaum</b> CEO, Grant Thornton International
<b>Robert Quant</b> Australia	<b>Phil Noble</b> Canada
<b>Jean Schnob</b> Canada	<b>Jean-Luc Carpentier</b> France
<b>Klaus-Günter Klein</b> Germany	<b>Paul Raleigh</b> Ireland
<b>Chikahiko Honda</b> Japan*	<b>Hector Perez Aguilar</b> Mexico
<b>Gerard Mulder</b> The Netherlands	<b>Luis Carlos Marcano</b> Puerto Rico*
<b>Scott Barnes</b> United Kingdom	<b>Terry Back</b> United Kingdom
<b>Stephen Chipman</b> United States of America	<b>Carol Banford</b> United States of America*

## Recent developments

After a thorough review of the governance structure and practices, a recommendation was made to appoint independent members to the Board.

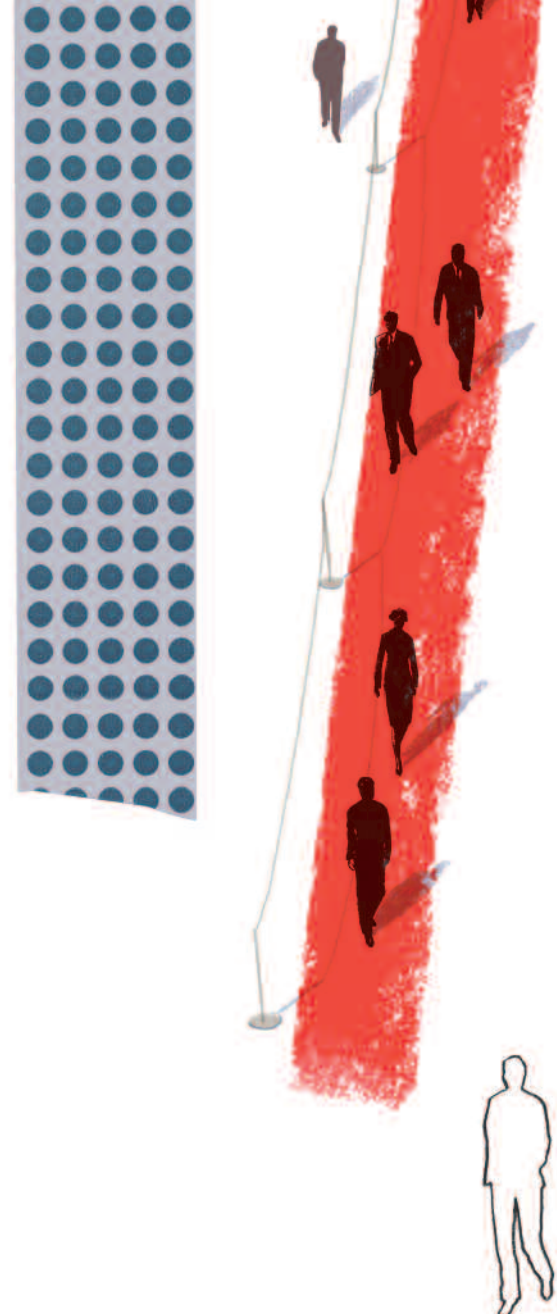
## Management

### Chief executive officer

The CEO is appointed by the Board for an initial term of five years and is eligible for successive terms of three years each. The CEO is appointed from a pool of candidates who are nominated by the Board. Grant Thornton received external advice on the 2009 selection process, including selection criteria and evaluation methods.

The CEO is responsible for the leadership and management of Grant Thornton International. The role of the CEO includes the development and recommendation of global strategic priorities for ratification by the Board, together with overseeing execution of these priorities. The CEO has responsibility for appointing the global leadership board (GLB), subject to the concurrence of the Board. The GLB assists the CEO in the execution of the global strategy. The CEO is regularly briefed by GLB members on recommended modifications to the policies and procedures, including those governing international work for the assurance, tax and advisory service lines.

Ed Nusbaum took office as CEO on 1 January 2010. Previously, Ed was CEO of Grant Thornton LLP, the US member firm: a position he had held since 2001. Before becoming US CEO, Ed served as that firm's national managing partner of professional services, managing partner of the Philadelphia office and national director of assurance services. His experience includes being a Trustee of the Financial Accounting Foundation and a member of the US Securities and Exchange Commission's (SEC) Advisory Committee on Improvement to Financial Reporting (CIFiR). Ed is a member of the International Integrated Reporting Committee (IIRC) whose mission is to create a globally accepted integrated reporting framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format.



### Global leadership board

The GLB develops and drives the execution of the global strategy. It is a full time management group dedicated to leading the global organisation in the successful execution of the strategy.

In addition to the three global service line leaders – assurance, tax and advisory services – in 2010 two new roles were added to the GLB: global leader – markets and global leader – business development & client service.

