

haysmacintyre

# TRANSPARENCY REPORT

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FOR THE YEAR-ENDED 31 MARCH 2024



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## Welcome

Quality, growth, people development and innovation have been our focus areas over the past year. From refining our processes, to embracing new technologies and enhancing our collaborative culture, we have continued to shape our firm and adapt our audit practice and services for the future.

Our clients remain at the heart of what we do, reinforced through the continued investment in our people to deliver excellent client service. We are committed to fulfilling our mission statement of continually investing in our teams, equipping them with the right skills, to work with the right clients, in the right way. All our strategic decisions are made with at least one of the three 'rights' in mind, with enhanced focus on environmental, societal and governance (ESG) activity over the year.

This period marked the first full year of using Info Workpapers – the firm's biggest single technology investment – and I am grateful to the partners and our team for their significant work and support in making the transition. Their wholehearted buy in to the project meant that this was a successful, modernising development for our audit department, which has improved our quality. There were, predictably, some challenges and we continue to learn, however overall, it has placed us in good stead for future growth, more complex audits and continued quality improvements.

We made further investment in our team's development and training – across both technical and non-technical areas – through the launch of a new learning and development platform, Bridge. We recruited additional team members to strengthen training committees in audit and tax, who work closely with one another and with our bolstered learning and development team. We want to ensure our teams continue to have the right skills to deliver the quality and expertise that is expected of us and that, in turn, enhances our relationship with our valued clients. Enhancing our client service and developing our people remain priorities for us, as we continue with our ambitious growth plans.

The strengthened regulatory landscape and increased complexity of audit and tax matters also saw us making continued investment in our technical capabilities. Over the course of the year, we further invested in our quality and ethical review procedures, alongside our System of Quality Management. This included expanding our specialist and regulatory teams, which remains critical for us to achieve long-term quality and success, securing our position as a market-leading firm.

These investments are essential as the environment we operate in evolves at pace and our industry continues to transform, responding to a blend of changing regulation, technology, skill requirements and market consolidation. Rewarding and developing people remains key to retaining our talented teams and is a strategic priority, as we continually strive to improve our clients' experiences and interaction with us. We have grown our headcount by 22.5% and we are pleased that our average employee turnover rate has fallen from 18.2% to 11.7% in the period to 31 March 2024.

As the 12th largest audit firm in the country with 37 partners and over 550 staff, our turnover has increased by 81% over the past five years from organic growth alone to £59.5m in 2024 and is

projected to reach more than £100m in financial year 2028. This turnover reflects our level of client service, culture and progressive outlook. We are one of circa 30 firms registered to audit public interest entities (PIEs) and are growing our portfolio of clients in the PIE market. We are also joint seventh largest auditor to AIM listed companies and continue to attract excellent new clients in this market.

Alongside our audit services, we continued to scale up our wrap around services as we progress towards our ambition of being a £100 million business by the end of financial year 2028. With increasingly tougher regulatory regimes and greater commercial pressures, we have developed our offering to provide clients with the advice and assurance needed to keep abreast of ever-changing challenges. From tax, outsourcing, and risk assurance and advisory service, to payroll, transaction advisory services and company secretarial, we pride ourselves on offering a complete service to our clients. Our non-audit specialism has grown significantly over the past five years as clients continue to benefit from our technical knowledge and expertise. To accelerate the growth of these services, we invested in our specialists teams by hiring an additional VAT partner, growing our Research & Development tax credits team and our Risk Assurance and Advisory Services team.

We are proud to have a leading audit practice full of talented, engaged colleagues, performing high-quality audits and providing excellent client service. We made significant investment and progress in the year, demonstrated by a positive inspection by the ICAEW's Quality Assurance Department (QAD). You can read more about this on [page 25](#), including areas where we can make improvements and further enhance the quality of our work.

We are proud to have won 'Large Firm of the Year' at the 2023 Accounting Excellence Awards and to be listed as one of the Top Accountancy Firms by eprivateclient. These accolades reflect the time we have spent in developing our people strategy and enhancing the operational areas of our business.

We continued to develop thought leadership opportunities, reflected in an enhanced profile in the media. From comment on the Autumn Statement and Spring Budget to the impact of AI on accountancy, we continued to engage in timely and topical debates across trade and national media. This resulted in 158 media opportunities secured throughout this period – a year-on-year increase of 58%. Highlights included an article on BBC News, alongside commentary in the *Financial Times*, *Sunday Times*, *Telegraph*, and *City A.M.*, and broad exposure in the trade press. We enhanced our profile on social media and were pleased to double our reach to exceed 10,000 followers on LinkedIn. Our website reach also had a year-on-year increase of 64% of new users through organic search, 269% through direct website traffic, and 78% through social media.

As a co-founder and co-owner of MSI Global Alliance (MSI) – a multi-disciplinary association comprising over 250 independent legal and accounting firms operating locally in countries around the world – collectively our member firms represent over 17,000 lawyers and accountants in over 100 countries. Developing our cross-border collaboration, we set up our second office and trading subsidiary overseas in South Africa. Having now opened the doors of our new Cape Town office, we continue to develop this core team, maintaining the approach, methodology and culture that has been developed in the London office.

Attracting and retaining talent remains a key focus for us. We have revised our recruitment strategy, working closely with an external agency, to ensure recruitment from all socio-economic backgrounds. This has resulted in an increased number of applications from ethnic minority staff (73%) in the latest graduate intake in January 2024, compared to 71.4% in 2023. The gender split for the same intake is 44.8% female and 55.1% male for January 2024. The gender split for the firm is currently 45.1% female and 54.9% male. We continue to obtain baseline data on the diversity of job applicants, as well as diversity data on race, religion and socio-economic background from existing staff. As a result, we now have sufficient data to generate our first ethnicity pay gap report, alongside continued publication of our gender pay gap report, resulting in a solid foundation to measure progress and set goals.

Our people are the bedrock of our firm and we continued to evolve our teams with a commitment to recognise and promote our talent from within. We conducted an employee benefits review to ensure we are acknowledging and rewarding our people appropriately. This included new bonuses linked to strong performance and increased ‘spot bonuses’ to acknowledge exceptional work. Mindful of the critical role our juniors play in the firm, we introduced new ‘first time exam pass’ bonuses for colleagues who pass an entire level of exams first time. We also rolled out enhanced maternity and paternity policies, alongside a new elder care policy to support our people with caring responsibilities.

We enhanced our CONNECT initiative – helping everyone to feel connected to the firm and each other – with a range of new events over the year. From celebrating Black History Month to charity fundraising and social activities, the CONNECT programme, encompasses our suite of DEI, CSR, L&D and wellbeing events and initiatives. The mental wellbeing of our people is very important to us as a firm and was a particular focus for us, with the launch of new lunch and learn sessions. From ‘good mood food’ to managing stress and cancer awareness, these sessions provided valuable support to our teams, encouraging them to bring their whole selves to work. This is reflected in the results of our firmwide survey which revealed that 88% of our people agreed “I feel able to speak up and contribute to meetings.” One of the standout findings from the staff survey was 84% of our people agreed with the statement “I would recommend haysmacintyre as a great place to work.” This result highlights the effectiveness of our efforts to create a positive, supportive, and engaging work environment. Read more about our survey results on [page 35](#).

We want to continually improve and as such we worked with an independent agency to run our client survey in February. We were very pleased with the response rate received and are grateful to our clients who took the time to respond. Responses have been shared with the relevant teams, however additionally key themes are being shared and disseminated firm wide as it is a priority that we promptly act upon improvements we want to make.

We are thrilled that this investment paved the way for two prestigious awards in the current financial year. We were proud to be featured in *The Sunday Times Best Places to Work 2024* in May 2024, in recognition of our continued commitment to championing our people through development and diversity initiatives. This award celebrates companies with excellent scores for employee wellbeing, inclusivity and workplace satisfaction. This achievement followed earlier recognition in April 2024, when we were announced as one of *LinkedIn’s Top 15 Midsize Companies in the UK* to work for. As the only accountancy firm featured, we scooped ninth position in the inaugural listing featuring top companies that are leading the way in setting their team up for long-term career success. We are delighted to have achieved wider recognition of our commitment to our clients and investment in our people and will continue to build on these successes.

**On the horizon**

Looking ahead, we will continue to innovate, including use of AI-based technologies to improve the quality and efficiency of our work. These can remove the burden of the more time-consuming tasks, such as analysis of financial data, enabling us to focus more of our time on subjective risk areas which require us to exercise our professional judgment.

We are also investing in an enhanced customer relationship management (CRM) system to manage our relationships and interactions with clients. From streamlined workflows to increased team communication and collaboration across teams, the new CRM will help improve our client account management across all our services.

Continuing as an independent and partner-led firm that nurtures and promotes our talent is central to our strategy and will remain a focus for us, alongside the commitment to deliver quality client service. I would like to thank our teams for the part they have played ensuring exceptional service for all our clients, creating long lasting relationships as we nurture our leaders of tomorrow.




**Natasha Frangos**, Managing Partner

For and on behalf of Haysmacintyre LLP

22 July 2024



# ABOUT HAYSMACINTYRE

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## The firm

Haysmacintyre LLP (haysmacintyre) is an award-winning top-20 firm of chartered accountants and tax advisors based in central London and Cape Town. We provide sector-focused advice to business leaders, owner-managed businesses, private clients, public interest entities (PIEs), other listed companies, charities and other not for profit organisations, across the UK and internationally.

As an independent and partner-led firm, we are committed to helping our clients grasp opportunities, achieve their goals, and work with them to solve problems and address their challenges. We are approachable, responsive, and knowledgeable across our sectors and broad range of services.

Over the past few years, we have evolved our firm's values and what this means, both for clients and staff. Our mission statement states that:

*We are a firm that continually invests in our people, equipping them with the right skills.  
To work with the right clients. In the right way.*

## Our culture

Behaviours and principles which contribute to quality are inherent in our values.

### Integrity

- We operate in a trustworthy and straightforward manner
- We are honest, objective, and sincere
- We comply with and uphold professional requirements and obligations
- We do 'the right thing' at all times

### Collaboration

- We respect everyone and value their contributions
- We act in an inclusive manner, sharing ideas, opportunities, successes, and experience
- We trust one another
- We are communicative, consultative, and accessible

### Empowerment

- We are confident in our expertise, delivery, and knowledge
- We understand that trust and responsibility go hand-in-hand
- We have the flexibility and freedom to perform and recognise that 'one-size' does not fit all
- We have the independence to achieve our full potential

### Dynamism

- We challenge the status quo and champion progress
- We search out and embrace new ideas and technology
- We are open to change and new solutions
- We learn from our experiences to improve

Our values are embedded within the following processes:

- Service delivery
- Recruitment
- Induction
- Learning and development
- Appraisals
- Recognition and reward through spot bonuses, promotions and discretionary bonuses

We continue to revisit our values to ensure they remain a true reflection of the firm's culture and our ambitions.

“haysmacintyre is a truly fantastic place to work. The people are at the very core of what makes the firm great and – with over half of our partners starting off as graduates – it inspires those of us training here to reach high and aim to be the future leaders of the firm.”

Adam Trott, Business Tax Senior



## Legal structure and ownership

Haysmacintyre LLP is a limited liability partnership with the trading name of haysmacintyre.

At the date of this report, there are 37 members (referred to as partners) of which 25 have Responsible Individual (RI) status. In addition, the firm has 12 director RIs.

Haysmacintyre LLP is registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales (ICAEW) and is a member of the ICAEW Practice Assurance Scheme.

Haysmacintyre LLP is licensed by the ICAEW to carry out the reserved legal activity of non-contentious probate in England and Wales.

The firm is structured along service lines, being:

- Audit
- Business Support/Outsourcing
- Business Tax
- Company Secretarial
- Employment Tax
- Internal Audit, Risk Assurance & Advisory Services
- Payroll
- Private Client and Trust
- Tax Disputes and Resolution
- Transaction Advisory Services
- VAT

In January 2024, we opened a second office in Cape Town, South Africa, allowing us to expand our team to continue serving clients at the highest level. The London and South Africa teams work together to provide a proactive, comprehensive and cost-effective service throughout the UK.



## Management, leadership and governance

The partners are responsible for considering various matters at quarterly meetings as specified in the LLP Deed. Partner seminars are held at least twice a year to encourage feedback from all partners on the firm's strategy. The firm's constitution is contained in the LLP Deed, which includes the process for the election of the Managing Partner, appointed for a four-year term. The Managing Partner can also be re-appointed for a subsequent term.

From 1 July 2022, the firm implemented a new management and governance structure. The partners elected a Leadership Board which comprises the Managing Partner, one elected partner with significant management responsibilities, and three elected partners without significant management responsibilities. Two non-executive members were recruited to join the Leadership Board in autumn 2022, Ed Warner and Stephen Wardell. In April 2023, Ed resigned from his position due to a potential conflict of interest, more of which can be found in the 'Comment from Independent Non-Executive' section in last year's report. In December 2023, Shimi Shah was appointed as our second Independent Non-Executive (INE) Director and Chair of the Leadership Board.