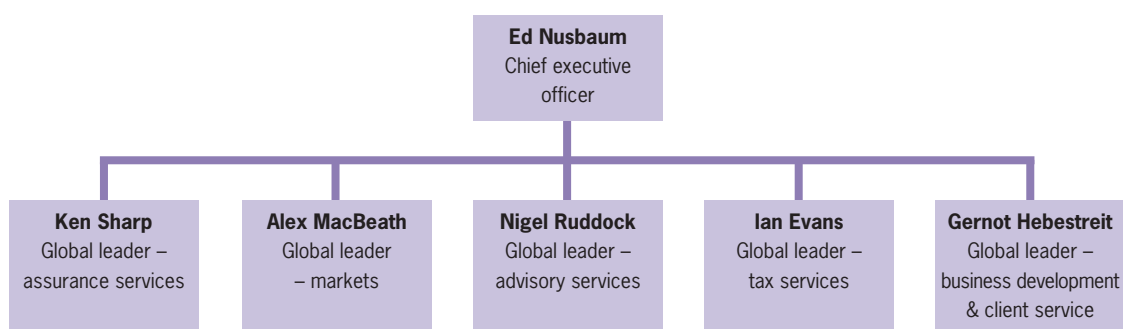
A critical role of the GLB is to work with member firms in driving the execution of the Grant Thornton global strategy. This strategy has four key priorities, in addition to the overarching objective of quality in everything we do:

- fast and strategic growth
- distinctive client service
- best people
- efficient operations.

Implementation of the strategy will build on strategic frameworks, prioritised investments and growth strategies that are appropriate for our chosen markets.

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### Global leadership board



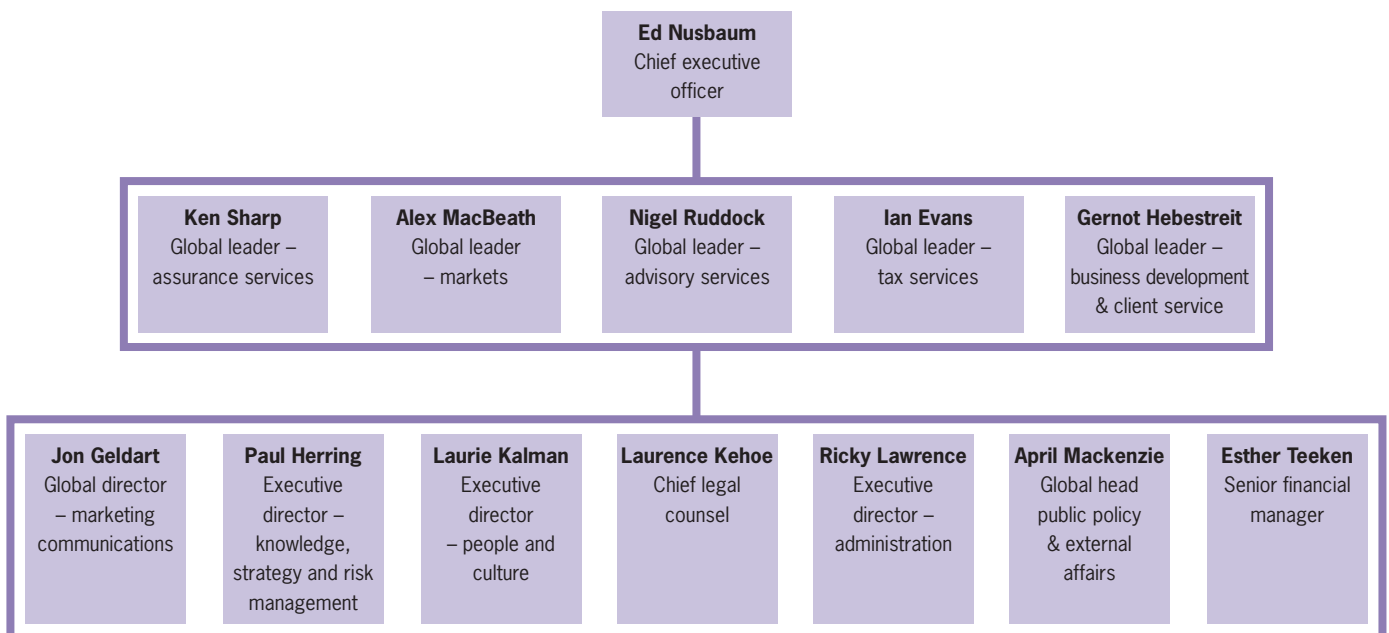
### Functional leadership

The following functional leaders support the GLB in the development and implementation of the global strategy:

- Jon Geldart – marketing communications
- Paul Herring – knowledge, strategy and risk management
- Laurie Kalman – people and culture
- Laurence Kehoe – chief legal counsel
- Ricky Lawrence – administration
- April Mackenzie – public policy and external affairs
- Esther Teeken – finance and accounting.

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### Functional leadership



# Risk management

Risk management is an enterprise wide activity that is overseen by the Enterprise Risk Committee of the GLB, (the “ERC”). There is an overall focus on continuous improvement in quality of service delivery, procedures to monitor quality and the risk management methodology. “Professional risks” are managed by the risk management function under the direction of the executive director – knowledge, strategy and risk management who serves as a member of the ERC.

The responsibilities of the global risk management function include:

- developing, communicating and maintaining global policies and procedures designed to:
  - maintain independence and objectivity of professionals, including policies relating to providing non-audit services to audited entities
  - establish minimum standards for client acceptance and client continuance
- developing training programmes covering the items referenced above
- developing and maintaining technology solutions to facilitate the effective and efficient execution of the procedures referenced above
- monitoring the effectiveness of the design and operation of member firms' systems of quality control over providing high quality services.

The global practice functions have primary responsibility for the development, communication and maintenance of global policies and procedures regarding the delivery of professional services.

In addition, a risk management advisory committee (RMAC) provides recommendations to the GLB on all matters covered by RMAC’s terms of reference. The RMAC is chaired by the executive director – knowledge, strategy and risk management. Membership of the RMAC includes global leaders of quality control and independence programmes, risk management leaders from several member firms and the chief legal counsel.



### Member firm admissions

Grant Thornton has developed a set of criteria that must be met by prospective member firms in order to join the organisation. The criteria for membership include:

- the prospective firm's reputation for quality and its adherence to high standards
- adoption of global policies, procedures and methodologies, including our methods and quality control systems for providing services to clients, our engagement protocols and our ethical and independence policies
- maintenance of a system of quality control that meets or exceeds International Standards on Quality Control (ISQC) 1
- agreement to the periodic evaluation of their system of quality control by our global quality monitoring teams.

Admission as a member firm is dependent on the outcome of a due diligence process performed to determine whether the prospective firm meets the criteria for membership. New member firms are then subject to obligations set out in the Grant Thornton Member Firm and Name Use agreements. Member firms must abide by global policies and standards. Member firms are subject to the same global quality monitoring policies, procedures and practices.

### Independence policies, guidance and training

Grant Thornton requires member firms to adopt global policies and procedures that are designed to safeguard independence on assurance engagements and identify circumstances that could pose a conflict of interest. The global independence policies and procedures are based on the IFAC Code of Ethics for Professional Accountants with supplements to govern compliance with our global independence system (GIS) and international relationship checking process. Member firms are also required to adhere to their local regulatory requirements.

Grant Thornton and the member firms monitor compliance with these policies. Member firms are required to identify a partner with responsibility for overseeing independence matters, including providing training and obtaining annual confirmations of compliance with independence policies.

The increase in regulations and standards and the growing volume of services provided to international clients by Grant Thornton member firms have made compliance with independence requirements a complex process. A global independence team assists Grant Thornton member firms navigate this environment. The global independence team responsibilities include:

- providing member firms with policy, guidance and training relating to independence matters
- oversight, compliance monitoring and support of the GIS
- maintaining an international relationship checking process designed to provide reasonable assurance that non-audit services are not provided to an audited entity without appropriate consultation with the audit partner and, where applicable, the client's audit committee.

The global independence team is led by the executive director – regulatory matters.



### **Global independence system (GIS)**

Avoiding financial interests in an assurance client, or its affiliate, prohibited by the independence rules is a key requirement in maintaining the independence of member firms and the client service engagement teams. As the number of listed entities audited by Grant Thornton member firms increases, the inherent risk of threats to independence arising from inadvertent violation of the financial interest rules becomes greater. To manage this risk a GIS solution, an automated tracking system, is used. The GIS is designed to help individuals and member firms prevent and detect violations.

The GIS identifies entities in which financial interests are prohibited. This information is made available to all personnel in all member firms.

The GIS detects violations by providing an electronic method for recording financial holdings, and automating the identification and clearing of conflicts. Member firms, partners, client-facing managers, spouses, spousal equivalents and dependants are required to maintain a record of their financial interests in the GIS. The GIS provides a mechanism to assist the individual in determining, based on the facts and circumstances, whether it is appropriate to hold the financial interest. Where it is not appropriate to hold the financial interest it must be disposed of.

Monitoring of compliance with the GIS requirements is performed at both the member firm and global levels.

### **Relationship checking**

The Grant Thornton relationship checking policy requires member firms, and professional personnel from all service lines, to maintain their objectivity when delivering services to clients. To avoid conflicts of interest and threats to independence arising from the provision of non-audit services, the identification of existing relationships or services provided to an international client prior to accepting an additional assignment is essential.

During 2010, Grant Thornton strengthened its global relationship checking policy. The new policy clarifies when an international relationship check is required and the process to follow in performing the check. When the entity has international operations (or has related entities with international operations) engagement teams must conduct a check to identify relationships that may exist with other member firms or their affiliates. This check is conducted when the member firm is proposing to provide services to a prospective client or new services to existing clients. Existing relationships will not always present a conflict or independence threat but, having identified a relationship, the proposing partner and existing engagement partner are required to evaluate this risk before proceeding.

The relationship checking policy requires member firms to check the following lists before proceeding with an engagement:

- global restricted list (GRL) for references to either the prospective client or any related entities. The GRL is a list of all public entities that are restricted due to an audit relationship
- global conflicts list (GCL) for references to either the prospective client or related entities. The GCL includes member firms' significant business relationships, where the nature of this relationship will impair independence.

Before proposing a service to an entity on the GRL or the GCL, the member firm is required to consult with the relationship contact to determine that any threats to independence created by the proposed service can be adequately safeguarded.

### Complaints and dispute resolution process

The global complaints and dispute resolution process is modelled on the respected and accepted complaint/misconduct investigation process adopted by the Professional Bodies for Accountants in the UK and Ireland and comprises a mix of investigation, independent and objective assessment, mediation, disciplinary resolution and sanctions. The process is applicable to Grant Thornton member firms irrespective of size.

A complaint will be investigated where it is a substantial matter, for example:

- failure to adhere to global strategy, such as provision of services that have not been authorised under the strategy
- material breaches of Grant Thornton International agreements, rules or policies
- breaches of technical requirements and policies
- behavioural breaches, such as inappropriate ethical behaviour.

A disciplinary panel will be convened on an ad hoc basis to deal with disciplinary reports from an investigation panel. The disciplinary panel imposes sanctions as deemed appropriate which include, but are not restricted to, financial penalties and ultimately expulsion of the member firm (which requires ratification by the Board). The process has been implemented and has been shown to have a positive all round impact, partly by helping to resolve areas of dispute but also in demonstrating the desire of member firms to take the appropriate remedial action to remain part of Grant Thornton and strengthen it as a result.