Each member is initially appointed for a three-year term and can be re-appointed. The Leadership Board meet formally every quarter and more frequently at certain times of year to review and consider matters and proposals from the Management Team requiring their approval. Their roles include:

- Considering and developing strategy proposals
- Strategic and longer-term financial and resource planning
- Ultimate responsibility for the firm's financial performance and risk management
- Being responsible and accountable for quality and ensuring the firm's culture and values are appropriate

In addition, the Leadership Board performs an annual review of the effectiveness of the firm's system of internal control.

The Managing Partner, supported by the Management Team, has the ultimate responsibility for the day-to-day management of the firm. The Managing Partner determines the structure and appointments to the Management Team. The current Management Team includes five partners and our Chief People Officer, Chief Information Officer, Chief Finance Officer, and our Marketing & Business Development Director.

The members of the Leadership Board and Management Team are set out overleaf.

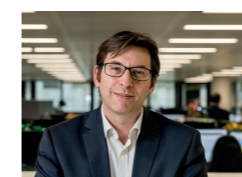
### Leadership Board members



**Shimi Shah**  
Independent Non-Executive and  
Chair of Leadership Board  
spshah@haysmacintyre.com



**Stephen Wardell**  
Independent Non-Executive  
swardell@haysmacintyre.com



**Mark Allwood**  
Partner  
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**Ian Cliffe**  
Partner  
icliffe@haysmacintyre.com



**David Cox**  
Partner, Head of Audit and  
Chair of the Audit Board  
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**Natasha Frangos**  
Managing Partner  
nfrangos@haysmacintyre.com



**Richard Weaver**  
Partner  
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### Management Team members



**Natasha Frangos**  
Managing Partner  
nfrangos@haysmacintyre.com



**Suki Allday**  
Chief People Officer  
sallday@haysmacintyre.com



**David Cox**  
Partner, Head of Audit and  
Chair of the Audit Board  
dcox@haysmacintyre.com



**Jon Dawson**  
Partner, Head of Sectors  
jdawson@haysmacintyre.com



**Tom Davies**  
Chief Information Officer  
tndavies@haysmacintyre.com



**Verity Gregson**  
Marketing & Business Development  
Director  
vgregson@haysmacintyre.com



**Will Irving**  
Chief Financial Officer  
wirving@haysmacintyre.com



**Nick Jordan**  
Partner, Interim Joint Head Non-Audit  
Services  
njordan@haysmacintyre.com



**Elena Ramkalawon**  
Partner, Interim Joint Head Non-Audit  
Services  
eramkalawon@haysmacintyre.com

## Head of sectors

All our services are provided by specialist teams who have an in-depth knowledge of their sectors. This means each client benefits from the support of helpful experts who understand their specific challenges and can provide added value technical advice. We spend time getting to know our clients and we tailor our services to meet their needs.

Our sectors are led by:

### Corporate sectors



#### Creative, Media and Technology

Jon Dawson  
jdawson@haysmacintyre.com



#### Financial Services

Simon Wilks  
Co-Head of Financial Services  
swilks@haysmacintyre.com



#### Financial Services

Karen Allan  
Co-Head of Financial Services  
kallan@haysmacintyre.com



#### Hospitality

Emma Bernardez  
ebernardez@haysmacintyre.com



#### Property

Ian Daniels  
Co-Head of Property  
idaniels@haysmacintyre.com



#### Property

Jake Pearlman  
Co-Head of Property  
jpearlman@haysmacintyre.com

### Not for profit sectors



#### Charities

Adam Halsey  
ahalsey@haysmacintyre.com



#### Education

Tracey Young  
tyoung@haysmacintyre.com



#### Professional Institutes and Membership Bodies

Kathryn Burton  
kburton@haysmacintyre.com

### Private Client sector



#### Private Client

Katharine Arthur  
karthur@haysmacintyre.com

## International

haysmacintyre is a co-founder and co-owner of MSI Global Alliance (MSI), a multi-disciplinary association comprising over 250 independent legal and accounting firms operating locally in countries around the world. Collectively, member firms represent over 17,000 lawyers and accountants in over 100 countries.

By being an association, the alliance enables member firms to keep their independence but benefit from cross-border collaboration and the introduction of clients to likeminded people and firms. By having both lawyers and accountants, members and their clients benefit from a multidisciplinary approach delivered by an exclusive group of professional firms. The quality of MSI's member firms is achieved through a vetting process to ensure service delivery meets the expected standards.

MSI shares a common goal to provide partner-led, personal, value-for-money solutions to the cross-border challenges faced by businesses, private clients, and not for profit organisations. A selection of case studies demonstrating the breadth and depth of MSI's collaboration can be seen on the MSI website at [msiglobal.org](https://msiglobal.org).

haysmacintyre founded MSI over thirty years ago and it is now one of the top ten largest accountancy alliance and international associations. Three of our partners – Melanie Pittas, Jeremy Beard and Mark Allwood – are on the board of MSI to provide guidance on its strategy.

The directors attend at least two international conferences each year, enabling them to connect face to face with and meet many members, ensuring members' views are listened to and the changing requirements of clients and practice management around the globe are discussed and considered. It also enables us

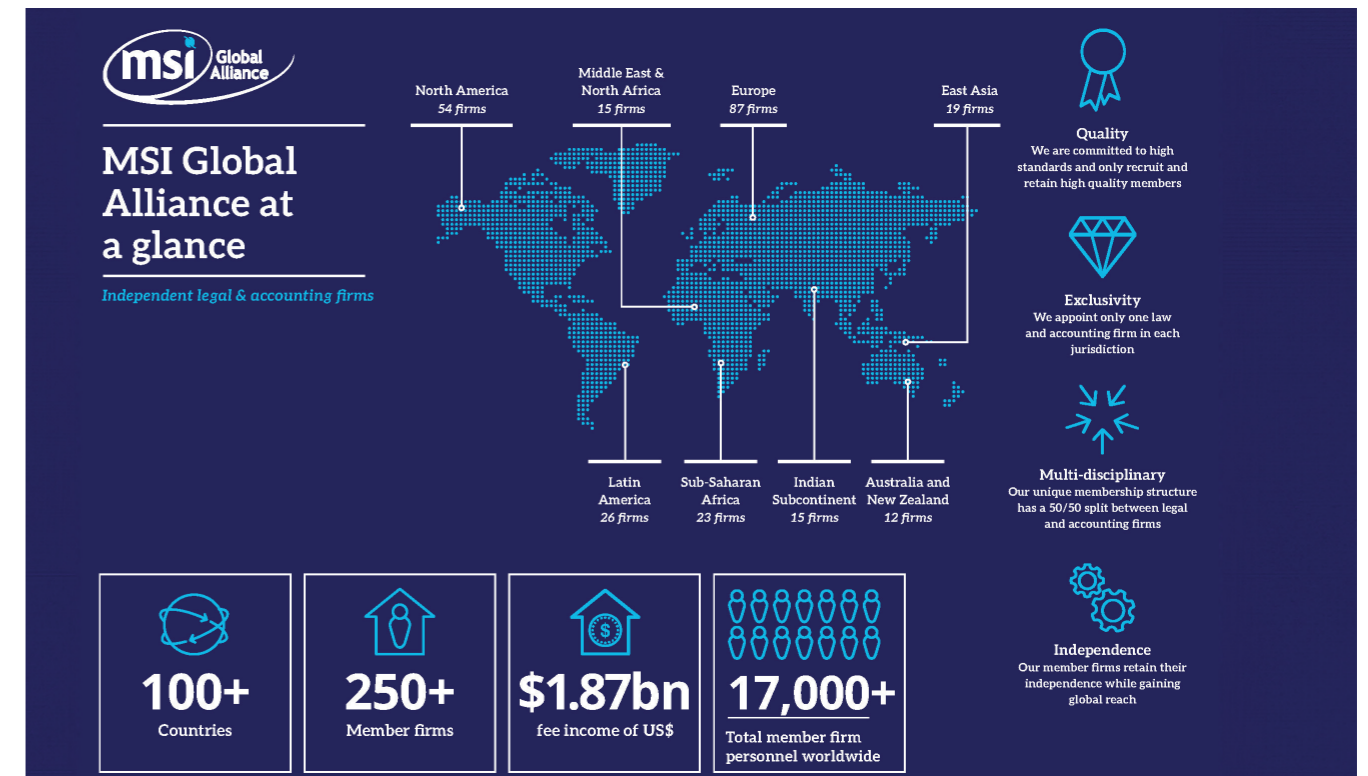
to have a much closer understanding of member firms' capabilities and ways of working.

The Secretariat of MSI is based in haysmacintyre's offices at 10 Queen Street Place, London. This further enhances our working relationship with MSI and therefore strengthens our ability to conduct business successfully across international borders and to support business activities on a global scale through a central contact in the UK. MSI member firms are among the most respected, English-speaking, full service professional services firms in their local marketplaces.

Our alliance's global connectivity and deep relationships are authentic and built on the international flow of work between member firms collaborating on the same clients. Member firms have a common ethos and culture; we understand the importance of having an accessible partner-led team and take a genuine interest in wanting to help our clients succeed.

Our alliance continues to maintain high-quality firms of the right size and capability in key economic centres, and monitors the quality of firms and takes corrective action where required.

In addition to the global network that the MSI Global Alliance provides, we recently opened an office in Cape Town, South Africa. We continue to build cross-border relationships, maintaining the approach, methodology and culture that has been developed in our London office.



# OUR HIGHLIGHTS IN 23/24

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## Our year at a glance

An award winning firm of chartered accountants and tax advisors providing advice to corporate and not for profit organisations.



Top **20** London firm



**£59.5M**

turnover

**81%**  
growth over five years

**58%**  
turnover from audit



**550+**

staff

**37**  
partners

**12**  
director RIs



**6**

PIE audit entities

**25**  
AIM listed audit entities

**1,000+**  
audit entities



**Values**

at haysmacintyre

**INTEGRITY  
COLLABORATION  
EMPOWERMENT  
DYNAMISM**



**haysmac**

committees

**CSR  
DE&I  
Environmental  
Social**



**MSI**

global alliance

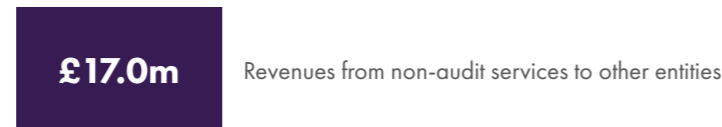
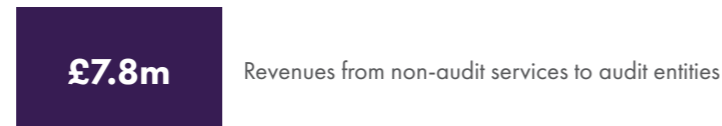
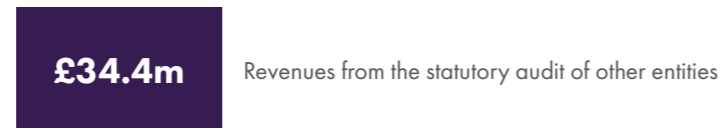
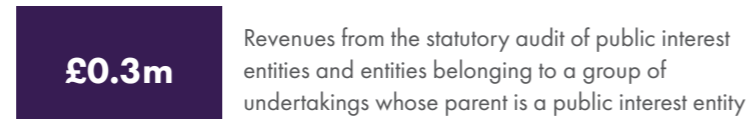
**250+**  
legal and accounting firms

**100+**  
countries



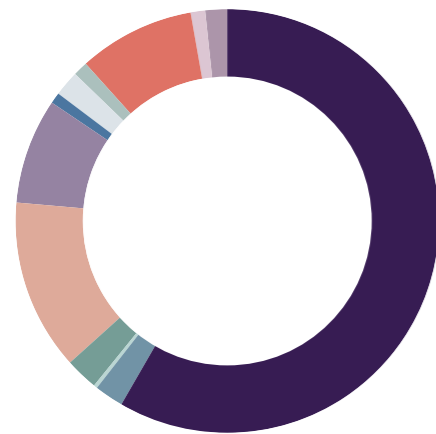
## Financial information

For the year-ended 31 March 2024, the firm's turnover was £59.5m (2023: £52.3m; 2022: £45.9m; 2021: £38.4m) of which £34.7m (2023: £29.3m; 2022: £24.6m; 2021: £21.1m) related to the provision of statutory audit services.



### Service lines and turnover split 2023-24:

Audit	£34.7m
Accounts and other assurance	£1.2m
Risk Assurance & Advisory Services	£0.3m
Transaction Advisory Services	£1.5m
Corporate tax	£7.8m
Personal tax and trust	£4.8m
Tax disputes and resolution	£0.5m
VAT	£1.1m
Employment tax	£0.7m
Business support	£5.4m
Payroll	£0.6m
Company secretarial	£0.9m



## Comment from our Independent Non-Executives

This is the second contribution to haysmacintyre's Transparency Report by an Independent Non-Executive (INE). Following the firm's decision to appoint INEs, Stephen Wardell joined the Leadership Board in Autumn 2022. Our recruitment is evidence of an intention to adopt the highest standards of corporate governance, consistent with the objectives set for the accountancy profession by our regulator, the Financial Reporting Council (FRC).

Throughout the year, I have been a member of the firm's Audit Board and attended all meetings. My role is to challenge and support the Audit Board in its consideration of audit's operational performance, as well as its plans to move towards its longer-term and strategic goals. Specifically, that role is to challenge the Audit Board to ensure that delivering quality audits is always at the core of the discussion. In addition, the business has had significant engagement with its regulators during the year and, as well as assisting with this and the firm's response to the FRC's Annual Supervisory Letter, I have personally met with the firm's supervisor.

I am pleased that the Audit Board has a clear focus on the continuous development of audit quality, in order to ensure that it can meet the expectations of all stakeholders.

The business has seen a significant level of change and challenge in the year and – as noted in the [audit quality section of the report](#) – the change to Inflo has been a key activity. The Audit Board has been focused on overseeing and challenging the management of this transition and the provision of training and support of the teams, so that the business can realise the enhancements the new technology offers. There is further work to do to fully embed Inflo in all of the firm's audits, but it is pleasing to see the outcomes to date from the monitoring and review processes that are in place over the audits that have been conducted in Inflo.

The audit business has grown strongly and, as a result, the Audit Board has used its oversight of the business to ensure that resourcing and capacity has the appropriate focus. It is pleasing that the business has taken action to ensure that the current and planned growth does not compromise quality.

As well as my role on the Audit Board, I continue to serve as a member of the Leadership Board where I can ensure that audit quality remains a clear focus for the firm. In that context, it was pleasing to see the implementation of changes to the firm's remuneration model, which reinforces the commitment of the firm and its partners to quality.

I am looking forward to continuing my work with the Audit Board and Leadership Board, and engaging with teams that are working hard to ensure that quality and continuous improvement are the drivers for the firm.



## Comment from our Independent Non-Executives

Shimi Shah joined as our second INE Director and Chair of the Leadership Board in December 2023. Shimi's appointment supports our ambitious plans to remain progressive, market-leading and forward-looking.

Since my appointment as Chair of the Leadership Board, I have been very pleased with the governance process in place at haysmacintyre and am confident that the firm is run with rigorous operational controls and procedures in place. The communication and relationship within the Leadership Board is that of respected peers and there is clear feedback and transparency between the Leadership Board and the Management Team. The meetings are run with due process and the items discussed are meticulously planned and debated during the meetings.

The reason I joined haysmacintyre was the passion and ambition I could see from the partners and other colleagues in the firm to excel in what they do, as well as achieve revenue growth over the next three years. As part of my onboarding process, I have spent a considerable amount of time with Natasha Frangos, Managing Partner, discussing strategy and the three-year growth plan, as well as the growth of the non-audit business. I have also spent time with each of the sector heads as well as many of the partners and the People and Marketing & Business Development teams. At haysmacintyre, I chair the Leadership Board to discuss strategy, operational matters, and also quality and governance related topics. Over the last few months, I have familiarised myself with the firm's regulatory responsibilities, as set out by the FRC, alongside a key role to play in helping haysmacintyre's leaders shape and then deliver the firm's growth strategy.

To that end, both Stephen and I have been involved in discussing the opportunities and challenges facing the firm, providing advice in a way that is typical of Non-Executives throughout the corporate and financial services sectors, providing strategic advice and a sounding board, but not getting involved in the day-to-day operations. It is also important to highlight haysmacintyre's culture and the high importance the firm places on diversity and Environmental, Social and Governance (ESG).

Since joining the firm, I have been involved in the budget for 2024/25, as well as discussing in detail the need to grow the non-audit side of the business over the year. I have spent time with the Marketing team to select a new branding agency to conduct a comprehensive review and refresh of the brand and our messaging, alongside a website relaunch. I have also been involved in the scoping discussions for a new Customer Relationship Management (CRM) system to be put in place this year. Another important element has been the recruitment strategy for the firm, and how we can best develop our existing talent as well as bring in new experienced talent to help in delivering our growth strategy.

Building on the extensive and excellent work conducted by Stephen and my predecessor, Ed Warner, on a full review of the partner remuneration structure, I was involved in the communication to the partners how their profit shares would be calculated slightly differently. Overall, it was well received, and we will continue to build on the momentum of the structural changes over the coming years. I feel we have made good progress to increase transparency in the firm, as well as establish quantifiable key performance indicator (KPI) metrics for the partners and the teams they lead.

I am excited to be part of a strong team with a diverse and inclusive culture, that is passionate about the work they do, and I look forward to being on the haysmacintyre growth journey over the coming years.



**Shimi Shah**  
Independent Non-Executive and  
Chair of Leadership Board  
spshah@haysmacintyre.com

## GOVERNANCE

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## The Audit Board

The board comprises:

- David Cox – Head of Audit
- Stephen Wardell – Independent Non-Executive
- Jake Pearlman – Partner
- Tom Wilson – Partner
- Jessica Edwards – Partner
- Barinder Chadha – Head of Audit Quality

Key elements of the board's terms of reference

- **Strategy** – maintaining a three-year strategic plan
- **Quality** – approving and monitoring the audit quality improvement plan (AQIP)
- **Risk** – reviewing audit quality risks and monitoring audit quality indicators (AQIs)
- **Culture** – setting the tone at top
- **Resourcing** – strategic and longer-term resource planning

### Review of the year

Our audit department represents around 58% of the firm's revenue and workforce. We are proud to have a leading audit practice full of talented, engaged colleagues, performing high-quality audits and providing excellent client service. The department has been growing consistently at 20% per annum for the past three years and we are now one of the largest audit practices in London. Our investment in audit quality over the past five years continues to bear fruit and we are rightfully proud of the results from the external inspections of our audits that demonstrated our firmwide commitment to audit quality.

We are now into the second year of our three-year strategy having successfully met our growth and quality metrics in year one, including:

- Audit revenues rose from £29.3m to £34.7m (18%) as we added new clients to our portfolio, across our five core sectors
- Our audit team increased by 28% to 350, including significant investment in our audit quality and support teams
- Our Audit Quality improved with 76% of files achieving a "pass grade", including 100% of files reviewed by external regulators
- We successfully implemented our new audit platform, Inflo Workpapers, completing over 1,300 audits on Inflo during the year.

This was a monumental year for our audit practice, including significant investments in time and money. As with any significant change, there were challenges along the way but our team rose to the opportunities and were able to embrace change whilst demonstrably improving quality.

We invested in our audit quality team with the recruitment of new technical and training managers who have brought fresh ideas and plenty of enthusiasm to the firm. We have enhanced our system of quality management with a policy of continual improvement that not only improves the quality of our work but reduces the risk to the firm.

We have strengthened the link between audit quality and partner remuneration in the year, so that partners' individual profit shares are impacted by the quality of their work – both positively as well as negatively. This helps embed our culture that values the importance of audit quality and sets the right tone at the top by the leaders of the practice.

The Audit Board is proud of the department's strong performance and hugely grateful for the hard work and commitment from everyone in the team.

### Audit strategy

Our strategy is to continue to grow our audit practice, enhance its position within its core sectors and further improve audit quality.

The core of our strategy is to continue to improve audit quality within the strict regulatory framework. We have made significant investment and progress in the year, demonstrated by our improving cold file review grades (see [page 25](#) for details) and a positive inspection by the ICAEW's Quality Assurance Department (QAD). They reviewed seven audits demonstrating good standard of audit work, with all seven audits being either "good" (the top grade) or "generally acceptable" (the second grade). We still have areas where we can make improvements, and we're using this second year with our new audit platform to refine our methodology and utilise the technology to further enhance the quality of our work.

We are one of circa 30 firms registered to audit PIEs and are growing our portfolio of clients in the PIE market. We are also joint seventh largest auditor to AIM listed companies and continue to attract excellent new clients in this market. We continue to build the firm's profile in the private company and not-for-profit sectors, welcoming exciting new clients to the firm. We received some excellent feedback from our client survey during the year and seek to continually improve the way we work with our clients and the service we provide. Our clients appreciate the commitment from our people and their specialisms in their relevant sectors. By having our teams concentrate their work in one of our five sectors, they develop an expertise and understanding of our clients' businesses which makes our audit and advice focused and value added.

We have a special culture that makes haysmacintyre an excellent workplace, and our staff survey revealed that 84% of staff recommend haysmacintyre as a great place to work. Our strategy of recruiting ahead of the curve puts us in a great position as the war for talent continues, giving us a highly skilled team to deploy on new audits as we continue to grow. Developing our people through targeted training and guidance is a key element of our mission statement, equipping them with the technical and personal skills needed to be an effective auditor in the modern world.

We launched our new office in Cape Town in January 2024 with our first six recruits and we are looking forward to our first new overseas graduate intake joining the firm in January 2025. This is an exciting and unique proposition that enables us to develop a new team on the other side of the world with the same culture as our London office.

Being the first major audit firm to adopt Inflo Workpapers as our audit platform has enabled us to adopt a full digital audit approach which has already enhanced our audit quality and client service. This enables the London and Cape Town offices to collaborate on audits together seamlessly and we have already seen the results in improved audit quality as a result of this move. We have implemented other technologies in the year and there are more benefits expected from these alongside the increased use of AI in the future that will further improve the quality of our work and the client experience.

The current economic and political uncertainty make the future difficult to predict and navigate but the Audit Board are confident that our strategy puts our firm in a great position to further enhance our market-leading audit practice.



## Audit quality

Ensuring and enhancing audit quality remains an ongoing priority for our firm, recognising it as a dynamic process influenced by organisational culture, policies, and procedures. As one of the few firms undertaking audits of PIEs, our commitment to this endeavour is unwavering, reflecting our dedication to fostering confidence in our current and potential stakeholders.

In line with the principles set out in the FRC's 'What Makes a Good Smaller PIE Audit Firm' publication, we intensified our focus on areas to bolster audit quality in the past year, including alignment with the requirements in our annual supervisory letter:

- Acceptance and continuance
- Audit culture and governance
- Our PIE and listed clients
- Strengthening the link between audit quality and reward
- Resources
- Audit technology, innovation and efficiency
- Monitoring and remediation
  - Root cause analysis (RCA)
  - Internal quality monitoring (IQM) – cold file reviews
  - Hot file reviews
- Audit methodology – effective embedding of Inflo
- Professional skills training
- Our approach to learning and development
- Continuous improvement.

### Acceptance and continuance

We enhanced our acceptance and continuance procedures during the year with the aim to ensure that the firm only acts for the right audited entities, we have the necessary resources and expertise to perform the audit to a high standard; and risks are appropriately identified and mitigated. In the past six months, only 60% of the PIE tenders passed this new, more rigorous assessment process, demonstrating that we are being selective in what opportunities we accept. This aligns with the firm's audit strategy of focusing on the 'right clients' in our five specialist sectors.

Our acceptance and continuance policy is designed to enable us to identify firm-level risks associated with potential or existing clients. We follow a rigorous approval process for all major audits, allowing the Management Team to decide to decline/resign or implement appropriate safeguards to mitigate significant risks.

Acceptance and continuance procedures are iterative processes, and we further enhanced our acceptance and continuance template following the FRC's recommendations.

We are assessing the outcomes of the enhanced continuance pilots trialled in 2023 and will improve the process to ensure it meets our objectives. This will include formalising the process, identifying triggers, oversight, and approvals. It will also include further guidance and training for RIs to manage communication with management and those charged with governance during the process.

### Audit culture and governance

The Leadership Board recognise and embrace the firm's responsibility to service the public interest by consistently performing quality engagements and, in particular, the firm's obligation as a PIE auditor to support confidence in the financial markets by performing robust, high-quality audits.

Upholding a culture of accountability and responsibility, our Leadership Board acknowledge the firm's duty to uphold quality standards, especially in our role as PIE auditors. To gauge our progress and identify areas for improvement, we conducted a comprehensive firm-wide survey aimed at engaging all levels within the firm. This process helped inform the direction the audit department needs to consider in the future.

Audit governance and the day-to-day running of the audit department is primarily down to the Audit Board and Audit Operations Team. A year after we established our Audit Board, we have reestablished the terms of references, bringing in new members and collectively agreeing our goals for the future.

### Our PIEs and listed clients

*We continue to be a FRC PIE regulated auditor which aligns with our strategy to continue operating within this regulatory framework.*

As a regulated auditor for PIEs, we continuously refine our policies and procedures to align with regulatory frameworks. This includes updating acceptance and continuance policies tailored to our PIE and listed clients and enhancing training initiatives to ensure staff and partners are well-equipped.