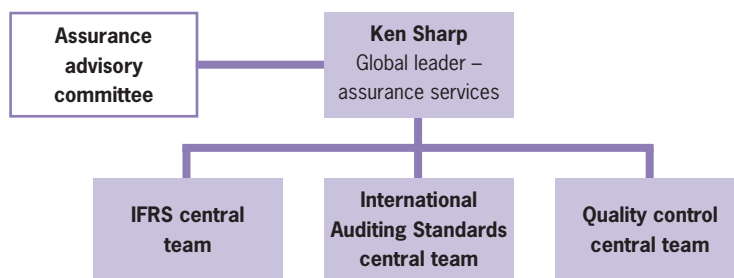


# Audit quality

Grant Thornton views audit quality as an essential element of our business.

To that end, Grant Thornton provides resources to assist member firms in maintaining audit quality, including:

- an audit methodology, with supporting state-of-the-art software, that is used globally
- policies and procedures contained in audit programmes and manuals that are benchmarked against international auditing, quality control, independence and ethics standards
- protocols that enable member firms to consult with the global auditing standards team and, if necessary, with audit specialists in other member firms
- protocols that enable member firms to consult with our International Financial Reporting Standards (IFRS) help desk
- a comprehensive intranet service that includes up to date information for member firms on auditing, financial reporting, ethics and independence standards and guidance on applying them effectively.

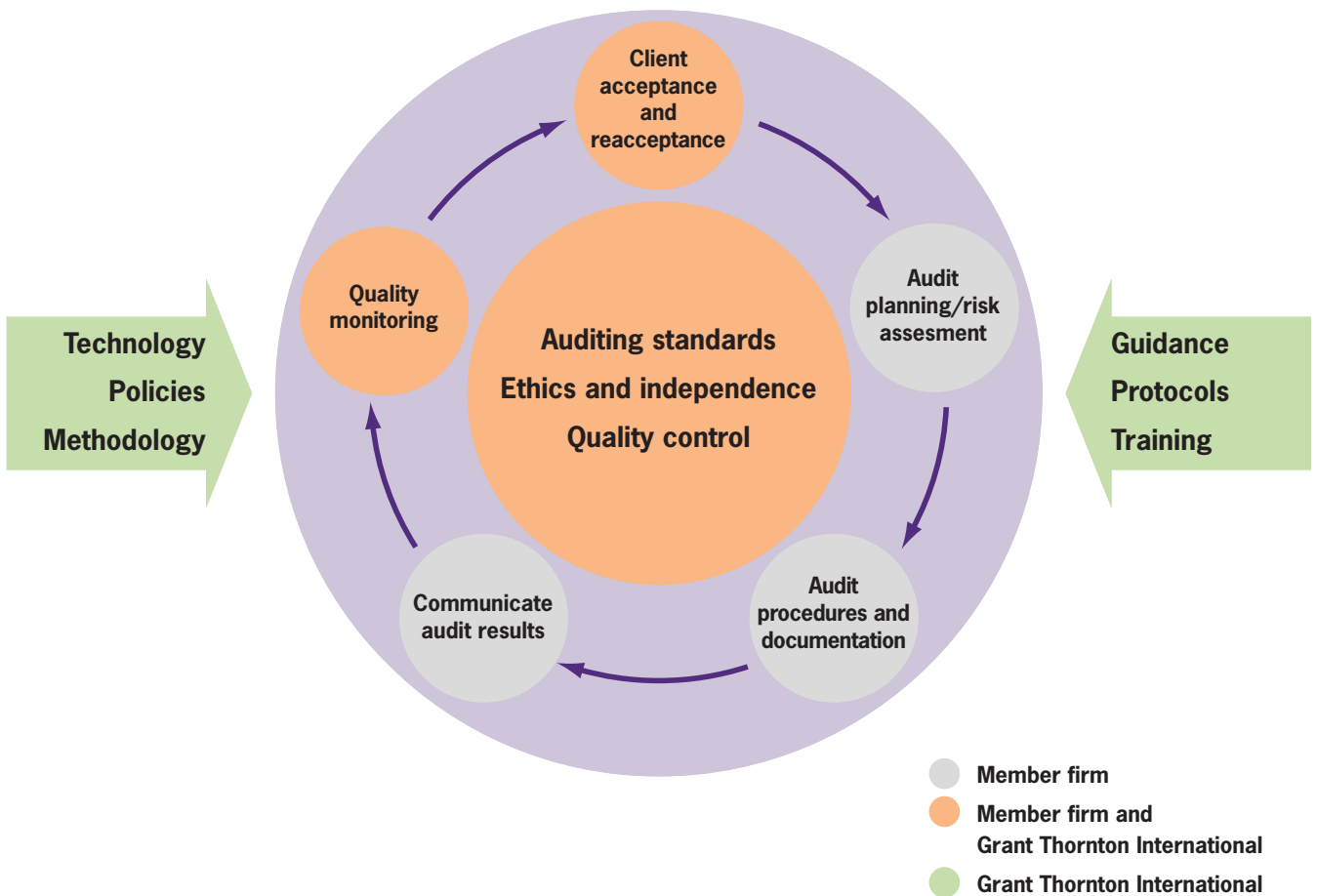


Responsibility for the global assurance strategy rests with the global leader – assurance services. An advisory committee supports the global leader with strategy development and implementation. The advisory committee is composed of the heads of assurance from a variety of member firms who bring knowledge, experience and authority to effectively develop and implement the strategy.