Further details about training are provided later and, from a PIE and listed client base, we regularly meet to discuss technical and associated issues affecting our clients. We continue to enhance our training for staff and partners working on PIE and listed audited entities in 2024. To account for the changes made by the ICAEW to continuing professional development (CPD), we are in a position to better track our CPD requirements with use of our new learning platform system, Bridge.

As with our PIE recognised RIs, we have followed this process to help identify managers and staff that have the capabilities and competencies to act for these clients and established processes to staff these clients from a smaller pool of 'badged individuals'.

### Strengthening the link between audit quality and reward

*Embracing recommendations from the FRC, we established clear links between audit quality and reward, emphasizing a holistic approach beyond mere review results.*

This initiative, spearheaded by our Leadership Board, ensures fairness and consideration in rewarding quality-driven efforts. This process is in its first year and, for year one, we have taken the tone from the top approach and focused on our RIs, made up of partners and directors. A number of factors are taken into consideration, including cold file reviews. Continuing with the theme of the tone at the top, our approach has been discussed and considered by all RIs and is now in place.

We introduced a revised partner remuneration system, effective from 1 April 2023. The revised system is designed to reward high performance and penalise poor performance, including the quality of work.

Introducing this linkage between quality and reward has been embraced, helping to develop a culture of high-quality, effective audit teams. To take this further, our non-audit services have also started strengthening the link between quality and reward.

There is an agreed partner appraisal process with input from our Managing Partner, Chief People Officer, Head of Audit, Management Team, and Leadership Board, which adds independence to this procedure.

### Resources

*There are opportunities to improve quality and drive efficiencies in how we deliver our audits.*

Recognising opportunities for efficiency and quality improvement, we've invested in various aspects including engagement resources, technology, and supportive infrastructure. Our strategic three-year resourcing model enables us to nurture talent and invest in future partners effectively.

Audit team support comes in various guises, and we took the approach to tackle this in different ways to assist the audit team. This included providing support for admin functions, evolving the nature of audit engagement teams, understanding the admin element and recruiting to support the audit teams.

Similar to the terms of reference for audit governance, we have gone through the process with technical and quality teams. As we grow as a business, these vital support functions have had a refocusing of priorities and terms of reference and a cleaning up of roles and responsibilities. This also had the benefit of allowing us to relook at our monitoring processes, resulting in the implementation of a more targeted risk-based approach.

As part of our resourcing strategy, we bolstered our team with a new office in South Africa, aligned to our UK office policies and procedures.

### Audit technology, innovation and efficiency

*Technology will play a significant role in driving efficiency and improve quality within an audit.*

Leveraging technological advancements, particularly AI, we've implemented Inflo Workpapers to enhance audit methodologies, documentation, and risk assessment. Our sectorised approach and emphasis on AI integration reflects our commitment to operational proficiency and quality enhancement.

Inflo Workpapers is the firm's most significant investment in achieving our quality objective by introducing:

- A compliant and consistent audit methodology
- Improved documentation of audit evidence
- Enhanced risk assessment
- Data analytics (journals testing and other analysis)
- Enhanced monitoring and reporting functionality
- Improved documentation of ethical matters (including non-audit services).

We are now in year two of our use of Inflo Workpapers and have managed to traverse the rocky path of implementing a new audit platform, which has also gone through its first round of regulatory assessment with pleasingly positive outcomes. This has been down largely to the concerted effort of our audit staff, all of whom are very much appreciated.

We continue to invest in other audit supporting technologies to help our audit processes and are assessing the use of AI within audit.

To aid with audit efficiency, we have aligned our sectorised approach to add an additional level of team sector alignment across all levels of staff. This process is relatively new, however the investment and time taken to do this has already started to help with quality and operational proficiency. This focus includes a top-down approach, aligning supporting and administrative functions. We look forward to what year two looks like.

### Root cause analysis (RCA)

In 2023, we undertook the task to embed the vital function of RCA. We continue to improve and refocus the objective and what we wish to achieve from a fully-formed RCA function within the firm.

Integrating RCA as a vital function within our firm, we've broadened its scope beyond monitoring processes, fostering a culture of continuous improvement and proactive problem-solving led by our Head of Audit Quality.

### Resources

We have enhanced our plans for RCA, explicitly addressing the issues of independence and formalising the RCA process within the firm. We have created a separate RCA function headed by the Head of Audit Quality. In addition, we are increasing our headcount within the Audit Quality team to help provide greater bandwidth to perform RCA on a timely basis. The team will include individuals with no audit portfolios independent of audit engagements. The team attended specific RCA training earlier this year, and we will mandate further training for the RCA team.

### Methodology and policy

We have revised our RCA policy, effective from May 2024. In addition to the policy, a template methodology has been created, providing a precise method for performing RCA. We have now implemented an Audit Quality Remediation policy, which effectively bridges the gap between RCA and remediation.

### Remediation

Remedial actions will naturally form part of the reporting framework. The Audit Quality Remediation policy includes reporting requirements that confirm actions by reporting to the audit compliance partner, Audit Board, Management Team, and Leadership Board. The reporting is also tied into our cycle of internal quality management, which will help maintain timely reporting and remediation.

### Monitoring and review

In addition to quarterly reporting through the firm's governance structure, we report back to the relevant audit teams, audit sectors, and the whole audit department, as appropriate. The revised RCA and the Audit Quality Remediation policies embed an annual review process to identify recurring issues and assess the effectiveness of other controls and the RCA process itself.

### Internal quality monitoring (IQM) – cold file reviews

Following the expansion of the audit quality team, we developed specific guidance for reviewers and a work programme to improve the consistency of our cold file reviews. We also introduced more formality into the review and moderation process to ensure that findings are agreed upon and understood by the RI and teams involved. This means that promotion and remuneration decisions based on audit quality assessments have a robust foundation and are considered fair and unbiased.

Under the revised process, which continues to be rolled out, we introduced the concept of pre-moderation reviews by a second member of the review team and an appeal process. This enables individual audit RIs to formally request the reconsideration of their Cold File Review (CFR) grade if they believe that it does not accurately reflect all the relevant facts.

### Hot file reviews

Our current hot file review policy covers Engagement Quality Reviews (EQRs) required by regulation and those on other major audits and those performed as safeguards against threats to independence and objectivity. We are developing a suite of audit quality indicators to enable us to roll out a more comprehensive programme of in-flight reviews.

### Audit methodology – effective embedding of Inflo Workpapers

When we decided to replace our legacy audit working papers platform, we knew the transition project would move through different phases, each with its challenges and benefits. Following a trial period of usage on selected files in 2022, full implementation of the new software (with limited exceptions of complex groups) went live on 1 January 2023. This date marked the start of the phase of full implementation. This phase was not without its challenges, but overall the implementation was successful.

Six months into the complete implementation phase, we performed thematic reviews to review the effectiveness of the new software and how audit teams used it. The Inflo thematic review identified areas of good practice, improved documentation, enhanced quality, efficiency, and evidence of improved compliance with ISA requirements. Similar positive findings, with evidence of further incremental improvement, were noted in our CFRs for the last quarter of 2023. This positive trend was confirmed, and our expectations were validated by the positive outcomes of our QAD review in late 2023, as highlighted earlier in the Audit strategy section.

Now in the second year of full deployment of Inflo Workpapers, we are mainly concerned with refining and improving how our audit teams use the platform. This phase aims to enhance the audit quality further by addressing the areas for improvement identified by the various review processes.



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## Continuous improvement

Setting the tone at the top, the firm’s leadership ensure the firm’s culture supports the ability to improve audit quality continuously.

We horizon scan and are aware of developments including technology, audit standards, and best practice. Feedback from our internal/external reviews and RCA enable us to continuously improve our audit quality indicators, strategy and procedures.

The firm’s audit quality monitoring procedures are designed to promote improvements in audit quality. Audit quality monitoring reviews – or CFRs – are carried out on approximately 50 completed audits on an annual cycle. These reviews of completed engagements are supplemented by thematic reviews, which focus on specific areas of audit work across a sample of engagement files.

CFRs are performed continuously to assess the quality of audit work on completed files. Each review includes consideration of the quality of the Strategic Report and/or the Directors’ Report (or their equivalents), and the financial statements, the quality of the planning and completion work, and the quality of audit documentation and conclusions in respect of key audit areas. Scoping discussions are held quarterly to identify additional areas of focus to be reviewed on every file selected for review, which may be driven by previous CFR findings, areas of regulatory focus or significant weaknesses identified by previous regulatory review visits. Each reviewer also determines areas of focus for the individual engagements that they are responsible for based on the circumstances and risks relating to the audited entity.

The firm’s CFR cycle runs from October to the following September to ensure that every RI will have a grade from at least one recently reviewed audit file to inform their annual appraisal. Most of the files selected annually for CFR are cyclical selections, with the remainder being selected to address audit quality risks, including low grades from previous CFRs or regulatory inspections.

At the conclusion of each CFR, the findings are explained and discussed with the engagement team and their responses to the points raised by the reviewer are included in the final report. Each completed review is then graded on the following scale:

1 – Good
2 – Generally acceptable
3 – Improvements required
4 – Unsatisfactory

The above grades are defined in qualitative terms and awarded based on the reviewer’s overall assessment of the quality of each audit, taking into account the number and severity of individual findings from their review.

The CFR team holds a quarterly moderation meeting to discuss the basis for the grades awarded and ensure that similar findings are given consistent significance in the determination of the grade.

Our current target is that at least 75% of CFR scores are in the top two grades, and our three-year strategy raises that target to 80%, with no files rated ‘Unsatisfactory’ (a grade 4). A quarterly summary of the CFR grades and significant findings is circulated to all audit staff and partners. The overall results of the firm’s CFRs are presented to audit staff and partners on an annual basis. Trends in significant findings are monitored by the Audit Quality Team (AQT) and inform training priorities at all levels of the firm. Key matters arising from each quarterly round of CFRs are the subject of quarterly training for audit partners, managers, and qualified staff.

The firm’s CFR grades for the 12 months to 31 March 2024 are summarised below:

Grade	Q/E 30 June 2023	Q/E 30 September 2023	Q/E 31 March 2024	23/24 total	22/23 total
1 and 2	9	9	7	25	33
3	5	4	1	10	12
4	0	0	0	0	6
<b>Total</b>	<b>14</b>	<b>13</b>	<b>8</b>	<b>35</b>	<b>51</b>

The table above shows an improving trend in our monitoring results for the year ended 31 March 2024. 71% of files were categorised as ‘good’ or ‘generally acceptable’, which was an improvement on the 65% last year, but still below our target of 75%. It is very pleasing to note that there were no files graded 4 (Unsatisfactory) in the current year. In common with the QAD review outcomes referred to earlier, the 2023/24 CFR results have been achieved in parallel with the implementation of the firm’s new audit platform.

Whilst we report on the results for the year to 31 March 2024 in the table above, the firm’s review cycle has been extended to 18 months, to enable a greater number of reviews to address risk factors and reduce the frequency of reviews for consistently high-performing RIs. The current cycle therefore covers engagements that were completed between October 2023 and March 2025.

Alongside this change, we have also significantly strengthened and formalised the review and moderation process for all CFRs to support the linkage between CFR grades and partner remuneration. As a result, there were no reviews carried out in respect of the quarter ended 31 December 2023 while the new procedures were agreed, and standard documentation was developed. Files selected for review in the quarter ended March 2024 are the first CFRs to be performed under the new regime.

Our new CFR process is more time-consuming, which is why there is a lower volume of completed reviews for the year ended 31 March 2024.

### Regulatory inspections

The firm is subject to regulatory inspections by the FRC’s Audit Quality Review (AQR) team, for our PIE audits, and by the ICAEW’s Quality Assurance Department (QAD) for our other audits. The firm’s most recent completed AQR review was performed in early 2023. The feedback from this review was positive, with the audit only requiring limited improvements (grade 2) with no key findings and the AQR team highlighted good practice in respect of our going concern work. The AQR have recently commenced a new file review in June 2024 which is expected to be completed by October 2024 and we will publish the results of that in our 2025 report.

The most recent completed review by the QAD took place in late 2023, in line with their established two-year review cycle for the firm. Seven completed audits were reviewed, of which five were documented in Inflo Workpapers and two were documented in the firm’s legacy audit software, eAudit. The QAD reported that overall, the audit work reviewed was of a good standard with all seven files being either good (grade 1) or generally acceptable (grade 2), with only minor recommendations for improvement which the firm has already begun to address through enhanced training and guidance.

Combining these seven audits reviewed by the QAD and the 35 audits reviewed by our CFR team, a total of 76% of files were categorised as ‘good’ or ‘generally acceptable’, above our target of 75%.

### Internal quality management

The firm has been operating its System of Quality Management (SoQM) in accordance with the requirements of the International Standard on Quality Management (UK) 1 (ISQM1) since implementation on 15 December 2022, and the firm has continued to develop and refine its monitoring and remediation procedures in the meantime.

The firm’s SoQM includes additional reviews and mandatory consultations that are applied where necessary to individual engagements to ensure audit quality. All of these are ‘hot’ review procedures undertaken on audits in progress, prior to the issuing of the audit opinion, to ensure that sufficient appropriate audit evidence has been obtained to support our audit opinion.

#### 1. Engagement Quality Review (EQR)

An EQR is required for an audit engagement under any of the following circumstances:

- PIEs
- Listed entities
- Other entities of public interest (OEPIs)
- Engagement partner association exceeds 10 years
- High risk audits which are outside formal EQCR scope
- Other threats to objectivity and independence, such as fee debts or non-audit services
- Risk assessment by the Technical Partner or Head of Audit.

#### 2. Technical consultations

Technical reviews are required when:

- A qualified audit report is to be issued
- A prior period adjustment is proposed by the client or the audit team.

Other technical consultations may be raised in other circumstances such as:

- Going concern disclosures (including audit reports)
- Other bespoke elements of an audit report
- Group audit planning with overseas component auditors
- A second opinion on a matter of judgment or contentious disclosure
- Audit methodology queries.

### Implementing ISQM1 and developing the firm's SoQM

The policies and procedures comprising the SoQM are documented in the firm's Audit Compliance Manual, which all relevant staff are required to confirm that they have read and understood, and the Inflo QMS platform records the individual quality objectives, quality risks and responses to quality risks. Periodic reassessment of quality risks and responses is facilitated by the platform and the findings from monitoring activity are also recorded in the platform.

The firm has adopted an additional IT solution to facilitate the assessment of suppliers relevant to the SoQM, including those who are formally designated as service providers within the context of ISQM1. This enables the firm to send standardised questionnaires to existing and new suppliers to enable the quality team to assess their impact on the firm's quality risk assessment and to identify any additional responses that may be required to address related quality risks.

The main element of the firm's monitoring process continues to be reviews of completed engagements, with the majority of the other responses to quality risks being subject to quarterly or annual reviews to support the Leadership Board's annual assessment of the effectiveness of the SoQM.

To supplement the CFR process, the firm is designing a programme of thematic reviews which will consider a narrower range of specific matters across a broader selection of engagements. The first thematic review covered the effectiveness of the implementation of the Inflo Workpapers audit platform and was carried out over the course of Summer 2023. A follow-up review addressing group audit considerations in particular is planned for Summer 2024, and further thematic reviews covering other areas of audit documentation will be performed later in the year.

The findings from all of the firm's monitoring activity are assessed to determine whether they represent deficiencies in the SoQM which require remediation. The firm has established an RCA framework, which initially focused on the outcomes of CFR activity with audits graded 'Good' and audits graded 'Unsatisfactory' being subject to RCA to identify aspects of good practice which can be shared throughout the firm, and aspects of poor practice which require remediation.

Following on from the revisions to the CFR process explained above, the firm has formally separated the RCA and IQM functions into separate teams and is in the process of building out the RCA process to address wider matters than the outcomes of IQM activity.

### Statement of the effectiveness of the System of Quality Management

The first annual evaluation of the effectiveness of the SoQM was performed in November 2023, ahead of the first anniversary of the implementation of ISQM1 on 15 December 2023. This evaluation concluded that the SoQM provides reasonable assurance that the objectives of the SoQM are being achieved except for a number of non-pervasive deficiencies.

The firm completed a second evaluation of the effectiveness of the SoQM in July 2024 to coincide with the publication of this report. Again the conclusion was that, except for a number of non-pervasive deficiencies, the SoQM provides the firm with reasonable assurance that the objectives of the SoQM are being achieved.

The firm has put plans in place to address these identified deficiencies.

The Leadership Board are satisfied that the responses that have been implemented to address the identified quality risks are appropriate and that the results of recent monitoring activity, including the March 2024 round of cold file reviews, do not give cause for concern that there are any material deficiencies in the SoQM.

## Risk management

We have established a Risk Management Framework (RMF) to identify, control and manage the key risks we face. An effective risk management framework is essential to manage both risks we face and to facilitate necessary improvements to systems and processes within our business.

There are five elements that make up the RMF:

1. Identification
2. Measurement and assessment
3. Mitigations
4. Reporting and monitoring
5. Governance

All risks have been categorised into three broad areas of focus, allowing risk owners to focus on the risk at their appropriate level: Leadership Board, Management Team and Department. Whilst responsibility for oversight of the risk on a day-to-day level rests with risk owners, oversight of the risk management process takes place through the firm's Risk Committee.

All risks are reviewed regularly and are subject to three tiers of review.

1. The first tier has effective oversight and ownership of the individual risks by the risk owner. All risks can be categorised into one of three areas:
  - Strategic risks – owned by the Leadership Board
  - Management risks – owned by the Management Team
  - Departmental risks – owned by department heads
2. An annual meeting of the Risk Committee and risk owner to review and challenge the risk, mitigations and controls, and its scoring.
3. Annual review of the risk register by the Leadership Board.

We continue to take our responsibilities and oversight of audit quality and ethics very seriously. We have detailed our approach to these areas in other parts of this report. Audit quality and ethics are separately identified risks on our risk register that are monitored regularly by the Management Team and Leadership Board. We have increased our capacity in our technical teams for audit and recruited a specialist into our ethics team to improve awareness and reporting.

In last years' report, we included two risks which – given progress made since last year – are no longer considered to be in our top firm risks:

- **People (Management)** – We identified the attraction and retention of key talent in the business as we came out of the pandemic. In the last year, we have been able to recruit 'ahead of the curve' to provide the resource needed to deliver our key business strategies. We developed a clear succession plan and workforce plan to ensure that the firm is positioned for promotions and also potential loss of key staff. We have embedded Learning & Development within the firm, including career pathways, competency frameworks, specific development, courses to support and aid development and retention illustrating investment in our people. During the year, we performed a benefits review, which saw enhancements being offered and we also paid discretionary bonuses and an all-staff profit share.

We also increased our capacity with the opening of our first office outside the UK, in South Africa. We will increase this team to support the work we do in the UK in our key service lines.

- **Onboarding and AML** – We identified the significance of managing effective AML procedures in a fast-growing business. In the last year, we have enlarged the team, recruited temporary resource to bring us up to date, updated guidance and training and made improvements to systems and digitisation. We are also actively refreshing AML procedures on existing clients.



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The risks that were reported last year that remain focus areas of the firm are:

**Operational (Departmental)**

Principal risk	Description	Control/action
Supplier and contract management	As a business, we have many suppliers for different services lines throughout the business. In the year, we established a central register to identify internal leads, and are in the process of reviewing appropriateness and the commercial viability on a periodic basis to ensure value for money, service delivery and fitness for purpose.	<ul style="list-style-type: none"> <li>• Maintaining the central register of key suppliers.</li> <li>• Establishing a cycle of tender/service delivery required for each supplier in this category over a cycle of three years.</li> <li>• Regular reporting to the Management Team.</li> </ul>
Business continuity	In order to respond to any future emergency, a detailed plan will be formalised to continue a quality service to clients and to ensure the wellbeing of our staff.	<ul style="list-style-type: none"> <li>• Evolving our Business Continuity Plan which will include annual testing and greater communication informing all staff and partners of what to do in the event of an incident.</li> <li>• Establish a Practice Protection Team to regularly review and monitor our capabilities for business continuity.</li> <li>• Implement evolving emergency communication plans.</li> <li>• Understanding our key suppliers and contacts who we rely on for critical business services (linked to our supplier and contract management risk above).</li> </ul>

**Laws and regulations (Departmental)**

Principal risk	Description	Control/action
Sanctioned clients	There is a risk that we do not identify sanctioned clients (including those controlled by sanctioned individuals) and appropriately respond.	<ul style="list-style-type: none"> <li>• SmartSearch PEP/Sanctions Screening.</li> <li>• Formalised escalation/sign off process.</li> <li>• Continually reviewing existing clients that have connections to sanctioned countries and individuals.</li> <li>• Refresh of AML procedures for higher risk clients.</li> </ul>

There is also one new risk which enters our top risks:

Principal risk	Description	Control/action
Technology advancement	There is a risk that we do not keep pace with the advancement in technology solutions in our key business/service lines, resulting in a lack of competitiveness in our markets.	<ul style="list-style-type: none"> <li>• Continue to monitor the availability of IT solutions to enhance our offering and remain competitive.</li> <li>• Embedding policies for the use of AI technologies and training staff on their use.</li> <li>• Implement technologies to help us increase efficient service delivery.</li> </ul>

## Ethics and independence

Ethics and ethical behaviour are at the core of our culture and values. The firm’s partners, employees, clients and other stakeholders are expected to adhere to rigorous ethical standards. We prioritise upholding ethics and independence, ensuring that we choose what is right over what is easy.

As a firm, haysmacintyre embodies trustworthiness, straightforwardness, and honesty, emphasising integrity and ethical conduct across all our operations. We comply with professional requirements and uphold obligations sincerely and objectively. The firm invests in its people, equipping them with the right skills to do this. We include ethics within our training programme for all our people to ensure they are up to date on ethical requirements, alongside our policies and procedures.

Speaking up isn’t just encouraged — it’s expected. We take allegations of inappropriate behaviour seriously and support individuals in raising honest concerns. We want an environment where people confidently identify potential issues and call out misconduct. Regular reinforcement of mechanisms ensures awareness and confidence to speak up, making it integral to our culture.

**The Ethics team**

Tracey Young, the firm’s Ethics Partner, and Sarah Hick, Head of Ethics (a new appointment in the year), ensure that partners and staff achieve the objectives of relevant ethical codes, alongside our own procedures. The team is also supported by a technical director and the firm’s Risk and Compliance team. The Ethics team report directly to the firm’s Leadership Board. The FRC’s Ethical Standard and internal policies require consultation with the Ethics team in specific circumstances. A dedicated consultation portal on our intranet manages ethics and independence queries. All related queries are logged, and the Ethics team reviews and communicates necessary judgments and responses.

**Policies and processes**

Integrity, objectivity, and independence form the bedrock of our culture and business. We have established policies and procedures to ensure compliance with legal requirements and regulations. Our responsibility includes adhering to the ICAEW Code of Ethics, the FRC’s Ethical Standard, and the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants. Key aspects related to compliance with these standards are outlined below.

We have an Ethics Manual and a suite of internal policies and procedures on our intranet. This ensures that we remain independent from our clients and that potential threats to our objectivity are dealt with appropriately and on a timely basis.

Ongoing monitoring activities are conducted to ensure that our people remain compliant with the processes and to ensure that we continue to meet the demands of the changing environment in which our firm operates. We regularly review and update our policies, processes and controls to take account of any significant failings or weaknesses identified during the consultation process and monitoring activities. We also use the information gained when we are developing our training programme.

If breaches of the FRC Ethical Standard are identified or reported, these are notified to the firm’s Leadership Board, and to the FRC on a biannual basis in line with the requirements of the Ethical Standard. Any matters that have been identified as a breach of our own policies are reported internally and factored into quality grading.

**Adapting to changes**

Over the past year, our primary regulators — the FRC and the ICAEW — have been undertaking projects to revise their Ethics and Independence Standards and Codes. The FRC has issued a revised Ethical Standard, effective by the end of 2024. Whilst we are still assessing the full impact of these changes, we believe our firm is well-positioned for compliance. Recent updates to the International Code of Ethics for Professional Accountants (issued by the IESBA) have been incorporated into the FRC’s Ethical Standard and are being integrated into the ICAEW’s Code of Ethics. As clarity emerges on the FRC’s changes, we will update our policies, procedures, and controls accordingly to align with the revised Ethics and Independence Standards and Codes.

**Conflicts of interest**

The ICAEW’s Code of Ethics requires the firm to comply with its Fundamental Principles and apply its Conceptual Framework. In doing so, it recognises that we must avoid, or mitigate, any conflict of interest that causes threats against these Fundamental Principles. One of these principles, that of objectivity, imposes an obligation on all professional accountants not to compromise their professional or business judgement because of bias, conflict of interest or the undue influence of others. A threat can arise when two or more entities have conflicting interests in a matter and the services being provided relate to that matter. The engagement partner is responsible for the identification of potential conflicts of interest.

Further details of our independence and ethics policies can be found in the [Appendix](#).



**Sarah Hick**  
 Head of Ethics  
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## Public interest entities

During the year-ended 31 March 2024, audit reports were issued on the financial statements of the following entities:

Public interest entities as defined
Brown Advisory US Smaller Companies Plc
PMGR Securities 2025 Plc
Premier Miton Global Renewables Trust Plc
Seed Capital Solutions Plc

In addition, the firm has been appointed auditors to Narf Industries Plc and Sivota Plc.