In implementing the strategy the global leader is also supported by an executive director – international financial reporting standards; an executive director – international auditing standards; and an executive director – audit quality control. Each executive director is supported by advisory committees and team members comprised of member firm partners and managers who excel in these subjects.

Grant Thornton actively participates in the international financial reporting, auditing, ethics and quality control standards-setting processes. The people participating in these processes provide insight and support to the executive directors. This interaction provides information used in the development of our strategy, methodologies, training and risk management processes.

The following diagram illustrates how the teamwork between member firms and Grant Thornton enables our member firms to deliver high quality audits.



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

Each year further investment is made in methodology development, technology, training, communications and guidance to maintain and enhance audit quality. For example, in 2010 the audit of groups (particularly those that operate across national boundaries) was a focus for the assurance profession worldwide. In response to this global issue, in 2010:

- the audit of groups was included as a focus of our quality monitoring programme
- our methodology was enhanced and member firms were provided with tools and guidance specifically aimed at improving the quality of group audits.

Many years ago, Grant Thornton recognised the importance of consistently performing high quality audits globally. In response, we implemented a global audit methodology, a global system of client acceptance and reacceptance, a global system of quality monitoring and global IFRS resources. These systems enable the delivery of quality audits by Grant Thornton member firms worldwide.

### **Global audit methodology**

Grant Thornton's global audit methodology provides member firm audit teams with a clear and direct link between identified financial reporting risk, internal controls that address the risk and audit procedures. This approach enables audit teams to judge how the current environment impacts an entity's financial reporting, how the entity responded, and how to develop an appropriate audit response. The global audit methodology includes integrated quality control processes including, for example, policies and procedures on an engagement quality control review.

### **Voyager™ suite**

Grant Thornton member firms apply the global audit methodology using the Voyager suite: an integrated set of proprietary software tools. Using Voyager, audit teams identify financial statement risks and link them to the processes and internal controls established to address those risks. This enables audit teams to tailor an audit response that is appropriate to the assessed risks. Voyager also assists audit teams in documenting, evaluating and testing internal controls.

### **Global IFRS resources**

Capability in IFRS is a core skill. Grant Thornton has a full time global IFRS team that is responsible for promoting high quality, consistent application of IFRS throughout the global organisation. The IFRS team is advised and supported by member firm IFRS experts, including an IFRS interpretations group and a financial instruments working group.

The IFRS team promotes consistency through an international training programme including quarterly webinar updates, operating an IFRS helpdesk service and by publishing extensive technical and interpretive guidance, newsletters and other tools and resources. These materials, along with IFRS developments, are communicated via a network of designated IFRS champions in member firms. As a core skill, IFRS is integral to the Grant Thornton Audit Review process (discussed below). Any issues concerning IFRS are reviewed to determine if training or additional guidance is necessary.



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### **Client acceptance/reacceptance**

Achieving professional excellence means accepting and retaining member firm clients that share Grant Thornton's objectives of quality and integrity. Grant Thornton's global client acceptance / reacceptance procedures integrate with member firm policies. They provide member firms with information to judge whether the entity meets or exceeds necessary standards of integrity and whether the member firm has the capacity to perform a high quality audit.

The Key Assurance Assignment Acceptance and Reacceptance Policy is an important part of the acceptance and reacceptance process. Assignments are considered key when they have characteristics that meet specified criteria. This policy requires member firms to submit client engagements meeting the key assurance assignment (KAA) criteria to an international review committee for consideration.

The assurance client acceptance review committee reviews submitted KAAs to judge whether the member firm has the ability to perform the audit with a high level of quality. This committee is chaired by the executive director – quality control and is comprised of risk management/quality control partners from a diverse group of selected member firms.

### **Audit quality monitoring**

A key component of our global strategy is to ensure the delivery of consistent, high quality client service worldwide. In order to support this objective, Grant Thornton has developed a dedicated quality monitoring programme to support our assurance practices in member firms. This programme is overseen by the executive director – audit quality control, reporting to the global leader – assurance services. Under their direction, member firms are provided with information on the design, implementation and operation of our assurance practice quality control systems.



### **National quality control systems**

In addition to their own quality control procedures, Grant Thornton member firms are required to abide by a system of quality control that encompasses, at a minimum, the standards issued by the standard setting boards of the International Federation of Accountants, including:

- International Standard on Quality Control 1 (ISQC) 1: Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
- International Standard on Auditing 220: Quality Control for Audits of Historical Financial Information
- IESBA Code of Ethics for Professional Accountants.

Each member firm's system of quality control is designed to provide global and national management with reasonable assurance that audit engagements are conducted in accordance with applicable professional standards and global policies and procedures.

Member firms, no matter their size, are required to have an effective internal inspection programme in place that meets the requirements of (ISQC) 1. Member firms are provided with templates to assist them in adopting their internal quality control inspection. These templates includes guidelines, work programmes, forms and examples of reports, all of which have been benchmarked to (ISQC) 1.

### **Grant Thornton Audit Review**

Each member firm is obligated to submit to an inspection of its quality control system, referred to as the Grant Thornton Audit Review (GTAR), at least once every three years. The GTAR process is designed to monitor member firm compliance with professional standards and the global audit quality control policies and procedures. The GTAR is conducted by independent and suitably qualified partners and managers from other member firms under the overall direction of the executive director – quality control.

GTAR inspection teams review the conduct of audit work performed by each member firm. The inspection process includes an evaluation of policies and procedures of the member firm applicable to its assurance practice, benchmarking those policies and procedures against relevant policies and procedures of the international organisation. The inspection team reviews financial statements, audit reports and engagement work papers and files. The inspection team also interviews partners and staff on various matters.