## Other UK listed companies

During the year-ended 31 March 2024, we also acted as auditors for the following UK listed companies:

Other UK listed companies	
7 Digital Group Plc	Frenkel Topping Group Plc
Akari Therapeutics Plc	Huddled Group Plc
Asimilar Group Plc	Kromek Group Plc
Audioboom Group Plc	LifeSafe Holdings Plc
Bidstack Group Plc	Logistics Development Group Plc
Bigblu Broadband Plc	Northcoders Group Plc
BiON Plc	Oberon Investments Group Plc
Catalyst Media Group Plc	Ora Technology Plc
Cloudified Holdings Plc	Quidnet REIT
Concurrent Technologies Plc	RentGuarantor Holdings Plc
Cornerstone FS Plc	Safestay Plc
D4t4 Solutions Plc	System1 Group Plc
Deepverge Plc	Tan Delta Systems Plc
Digitalbox Plc	Tasty Plc
Eco Animal Health Group Plc	The City Pub Group Plc
Equipmake Holdings Plc	Tortilla Mexican Grill Plc
Essensys Plc	Touchstar Plc

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## Our approach to Learning and Development

### What have we done so far?

2024 saw the implementation of our new learning platform system – Bridge – to host all the firm’s learning solutions and encourage a culture of learning that is innovative, agile and learner-driven.

Training offerings include a variety of in-person workshops, micro-learning, digital modules, videos, development plans, and how-to guides enabling people to take more ownership of their own learning and development (L&D) opportunities.

Needs are constantly being collected from across the business ensuring we tailor the support given to teams across all levels of staff, from early careers to senior leadership.

Today our programmes include:

- Giving effective feedback
- Coaching and developing others
- Delegation skills
- Interview skills
- Line Manager programme
- Time management
- Negotiating conversations
- Powerful conversations (dealing with challenges)
- LinkedIn learning workshops
- DEI learning – digital and in-person
- Wellbeing learning – digital and in-person.

We have also rolled out an education and development programme for our senior leaders. Through the creation of director and partner development workshops, the focus is on creating inspiring leaders of the future, innovators and business development experts.

All new partners to the firm, whether lateral hires or internally promoted, enrol on the partner induction programme to develop the skills and capabilities of our new partners as business owners, people leaders and business development experts.

To ensure that all our people are offered opportunities to grow, develop, progress and have good quality career conversations, our new ‘TALK’ performance management framework has now been fully rolled out to the firm and embedded as a tool that facilitates people career development and progression. These career conversations enable goal setting, review of work and implementing feedback.

Ensuring our people have the right tools to drive their development is paramount. We have launched our firmwide competency framework of core skills and technical skills, enabling each level of staff to be clear on what is expected of them as they progress through their careers. This also ensures transparency and fairness in how we measure our people’s performance and progression and identify high potential talent.

Learning from others and sharing experiences as part of the 70:20:10 methodology is also an important component of how we develop our people. With that in mind, we continue with our new mentoring scheme where partners offer to mentor senior managers and directors. This opportunity enables work-life balance, career, and general growth-centred conversations to happen with partners paired with staff they have not worked with – offering an impartial, fresh eyes, fresh ears perspective and support.

### What’s next?

As we move into 2024, we will continue to encourage a learning culture that is learner-driven through our learning platform system, Bridge.

The use of AI in learning and how we operate as business is key to how we adapt for the future. We are looking at designing and rolling out Generative AI training for all staff.

The use of data analytics in determining future training needs and skills capabilities is also an area where we are looking to invest in 2024 and beyond.

In collaboration with the Business Development function, we will also continue to focus on the further development of our partners and directors on sales and bid methodology training and coaching.

All of these initiatives enable haysmacintyre to have a continuous learning culture, develop leaders of the future who know how to adapt in an evolving environment, at both a global and industry scale enabling the firm to continue on its growth trajectory.



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## Professional skills and training

We continue our commitment to invest in the growth and development of our people by implementing and offering a high standard of L&D programmes to all our staff. This includes a combination of internal courses delivered by our in-house subject matter experts, alongside external solutions delivered by industry specialists. The objectives of all our learning programmes are aligned to our people development strategy and mission statement of working with the right clients, with the right skills, in the right way.

The learning curriculum that’s offered through our technical training specialists and professional skills experts is a blended learning approach consisting of in-person workshops, digital learning and performance support. The focus is heavily on experiential learning – learning through having a go – practicing and applying the skills to the job and then receiving feedback. This blended and experiential approach embeds learning beyond the classroom so performance and behavioural change metrics can be applied to evaluate the success of the learning in people’s roles and outputs. Learners can grow in confidence and competence and broaden their skills capabilities.

Our Training Committee takes a holistic approach to training and identification of the resources needed to support the firm’s training needs. The primary deliverables of the Training Committee are:

- Designing and implementing a development programme that enhances the skills and competencies of all within the firm
- Ensuring that the overall development offering is in line with the firm’s quality, risk and ethical standards
- Continuously evaluating the effectiveness of training and development activities and making recommendations for improvement
- Fostering a culture of continuous learning and professional development
- Understanding our Continuous Professional Development (CPD) needs and requirements, including those required by the regulators and professional bodies.

A newly formed Training Board in 2024 brought key senior learning stakeholders together to ensure that the learning strategy aligns to the firm’s business and people strategies and that this is cascaded down and implemented into all learning programmes at an operational level.

To ensure that all learning and development offerings are relevant, timely and delivered to the right level of staff, we created learning pathways that support the competency requirement of our people at each level. Learning programmes are also tailored to meet the needs of our specific departments, service lines and teams.

An Audit Training sub-committee has been set up with specific aims to:

- Promote communication between the core audit technical and training team and sector teams
- Encourage and monitor sector specific training delivery
- Promote consistent quality in training materials
- Share knowledge and expertise.

Our learning pathways comprise technical, operational, professional, and ethical skillsets and support firmwide core competencies. Improving and maintaining audit quality requires a mix of reactive and proactive training initiatives. Training is provided based on changes in auditing and accounting standards and any issues arising from technical consultations and thematic, cold file and regulatory reviews.

Individual specific training requirements are assessed and monitored during job feedback and TALK meetings. We also collate audit department training requests. This is then used to drive upcoming training sessions to ensure that development needs are being met.

The firm has dedicated Technical, Training and People development teams who lead on all L&D matters. The team members have the experience and specialist knowledge required to advise, guide and support engagement teams in delivering quality service to the department’s diverse client base.

In brief, our training programme includes:

- A tailored programme of training for those joining the firm as experienced hires. Our departmental induction includes a dedicated programme of technical and operational training to support and welcome new joiners to the department
- 2023 saw trainers visit our qualified seniors in South Africa for a weeklong training session covering both technical and professional skills
- Case study and mini audit-led mandatory training days for audit staff, tailored to their grade and stage of development, and professional skills courses that form part of our apprenticeships, ensure our trainees working towards professional qualifications are equipped with the skills they need to be successful in their careers.
- Breakfast briefings designed for trainees and led by more experienced members of the Management Team to cover team and sector-specific hot topics.

Midway through their time as a trainee, staff are offered additional training and support to cover the new challenges of leading audit fieldwork and larger audit teams. Newly qualified staff starting their journey to management are offered a program of training that introduces the wider firm and senior management. There is also sector training for all relevant staff prior to busy seasons (including for LLP, FCA, charities and schools), to cover current developments, common risk areas, and best practice guidance.

In November 2023, ICAEW updated CPD requirements. haysmacintyre decided to place all those engaged in audit and assurance services in 'category one' which requires a minimum of 40 relevant hours, of which 30 need to be verified. Whilst CPD records continue to be maintained in our HR system, the introduction of an LMS has assisted in facilitating verifiable CPD both for those unable to attend live trainings and who participate via watching recordings, and for all via post-training assessments.

All qualified staff who require CPD attend in-house audit quality training sessions. These sessions cover aspects of the firm's audit quality improvement plan and changes to the firm's audit methodology. Sessions in year included:

- Audit planning
- Related Party Transactions
- Audit testing strategies
- Impairment reviews
- Professional challenge.

Quarterly CPD sessions for all qualified staff are presented by a market-leading external trainer. These sessions cover regulatory, accounting and auditing developments, and content is refined by the audit department technical team to ensure that it is firm specific. Together, these sessions ensure there is appropriate continuing education available.

Topic-specific training is also provided on a quarterly basis for the PIE and Listed audit team.

We held an annual audit conference for everyone in the audit department. This was a key opportunity during the year for all levels of staff to collaborate directly together.

All partners and staff undertook Anti Money Laundering (Anti AML) and Ethics training. 2023 also saw a fraud awareness breakfast session, led by forensic accounting consultant Andrew Durant of FTI Consulting, and an Anti-Money Laundering and Financial Crime session led by Jonathan Fisher KC, alongside the '12 Days of Ethicmas' led by our new Head of Ethics, Sarah Hick.

“The course was a good reminder of the best ways of giving feedback both written and verbal. It also touched upon various behavioural aspects and sensitivities involved in providing and receiving feedback which to me was key. I am constantly reminding myself of the framework and principles of effective feedback, both as a recipient and provider.”

**Jiten Ashar, Senior Manager,  
Feedback Skills course attendee**



## Wellbeing

The mental wellbeing of our people is very important to us as a firm. We want our people to be able to contribute fully to all aspects of their lives, have good balance, and be able to be the best possible version of themselves at work, for the benefit of their colleagues and our clients. Our Managing Partner often speaks of the importance of being able to 'be the real you' at work. This is beneficial in the work environment and also supportive when not at work, as good mental health benefits the whole person, and their families. It is the whole self that is important to us, not just the work side.

We believe open communication and connection are positive tools for supporting good mental health. From a firmwide perspective, we communicate regularly, through quarterly firm briefings, available online and in person, keeping our teams up to date with the strategy and direction for the firm, developments, and all aspects of the employee value proposition, such as L&D, social opportunities, and benefits updates.

All new joiners benefit from a full induction programme and a buddy system to support them with getting to know the firm and we have introduced a quarterly induction session to bring together all joiners from that time period and ensure they meet key stakeholders in the firm. We also changed our annual appraisal process to quarterly TALK meetings, where we encourage open dialogue and the sharing of feedback to support development and reduce the possibility of issues not being raised in a timely manner.

To support the wider non-client related aspects of day-to-day life at haysmacintyre, we have introduced a new initiative called 'CONNECT' which pulls together CSR, DEI, Environmental, Social, and Wellbeing priorities to improve how we publicise and invest in these for the benefit of all employees and partners. All of these prove beneficial in connecting those that joined remotely with their colleagues.

We also circulate our weekly internal eNews as a communication point about our people, key client matters and the social side, making sure we introduce one member of staff a week, to start conversations around the firm.

Our 'Wellbeing Hub' continues to detail the support we offer in terms of mental health through our Employee Assistance Programme, 24-7 stress helpline, virtual GP appointments, yoga and mindfulness videos, and corporate subscriptions to various apps to promote wellbeing, such as Thrive and Headspace. This can also direct people to Mental Health Buddies and First Aiders, who are colleagues that have volunteered to be a friendly, listening ear to any who need it, and are trained to know how to support fully. We also invested in new Cancer Ambassador training to support with conversations on this area in the workplace.

We have introduced virtual learning sessions with Dr Jake Lovelock, Performance and Wellbeing Psychologist, including presentations on resilience, performance under pressure, and more general mental health awareness sessions. One of the largest groups, our trainee population, is known to deal with considerable pressure at certain times. To offer more comfort, we now provide more support to this group, particularly during their exams, with dedicated pre-qualification support and have strengthened the relationship with our external exam provider for their benefit. We are looking at ways to support this population further with enhanced holiday provision and exam pass awards too.

To promote gratitude and appreciation within the firm, which has a correlation to wellbeing, we continue with our well deployed 'spot bonus' where anyone can recognise a colleague in the moment, thanking them for a contribution and awarding a voucher. Approximately five of these awards are made each week and their impact is promoting positivity, connection, and developing confidence too.

Our DEI (Diversity, Equity, and Inclusion) Committee actively promotes a programme of education and enlightenment within the firm to ensure we appreciate the importance of support for one another, to the benefit of all our wellbeing. We want to ensure that, as a firm, we are a leader in this area and have commissioned a DEI audit with an external expert and look forward to reviewing the results and undertaking improvements where we can. This is a real imperative for the firm and one of the Managing Partner's personal goals too.

We also challenge ourselves with a regular staff survey, which we conducted in September 2023. As a result, we have identified the key areas that we need to work on and are prioritising those and are delighted to do so. We believe in asking, listening and then acting upon what we hear as this can only enhance our workplace for current and future employees. One of our greatest successes this year was welcoming two leavers back into the firm which reinforces that we are on the right track.

Our recent staff survey also revealed that 84% of staff would recommend haysmacintyre as a great place to work. This further validates our efforts to create a workplace where employees feel valued, supported, and engaged. It's clear that our efforts to create a fulfilling and rewarding working environment is resonating with current and past employees.

# Gender pay gap

haysmacintyre is committed to treating individuals fairly and rewarding them based on their merits. We are an equal pay employer and do not pay men and women differently for the same or equivalent roles.

Within this context, we present our sixth gender pay gap report for the year ended 5 April 2023. This report has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. As it currently stands, the Gender Pay Gap regulations do not define the terms 'men' and 'women'. In line with current regulations, if an employee has not self-identified as 'male' or 'female', reporting of this data has not been included.

During the year ended 31 March 2023, we have continued to focus on ensuring the firm presents an inclusive and welcoming place for all staff and partners. Our most recent staff survey, which was undertaken in March 2022, reported that 84% felt strongly that they were able to be themselves at work and 88% agree that haysmacintyre is an inclusive place to work. We are proud that people feel comfortable in our workplace and feel able to be honest and open with their managers.

This is something we will strive to improve even further. We are not complacent that this will naturally continue and therefore we invest in initiatives to support the ongoing development as a firm:

### Diversity, Equity and Inclusion (DEI)

As a firm, we are committed to creating a diverse and inclusive working environment and encourage staff to share data through our diversity questionnaire, on joining, to ensure we have systems in place to support everyone. We will be able to report on this in the year commencing April 2024.

This year, our DEI Committee has continued to work across the firm, listening to staff views and making changes aimed at being an inclusive firm with staff who feel they can be themselves at work.

The DEI Committee has organised events to celebrate our team and partners through International Women's Day; Black History Month; Lesbian, Gay, Bisexual and Transgender (LGBT) Pride Month; South East Asian Heritage Month; and has hosted events and religious festivals throughout the year to both educate and connect our staff.

### Learning & Development

We continue to offer a wider programme of Learning & Development opportunities for staff development and intend to publish clear career paths for people at the firm this year.

We are aware that we must not be complacent and need to encourage, through appraisals and training, all team members to continue to feel that they have an equal opportunity to thrive and advance at haysmacintyre.

We have launched a revised approach to feedback within the firm and encourage this to flow at all times, and incorporate upwards feedback in partner appraisals too.

### Culture

We have continued to support our hybrid approach to work, allowing people the flexibility for an improved work life balance and ability to manage life commitments as well as work.

Our office enables people to work in a productive environment as well as relax, socialise and prioritise their own wellbeing.

The refurbishment of our prayer/wellbeing room as a place for prayer, reflection or some time away has meant that staff wellbeing is supported in the office.

We have made progress in collecting ethnicity data which will enable us to report, internally in the first instance, on our ethnicity pay gap for the upcoming financial year.

As a firm, we are clear that all are to be treated with dignity and respect, by colleagues and clients alike, and we are committed to addressing issues where identified.



### Our gender split in April 2023

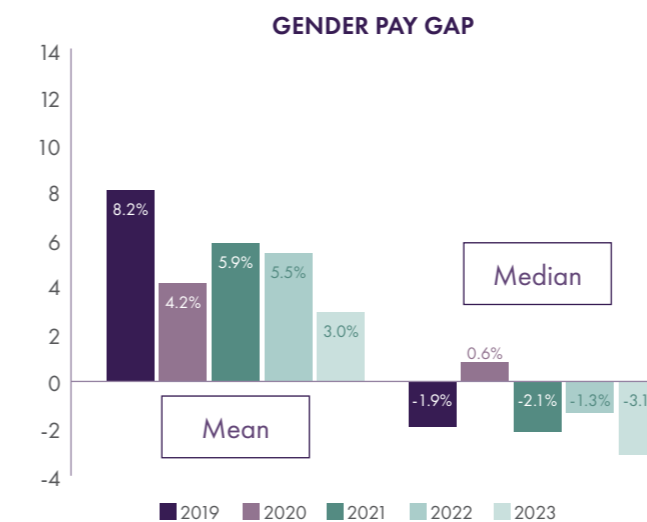
	Female %	Male %
Leadership Board	17	83
Management Team	38	62
Partners	33	67
Staff	49	51
Manager/Director level staff	49	51
Sector Heads	56	44
Service Heads	40	60
Ops Heads	40	60

### Proportion of females and males in each pay quartile

	Female %	Male %
Lower quartile	45	55
Lower middle quartile	48	52
Upper middle quartile	56	44
Upper quartile	42	58

### Gender pay gap

We have made good progress throughout the last five years and during this period our mean gender pay gap has fallen from **8.2% in 2019** to **3.0% in 2023**, while our median gender pay gap has fallen from **-1.9% to -3.1%** in the same period.



### Partner pay gap

In accordance with the Gender Pay Gap regulations our partners are excluded from the reported figures, as they are not employees of the firm. In order to be transparent about our pay structures for all our people, we have voluntarily included our partner gender pay statistics. This calculation uses the partner profit shares for the year to 31 March 2023.

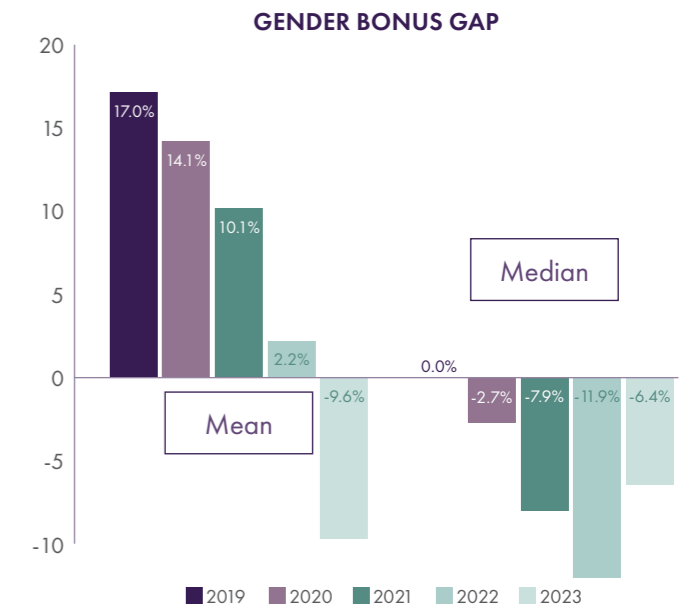
For our 36 partners, our mean gender pay gap is **10.12%** and our median gender pay gap is **25.37%**.

### Gender bonus gap

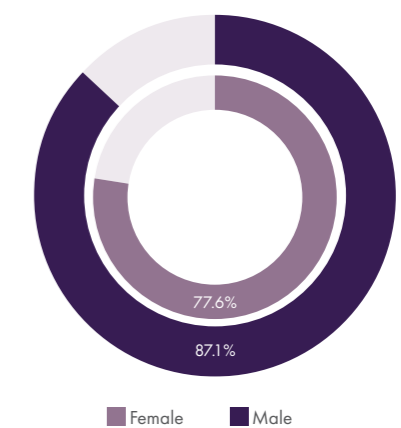
The statutory calculation of bonus pay gaps includes information relating to any bonuses paid between April 2022 to April 2023.

Our mean bonus gap has fallen from 2.2% last year to **-9.6%**.

Our median bonus gap has risen from -11.9% last year to **-6.4%**.



### PROPORTION OF STAFF RECEIVING A BONUS



### Definitions

*Mean gender pay/bonus gap* – the difference between the average hourly rate of pay/bonus pay of male employees and that of female employees calculated as a percentage of male pay/bonus pay.

*Median gender pay/bonus gap* – the difference between the midpoint hourly rate of pay/bonus pay of male employees and that of female employees calculated as a percentage of male pay/bonus pay.

# RESPONSIBLE BUSINESS

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## Environmental, Social, and Governance (ESG)

As we move forward with our commitment to ESG principles, it has been imperative to align our efforts with our core values and strategic objectives.

Our aim is to conduct business with unwavering integrity, fostering collaboration, empowering our stakeholders, and embracing dynamism. These core values serve as the foundation for our ESG practices, reflecting our dedication to responsible and sustainable business operations.

Our strategic aims under each ESG pillar include:

**Environmental stewardship:** We're committed to minimising our environmental footprint by implementing sustainable practices, reducing waste, and investing in eco-friendly initiatives. Led by our Environmental Committee, we closely monitor our carbon emissions and waste reduction initiatives. Through continuous innovation, we strive to contribute positively to our planet. Our Environmental Committee, facilities, and finance teams work collaboratively on reducing our environmental footprint and waste.

**Social responsibility:** Our commitment to social responsibility is embodied in our inclusive approach to community engagement, employee wellbeing, and diversity, equity and inclusion (DEI). We actively support initiatives that enhance the quality of life for our employees, alongside fundraising support for our chosen charity partner. This activity is delivered through our CONNECT programme, encompassing DEI, CSR, Wellbeing and L&D events and initiatives.

**Governance excellence:** Transparent and ethical governance is at the heart of our operations. We uphold the highest standards of corporate governance, ensuring accountability, fairness, and integrity in all our dealings. Our governance practices are designed to create value for all stakeholders while upholding legal and regulatory compliance.

### Sustainability reporting

We conducted a detailed ESG assessment using an independent third party. This enabled us to establish a baseline of existing capabilities and to build on this initiative to deliver a comprehensive, measurable, and accountable set of 2030 United Nations Sustainable Development Goals (SDGs).

The assessment outlines the SDGs we are committed to and the targets we will set leading to 2030. This includes goals that we are currently aligned with and those we consider a priority, as part of our environmental and societal responsibilities. Alongside identification of the relevant goals, the assessment also identified our current strengths and challenges in achieving them. We will prioritise three key SDGs and continue to monitor progress towards the goals using relevant targets and indicators.

### Living Wage

We are proud to continue to be an accredited Living Wage Employer. All our staff and third-party contractors are paid at least the London Living Wage and we support the Living Wage Foundation's goal of ensuring that a hard day's work deserves a fair day's pay.

## Environmental and Sustainability Statement

As a firm, we are committed to environmental and sustainability initiatives. We recognise the importance of protecting our planet for current and future generations.

We demonstrate this commitment through several initiatives, including reducing our carbon footprint by implementing energy-efficient practices and technologies throughout our operations. We aim to minimise waste generation by promoting recycling, reusing materials, reducing single use plastics and reducing the amount of paper used. We continuously measure and improve our environmental performance through data supported measures.

Our specific initiatives can be broken down into four main pillars: carbon, waste, water, and energy, and we detail our current activity and future objectives in these categories below.

### Carbon:

- We have partnered with a specialist firm to report on, and help us reduce, our carbon footprint as a business.
- There is an annual Streamlined Energy and Carbon Reporting Regulation (SECR) report for haysmacintyre that provides our carbon footprint. We strive for energy and carbon reduction arising from our activities.
- Our new hybrid working policies provide a framework for most staff to attend the office an average of three days per week, utilising remote access technology and maintaining a reduction in travel between home and office.
- We have reduced the number of suppliers engaged across the facilities department and, wherever possible, use a single supplier for a range of products and services.
- We provide incentives for staff to travel by bicycle or on foot, where possible, when attending the office or client sites.
- We are developing a carbon reduction plan to further reduce our carbon footprint.
- One of the new benefits offered by the firm is a daily fruit basket available for all, provided by Fruitful Office. Fruitful Office, in collaboration with UK Charity Ripple Africa, plant one fruit tree in Malawi for every basket we purchase. From July to September 2023, 90 trees have been planted. This campaign helps combat deforestation and offset CO2 emissions, it also provides income for local Malawian families.

### Waste:

- Our office operates a 100% zero landfill policy – as well as providing recycling and food waste points. Everything put in the ‘bin’ is sorted at a nearby plant with any recyclables removed. The remaining non-recyclable waste is processed at the plant to make ‘RDF Flock’ (refuse derived fuel), which is then used as a fossil fuel replacement for energy production.
- We have partnered with Print Releaf – an industry leader in automated environmental offsets – to offset any remaining necessary printing that we do. Print Releaf receive live data from our office printers and offset our paper usage by planting the equivalent number of trees in a certified reforestation project in Madagascar. Voted for by our staff, this initiative contributes to five of the United Nation’s Sustainable Development Goals.
- We have a paperless audit package and have utilised the collaboration tool within our cloud-based software to transmit data and information for audit purposes. This has significantly reduced the use of paper during our audits and tax services. All audit files are saved electronically and supporting documentation attached to the audit file in PDF format.
- When possible, we sell old IT equipment back to our electrical waste supplier who securely destroys hard disks. The proceeds are donated to our charity partner.
- We provide all staff with reusable water bottles to discourage the use of single use plastic.
- We provide dishes and cutlery to all staff to reduce plastic use.
- We only use Sustainable Forestry Initiative (SFI) or Forest Stewardship Council (FSC) paper.
- We now recycle all used coffee granules from the office via our cleaning company, Peartree, which also achieves a removal of additional carbon, energy and transportation of using our own contractor.

### Water:

- Our cleaning company, Peartree, are multi award-winning market leaders in environmental sustainability and use chemical-free and powder sachets for core cleaning.
- Our bathroom facilities use water efficient showers, toilets and taps.
- Our dishwashers are ENERGY STAR certified – an independently verified energy performance certification with strict performance requirements.