The GTAR inspection teams assess whether a firm's system of quality controls has been designed, implemented and is operating in such a way to provide the member firm with reasonable assurance that (a) the member firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and (b) the reports issued by the member firm or engagement partners are appropriate in the circumstances. These include leadership responsibilities for quality, ethics and independence, client acceptance and reacceptance, human resources, engagement performance and monitoring. The inspection team, as part of evaluating engagement performance, also reviews a sample of assurance engagements.



GTAR inspection teams use a proprietary Quality Monitoring Tool (QMT) to record and track individual findings. Member firm management is given access to the findings from the GTAR allowing the reports to focus on overall conclusions. This approach also provides an effective way of communicating the detailed GTAR findings and results to member firm management.

Upon the conclusion of each GTAR, the global organisation issues an opinion based on the inspection findings. The opinion on a firm's quality control system will be one of the following:

- suitably designed and operating effectively (an unqualified report);
- suitably designed and operating effectively except for one or more significant deficiencies, (an except for report); or
- having material weaknesses in the design or operation of the quality control system, (an adverse report).

Where the GTAR identifies a deficiency, the member firm is expected to address the deficiency within a reasonable period of time and submit appropriate documentation. Where actions are required by member firms to address findings noted during the GTAR, a further visit or remote assessment is made to review progress in implementing these actions.

### **Synthesising and evaluating programme results**

There is a regular review of findings from the GTAR programme by the global leadership of assurance to consider whether there are any changes that should be made to training, audit methodology, tools or internal standards and guidelines regarding quality controls. A summary of the key findings from the GTAR programme is communicated to all member firms on an annual basis.

### **Remedial actions**

One of our principal responsibilities is the setting and maintenance of standards for continued membership in Grant Thornton. These standards include compliance with professional, statutory and regulatory mandates governing the performance of assurance engagements. There are global policies for remediating violations and deficiencies identified in a GTAR. These policies include graduated remedial actions, up to and including referring the firm to the complaints and dispute resolution process. The type of remedial action recommended will depend on the nature, severity and frequency of the violation or deficiency.

### **Transparent reporting**

The GTAR programme is a key component of our system of quality control, and provides information for member firms referring work within the network. To provide information to firms referring work within the network, the first part of the GTAR report, which sets out the overall opinion and includes a description of any significant deficiencies or material weaknesses in the member firm's system of quality control, is available to designated member firm representatives on the global intranet site.

### **Engagement with regulators**

Member firms are expected to maintain an open and constructive relationship with their national regulators. This is in line with our global policy of embracing external oversight, along with our support of a balanced public reporting of external inspection programmes. As a major international professional services organisation, Grant Thornton meets at least annually with the International Forum of Independent Audit Regulators (IFIAR) and contributes regularly to the public debate on major industry issues.

# People and culture

People are integral to the achievement of Grant Thornton's ambitions as an organisation. The strategy includes the adoption of consistent development tools, practices and learning programmes globally.

## **Employer brand**

It is the people of Grant Thornton who differentiate us in an increasingly competitive global marketplace. In 2010, there was a continued focus on attracting, engaging and retaining the best people. Discussions with country leaders took place to build a shared understanding of the "Grant Thornton Experience" – a unique combination of leadership, cultural and people practices that directly aligns with our business strategies. Member firms were introduced to a lifecycle tool that guides efforts to make the Grant Thornton experience real and consistent globally.

## **Grant Thornton Leadership Institute**

The Grant Thornton Leadership Institute is designed to increase the understanding of the changing global environment and mastering of the competencies needed for strategy execution.



### **Advanced Manager Programme**

The Advanced Manager Programme (AMP), piloted in 2008-2009, is a three-session programme presented in classroom settings in locations across the world each year. The first two sessions in the current cycle were presented in the US (June) and in Sweden (October). The third session will be held in China in April 2011. The participants are high performing managers from Grant Thornton member firms.

Each session focuses on a core theme linked to Grant Thornton business strategies and provides a rich understanding of what it takes to win global business, manage high performance teams effectively and provide distinctive client service.

### **Foundation programmes**

Foundation programmes provide leadership, business development and business management skills and are designed as ‘train-the-trainer’ programmes. These programmes are developed globally for local delivery and are available to each member firm.

In 2010, three Foundation programmes were implemented: Leadership foundations, Successful talent selection (as part of the leadership skill set) and Engage to win (business development) in the Americas and Europe.

### **Technical training**

While the majority of technical training takes place within member firms, Grant Thornton makes a significant investment in ongoing training for audit staff in all member firms in the global audit methodology and in IFRS. Training programmes are technically rigorous and support the audit needs of both public interest entities and privately held companies, regardless of their size or complexity.



# Financial information

## Funding of Grant Thornton International

Grant Thornton International is funded by annual contributions from the member firms. The approved budget determines the aggregate annual contribution which is allocated to member firms in proportion to the member firm's turnover for the 12 months ended 30 September.

The GLB submits a proposed budget for the following calendar year to a committee of the Board for scrutiny and approval. The Board agrees the final budget and the level of member firm contributions required to meet the budget.