### Energy:

- When considering suppliers, we evaluate:
  - If the need can be met without consumption of energy, for example by repurposing tools or resources already available
  - If renting/sharing is an option before purchasing equipment
  - The environmental impact of any new products we intend to purchase
  - If there are more environmentally-friendly and efficient products available
  - If our suppliers are committed to environmental improvements.
- Our office uses motion-detecting, passive infrared sensor (PIR) and energy efficient lighting, and our IT equipment is programmed to shut down promptly after hours. This ensures that computers and monitors are not using energy overnight.
- As part of our carbon reduction plan, we are exploring options with our Net Zero Consultant to help develop further efficiencies to assist in reducing our energy consumption.

### Looking forward

Through our achievements so far and our future plans, we aim to remain committed to our environmental sustainability goals. We will continue to review and challenge what our firm can do to minimise impact and make positive contributions to the environment, and a more sustainable future.

This statement is reviewed annually.

## Diversity, equity and inclusion (DEI)

We value the positive impact that a diverse workforce brings to the firm, as well as to our clients, and we recognise that our people are our strength. We believe that race, gender, sexual orientation, religion, socio-economic background, health and disability should not affect how people are treated, and we strongly believe that having teams with a range of backgrounds and experience ultimately contributes to improving overall quality by providing diverse perspectives and skills. We are committed to creating a friendly, inclusive culture where every individual can develop and make a real difference to our firm and our clients.

In the recent staff survey, 91% of people agreed with the statement 'I believe people of all cultures and backgrounds are respected in my team.' This shows our commitment to creating an inclusive environment where all cultures and backgrounds are respected.

Over the past year, we held regular staff-led events including celebrating Chinese New Year, Pride, South Asian Heritage month, Black History month, Diwali and International Women's Day. We also had diversity discussion forums focusing on mental health awareness, interviewed guest speakers and held training sessions covering different areas of diversity and inclusion (race, religion, gender, disability, neurodiversity and sexuality). In addition, a range of training was available through Bridge including topics such as sexual harassment, conscious inclusion, microaggressions and diversity, equity and inclusion fundamentals.

Our DEI Committee has become more structured, with the support of our firm's leadership and meets regularly to drive diversity, equity and inclusion initiatives forward with an aim to continually review and improve our policies. In response to haysmacintyre's aim of fostering an inclusive workplace culture, we have implemented comprehensive 'Bullying, Banter, and Microaggressions' training to equip employees with the awareness and tools necessary to recognise and address subtle forms of bias. This training initiative underscores our commitment to diversity, equity, and inclusion, providing a structured platform for cultivating empathy, understanding, and respectful communication across all levels of the firm. Partners were the first group to take part in this training – which is currently being rolled out firm-wide.

We are continuing to obtain baseline data on the diversity of our current job applicants, as well as diversity data on race, religion and socio-economic background from existing staff. We are working on obtaining sufficient data to generate the ethnicity pay gap report, alongside our gender pay gap report from April 2023, which will give us a foundation to measure progress and set goals.

Through valuable training, awareness pieces and ongoing support – we aim to create an environment where every individual feels valued, heard, and empowered to contribute their unique perspectives resulting in the firm's collective success. As a firm we are in the process of embarking on a journey with a diversity, equity and inclusion consultant to complete a holistic review and further work with us on our policies and initiatives to continue growing our firm's diversity, equity and inclusion strategy and ensure that we are achieving the positive impact that a diverse workforce brings.

“ We are committed to creating an inclusive working environment for all staff and partners, where everyone can feel supported, be themselves and celebrate their differences. ”

**Thabiso Matsau, DEI Committee Chair,  
Training and Technical Manager**



## Corporate Social Responsibility (CSR)

Our charity partnership programme is a firmwide initiative where staff nominate and elect a UK charity to be the recipient of our fundraising activities throughout the year.

As a positive contributor to the firm's commercial goals and culture, the charity partnership element of the CSR programme encourages leadership, internal communication and collaboration, and socialising across grades and departments. It also enables colleagues to learn about social enterprises and charities, try new activities, work in teams towards a common goal, and have fun together.

Our outgoing charity partner was Alzheimer's Society and our new charity partner going forward – as voted for by our staff – is Rainbow's Hospice. We are pleased that during our time supporting Alzheimer's Society, we raised over £25,000 and continued to highlight a powerful force for change for those affected by dementia. A team of ten colleagues undertook a fundraising event cycling from London to Paris in under 24 hours to raise awareness and funds for the cause. Alongside our charity partnership, the firm has also supported individual members of staff in their own personal fundraising activities through financial donations.

We encourage staff to volunteer as trustees and governors. As well as supporting charities with their professional skills, many of our partners and staff have first-hand experience of being on a Trustee Board, which helps them better understand their clients' needs. We also support the ICAEW's RISE initiative – a social mobility programme, including workshops, problem-solving and teamwork skills – for school pupils across the country.

“ The London to Paris cycle ride was certainly a highlight of the year. It was a stunning ride through the French countryside and an awesome way to connect with colleagues. This was also done for a great cause, and we were able to raise a huge amount for the firm's charity – a massive achievement to all those involved. ”

**Lewis Bowerman, participant in the London to Paris fundraising event**



## Modern Slavery Act

haysmacintyre does not operate in high-risk areas, and we do not consider any of our activities to be at high risk of slavery or human trafficking. However, we remain diligent to monitor and manage this risk and are committed to tackling modern slavery in our business activities and supply chains.

Our 2024 Modern Slavery Statement can be found on our [website](#).

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## Partners' remuneration

We undertook a full review of partner contribution and remuneration during the FY 2023/24. This has resulted in a revised appraisal process, which now takes place twice per year, to assess contribution and a revised approach to reward.

The new approach is designed to reward high performance and penalise poor performance, including:

- Quality of work
- Adherence to strategy
- Behaviours/values

A key focus for partners should be on setting the right culture for the firm by their own behaviours. The consistent prioritisation of quality, strategy and behaviours over other potentially conflicting individual goals will set the right tone at the top.

### Quality of work

The quality of our work can be objectively measured by our compliance with firm policies and procedures as well as against external regulations and standards.

Across all major service lines, the firm will monitor and measure adherence to policies and procedures that are designed to mitigate risks, including client engagement procedures, the timelines of delivery and client communication.

Evidence of poor quality will be identified through file reviews, complaints, claims and regulatory inspections, where applicable

### Behaviours

Partners' behaviours are expected in line with our values and strategy, in particular:

- Complying with and upholding professional requirements and obligations
- Doing "the right thing" at all times
- Being communicative, consultative and accessible
- Following firm strategy even when it is difficult
- Setting an appropriate "tone at the top"

We can measure those behaviours by monitoring:

- Adherence to firm policies and procedures
- Compliance with requirements in a timely and professional manner
- Support and feedback to staff through the TALK system
- Support to other partners and staff on clients/work outside of individual portfolios
- Upwards feedback

### Tone at the top

Setting the appropriate "tone at the top" is an important behaviour in respect of quality and the culture of the firm. Culture is much more about people than it is about rules. The alignment and consistency of behaviours of leaders, and how they communicate through words and actions is an essential starting point. In this context, partners should lead by example and ensure that good standards of behaviour permeate throughout all levels of the firm and that staff feel valued for the work they perform.

What partners do can often be more important than what they say – partners should visibly live and demonstrate the firm's values and act in a way that shows the importance of quality. Partners should proactively strive to ensure their quality grades achieve the minimum requirement described above. Partners should develop appropriate action plans to address poor quality and demonstrate the appropriate behaviours that create a culture of quality within the firm.

All of the above is owned by the Managing Partner and the Chief People Officer.

## Specific ethics policies and procedures

### Acceptance and continuance

We recognise the importance of appropriate acceptance and continuance processes throughout the firm. Comprehensive due diligence is performed prior to accepting any new audit engagement or new engagement for an existing haysmacintyre audit and other public interest assurance engagement entity. We are mindful that the firm's commercial and other strategic priorities do not compromise client acceptance and continuance decisions.

Certain engagements that meet high-risk, public interest, fee or other key characteristics are subject to our enhanced acceptance process which involves the approval of the Management Team.

### Maintaining our independence

A list of prohibited securities and services is kept on our intranet. Partners, staff, consultants, and sub-contractors or any persons closely connected with them are not permitted to hold any direct or material indirect financial interest in an audit entity, or an affiliate of an audit entity.

On joining the firm, all new partners and staff complete a statement of independence and confidentiality, including a fit and proper declaration. All our partners and staff must also complete an annual declaration and notify the Audit Compliance Partner of any actual or potential threats. These include details of any conflicts of interest between themselves and clients or between clients of which they are aware, or confirmation that they are not aware of any such conflicts. The firm's policy requires staff to inform a partner as soon as they become aware of any conflicts of interest and reminds them of the provisions against insider dealing and confidentiality in respect of client information.

An independence review is conducted annually on every audit and other public interest assurance engagement, both at planning and completion stages, to always ensure independence. Matters considered include independence of the firm, partner, manager, and all our people involved on the audit. The engagement team must determine whether there are any conflicts of interest which would have an impact on the team's, or the firm's, ability to accept the (re)appointment as auditors and to assess whether this impact can be mitigated by the implementation of suitable safeguards. This review includes an assessment of the impact of non-audit services and length of service.

### Long association

Our policies in respect of long association for Public Interest Entity (PIE), Other Entity of Public Interest (OEPI) or listed entity are in accordance with the FRC's Ethical Standard notably that:

- The RI on a listed or PIE audit entity rotates after five years except in exceptional circumstances, where rotation can be extended to occur after seven years. Where an extension of the rotation period occurs, additional safeguards are applied.
- Audit teams must plan the rotation of other partners and senior staff involved in the audit of PIEs and listed entities to achieve a gradual rotation to preserve audit quality.
- The firm's rotation policy for other partners and senior staff requires any continuous involvement longer than seven years to be discussed with the Ethics Partner/Ethics Team.
- The Engagement team should endeavour to ensure a gradual rotation mechanism for the most senior personnel involved in the engagement.

The rotation of audit engagement partners and EQR- partners on PIEs, OEPIs and listed companies is monitored by the Audit Compliance Partner.

Where an individual has held the engagement partner, key audit partner or EQR roles for a PIE, OEPI or listed entity, we impose a 'cooling off' period in which they have no further involvement with the client for five years following completion of their term. Other key partners and senior people must have no further involvement with the client for two years following completion of their term.

The maximum period that an audit engagement partner can act in that role is 15 years for non-listed entities. The Compliance team consider whether any safeguards should be put in place to mitigate the long association threat where the audit engagement partner has acted for more than 10 years. If no satisfactory safeguards are available, the Ethics Partner will require that there be a change to the audit team.

#### Non-audit services

Proposed non-audit services (NAS) for all types of audited entities must first be approved by the respective audit engagement partner who will undertake a threats and safeguards assessment in consultation with the Ethics Team, where appropriate. Services and fees provided to PIEs, other listed and OEPIs are also subject to targeted monitoring on a quarterly (PIE) or monthly (other listed and OEPI) basis, through the review of reports obtained from the firm's billing system.

We also recognise that historical NAS provided to entities that later become audited entities of the firm can have a significant bearing on the perception of independence. Therefore, for new audit engagements, the firm's procedures include the requirement to consider all NAS provided in earlier periods to determine whether they pose a significant threat to independence.

Given the perceived self-interest threats from providing NAS to audited entities, the firm also requires central approval of all NAS to audited entities once the Audit:NAS fee ratio exceeds the ratio of 1:1 in any 12 month period.

The objective, reasonable and informed third party test is a critical part of assessing the acceptability of any NAS and, as such, the firm requires all NAS to be assessed against this. Furthermore, the Ethics Team monitor the extent to which this test has been determinative when reviewing Assessment of Independence forms.

#### Bribes, gifts, favours and hospitality

In accordance with the Bribery Act, partners, staff, or anyone who performs services for or on behalf of the firm are not permitted to agree to anything that an objective, reasonable, and informed third party might perceive to be a bribe. The firm has specific policies regarding situations where a bribe might occur – gifts, favours, hospitality and expenses.

Partners, staff, and persons closely associated with them may only accept a gift, favour, or other personal benefit from an entity (or an entity's officers or employees) if it satisfies the criteria set out in the firm's gifts, favours and hospitality policy.

## Independent Non-Executives independence

We have considered the Audit Firm Corporate Governance Code and the FRC Ethical Standard as well as what an objective, reasonable and informed third party would expect in establishing independence criteria for the appointment of our INE's. We ensure that the personal relationships and business or financial interests of our INEs do not bear directly on our independence as auditors.

However, we are mindful of the impact of public perception and so our INEs are not permitted, to be a director, a member of the audit committee, hold a key management position, or hold a direct financial interest for any entities on our prohibited securities and services list.



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Winner: Large Firm of the Year 2023



An eprivateclient top accountancy firm 2023



Top 10 auditor to quoted companies in Adviser Ranking Listing