The Grant Thornton International budget funds the following global activities:

- salaries and related costs for the Chair of the Board of governors, members of the GLB and the other personnel of Grant Thornton International
- costs relating to travel and expenses incurred as a result of the activities of the Board of governors, GLB, and visits with member firms
- risk and regulatory matters infrastructure which includes, for example, the GIS and GTAR inspection programme
- member firm development
- service line support for global assurance, tax and advisory services (for example, audit software and related methodology training, development of tax training programme)
- global public policy activities (for example, the organisation's membership of, contribution to, or involvement with, IFAC, the International Accounting Standards Committee Foundation (IASCF), the International Valuation Standards Council, the Forum of Firms and the Global Public Policy Committee)
- global marketing, brand and communications activities
- global HR initiatives and practices (for example, the international partner development programme and the global talent mobility programme)
- global IT support (for example, the technology platform and web team that support the public website [gti.org](http://gti.org) and the global intranet [gtinet.org](http://gtinet.org)).

Grant Thornton International Ltd financial statements are audited by Buzzacott LLP and submitted to Companies House in compliance with UK Company Law. The audit committee of the board is responsible for reviewing the audit process.

## Commentary on aggregate revenues of member firms

The aggregate revenues of Grant Thornton member firms for the year ended 30 September 2010 were \$3.7bn which is an increase of 2.3% from the previous year. Revenues from assurance services at \$1.7bn were 2.8% higher than 2009 and accounted for 46% of aggregate US dollar revenues. Revenues from tax services at \$816m were up 6.9% from 2009 and accounted for 22% of aggregate US dollar revenues. Advisory services, despite the continuing lack of transactions, contributed 24% of aggregate US dollar revenues, generating revenues of \$890m.

Europe, Middle East and Africa revenues were \$1.6bn which is an increase of 3.7% from 2009. This is thanks in part to good performances from France (5.2% growth) and Sweden (8.6% growth). Revenues in the US were down \$62m compared to last year but the Americas region enjoyed revenue growth of 0.9% overall. This is largely due to revenue growth of 14.0% (\$56m) in Canada.

Asia Pacific revenues were up by 2.6% reflecting a 17.6% increase in revenues by the Australian member firm and a 16.6% increase in China.

During the year to 30 September 2010, Grant Thornton extended its global reach in a number of locations including Albania, Azerbaijan, Georgia, Moldova and Serbia.

Since 30 September 2010 Grant Thornton has continued to extend its global presence with new operations in Guinea, Kazakhstan, Romania, Peru, Tajikistan, Uzbekistan and Zimbabwe.

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Worldwide fee income by service line (US\$ million)

By service line	2010	2009	2008
Assurance	1,690	1,644	1,712
Tax	816	763	839
Advisory services	890	884	1,048
Outsourcing	216	247	267
Other	62	54	90
<b>Total</b>	<b>3,674</b>	<b>3,592</b>	<b>3,956</b>

Advisory services consists of:

Business risk services	142	149	186
Corporate finance	168	183	259
Forensics and investigations	82	91	98
Public sector	142	147	163
Recovery and reorganisation	274	221	235
Business consulting	82	93	107
<b>Total advisory services</b>	<b>890</b>	<b>884</b>	<b>1,048</b>

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Worldwide number of member firm personnel by region

By region	2010	2009	2008
Americas	10,589	11,385	11,782
Asia Pacific	6,495	5,921	5,556
Europe, Middle East and Africa	12,890	13,063	13,324
<b>Total</b>	<b>29,974</b>	<b>30,369</b>	<b>30,662</b>

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Worldwide number of member firms, offices and partners

	2010	2009	2008
Worldwide number of member firms	96	95	96
Worldwide number of member firm offices	488	529	502
Worldwide number of member firm partners	2,511	2,564	2,610

Top 10 firms' fee income by service line (US\$ thousand)

By service line	United States		United Kingdom		Canada	
	2010	2009	2010	2009	2010	2009
Assurance	520,067	549,488	171,974	170,083	234,555	223,729
Tax	303,191	310,499	146,362	148,400	97,868	64,583
Advisory services	282,754	308,476	263,426	248,077	108,808	94,988
Outsourcing	0	0	18,165	18,284	9,039	11,308
Other	0	0	0	0	8,693	8,152
<b>Total</b>	<b>1,106,012</b>	<b>1,168,463</b>	<b>599,927</b>	<b>584,844</b>	<b>458,963</b>	<b>402,760</b>

Advisory services consists of:

Business risk services	80,107	91,076	18,359	15,884	9,171	11,866
Corporate finance	24,931	35,079	41,236	40,036	15,569	17,203
Forensic and investigations	42,311	48,739	20,985	27,798	5,923	5,162
Public sector	108,892	111,825	24,491	28,501	0	0
Recovery and reorganisation	26,513	21,757	152,192	121,057	48,352	38,787
Business consulting	0	0	6,163	14,801	29,793	21,970
<b>Total advisory services</b>	<b>282,754</b>	<b>308,476</b>	<b>263,426</b>	<b>248,077</b>	<b>108,808</b>	<b>94,988</b>

Top 10 firms' fee income by service line (US\$ thousand)

By service line	Germany		France		Australia	
	2010	2009	2010	2009	2010	2009
Assurance	73,740	72,037	106,510	103,256	34,980	25,434
Tax	46,034	43,627	13,179	12,816	48,983	36,191
Advisory services	30,844	33,741	25,070	21,978	39,927	44,107
Outsourcing	20,508	24,799	19,160	17,549	7,857	6,126
Other	8,741	7,774	4,317	4,334	0	153
<b>Total</b>	<b>179,867</b>	<b>181,978</b>	<b>168,236</b>	<b>159,933</b>	<b>131,747</b>	<b>112,011</b>

Advisory services consists of:

Business risk services	3,344	2,561	1,230	883	2,529	3,215
Corporate finance	15,598	19,293	12,409	9,931	6,388	7,996
Forensic and investigations	1,093	1,444	323	645	2,419	1,275
Public sector	41	40	732	799	0	0
Recovery and reorganisation	2,210	2,297	2,689	1,513	23,591	21,140
Business consulting	8,558	8,106	7,687	8,207	5,000	10,481
<b>Total advisory services</b>	<b>30,844</b>	<b>33,741</b>	<b>25,070</b>	<b>21,978</b>	<b>39,927</b>	<b>44,107</b>

**Basis of preparation of member firm information**

**Fee income**

Fee income represents the aggregate fee income of the member firms reported for the year ended 30 September. Fee income is reported net of sales taxes and includes rechargeable expenses.

Fee income for new member firms and merged businesses is included for the full period. Fee income for firms that leave the organisation and demerged businesses is excluded for the full period.

Fee income reported by member firms was translated into US dollars using the average inter-bank exchange rate for the accounting period.

The other activities of the member firms include accounting and software training; company formation, secretarial and administration; legal services; IT software licensing and human resources consulting.

The information for China aggregates revenues from member firms in mainland China, Hong Kong and Taiwan.

**Member firm offices**

An office is defined as a single building or collection of buildings in a close geographic area that is treated as a separate administrative entity. Office numbers are reported as at 30 September.

Top 10 firms' fee income by service line (US\$ thousand)

By service line	Sweden		China	
	2010	2009	2010	2009
Assurance	57,117	53,540	67,846	57,706
Tax	18,562	15,765	8,949	6,412
Advisory services	8,257	6,972	8,489	9,160
Outsourcing	36,343	34,996	120	0
Other	2,683	1,960	46	0
<b>Total</b>	<b>122,962</b>	<b>113,233</b>	<b>85,450</b>	<b>73,278</b>

Advisory services consists of:

Business risk services	113	1,111	2,223	n/a
Corporate finance	3,327	2,282	2,492	n/a
Forensic and investigations	121	127	536	n/a
Public sector	205	220	923	n/a
Recovery and reorganisation	267	217	1,783	n/a
Business consulting	4,224	3,015	532	n/a
<b>Total advisory services</b>	<b>8,257</b>	<b>6,972</b>	<b>8,489</b>	<b>9,160</b>

Top 10 firms' fee income by service line (US\$ thousand)

By service line	Netherlands		Japan	
	2010	2009	2010	2009
Assurance	14,360	16,641	53,411	51,853
Tax	16,952	19,234	8,995	8,937
Advisory services	3,221	2,321	4,349	5,585
Outsourcing	33,822	36,489	1,110	767
Other	2,537	2,784	772	902
<b>Total</b>	<b>70,892</b>	<b>77,469</b>	<b>68,637</b>	<b>68,044</b>

Advisory services consists of:

Business risk services	174	100	1,058	1,172
Corporate finance	2,930	2,152	469	925
Forensic and investigations	0	0	320	309
Public sector	0	0	0	20
Recovery and reorganisation	117	69	85	0
Business consulting	0	0	2,417	3,159
<b>Total advisory services</b>	<b>3,221</b>	<b>2,321</b>	<b>4,349</b>	<b>5,585</b>

**Member firm partners**

A partner is a proprietor, direct or indirect shareholder, equity or non equity partner, principal, or any individual who assumes the risks and benefits of member firm ownership, or who is otherwise held out by the member firm to be the equivalent of any of the above.

Member firm partner remuneration is determined locally by member firms. Member firms are responsible for their own partner nominations, admissions, remuneration, advancement, monitoring, investigations, discipline and sanctions. The remuneration for other member firm personnel is also set locally.

**Member firm personnel numbers**

Member firm personnel numbers refer to both partners and staff, and are reported as at 30 September.

# Grant Thornton around the world



## Grant Thornton International firms worldwide

Albania	Finland	Lebanon	Serbia
Argentina	France	Luxembourg	Singapore
Armenia	Georgia	Macedonia	Slovak Republic
Australia	Germany	Malaysia	South Africa
Austria	Gibraltar	Malta	Spain
Azerbaijan	Greece	Mauritius	Sweden
Bahamas	Guatemala	Mexico	Switzerland
Bahrain	Guinea	Moldova	Taiwan
Belgium	Honduras	Morocco	Tajikistan
Bolivia	Hong Kong	Mozambique	Thailand
Botswana	Hungary	Namibia	Tunisia
Brazil	Iceland	Netherlands	Turkey
Bulgaria	India	New Zealand	Uganda
Cambodia	Indonesia	Nicaragua	Ukraine
Canada	Iraq	Norway	United Arab Emirates
Cayman Islands	Ireland	Oman	United Kingdom
Channel Islands	Isle of Man	Pakistan	United States
Chile	Israel	Panama	Uruguay
Mainland China	Italy	Peru	Uzbekistan
Colombia	Jamaica	Philippines	Venezuela
Costa Rica	Japan	Poland	Vietnam
Croatia	Jordan	Portugal	Yemen
Cyprus	Kazakhstan	Puerto Rico	Zambia
Czech Republic	Kenya	Qatar	Zimbabwe
Denmark	Korea	Romania	
Dominican Republic	Kosovo	Russia	
Egypt	Kuwait	Saudi Arabia	

This list represents the countries and territories where Grant Thornton International member firms had operations as at March 2011.

If you would like to find out more about how Grant Thornton member firms can assist you please visit the Grant Thornton International website at [www.gti.org](http://www.gti.org)

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