

**Transparency Report**  
**of H W Fisher & Company**

**30 April 2018**

## Introduction from the Board

We are pleased to present the Firm's transparency report in respect of the year ended 30 April 2018. This report has been prepared in accordance with requirements of the Transparency Report provisions of Article 13 of the Audit Regulation No 537/2014 issued by the European Union.

This report is designed to provide an overview of our structure, our values as a firm, the policies and procedures we have in place to ensure the maintenance of audit quality, and our focus on training.

As required by Article 13, we confirm on behalf of the Board that the Firm's quality control procedures are effective and demonstrates compliance with the requirements of International Standard on Quality Control (UK) 1 ("ISQC(UK)1") in respect of audit work conducted by the Firm.



**David S Selwyn**  
(Joint managing partners)



**Andrew G Rich**

Date: 24 April 2019

## Transparency Report – 30 April 2018

### A. Legal structure and ownership

- i) Founded in 1933, H W Fisher & Company (“HW Fisher”, “the Firm”) is a commercially astute organisation with a personal, partner-led service aimed at entrepreneurial small, medium enterprises (SMEs), large corporates and high-net worth individuals. Our clients come from many different backgrounds and are active in all branches of commerce and industry. Our reputation is grounded in quality, delivering premium advisory services efficiently and cost-effectively.
- ii) HW Fisher is an 1890 partnership and is owned by its partners, who are qualified members and affiliates of the Institute of Chartered Accountants in England and Wales (ICAEW).
- iii) The Firm operates a number of business entities from offices in London and Watford. A description of those entities is attached in Appendix I.
- iv) At 30 April 2018, HW Fisher had 35 partners and 10 directors/consultants, of which 18 partners had Responsible Individual (“RI”) status for carrying out statutory audit work.

### B. Governance structure

- i) The management of HW Fisher is delegated by the partners to the Board.
- i) During the year to 30 April 2018, the following partners were members of the Board:

Michael B Davis (managing partner)  
 Julian S Challis  
 Russell Nathan  
 Andrew G Rich  
 Rafi Saville  
 David S Selwyn

On 1 May 2018, Julian S Challis and Russell Nathan were appointed as joint-senior partners, and Michael B Davis was succeeded by Andrew G Rich and David S Selwyn as joint-managing partners. On 1 May 2018 Michael B Davis also stepped down from the Board and was replaced by Gary A Miller.

- ii) Day-to-day operational matters are further delegated to various business units (such as audit, private client), service units (such as HR, finance) and committees (such as compliance, IT, training), which is led by dedicated partners.
- iii) On 1 May 2018 the Firm set up an employee council, whose remit is to share the views and feedback of staff with the Board. The council will be meeting quarterly, with representatives from management and staff.

### C. Internal quality control

- i) HW Fisher’s policies and procedures are set to promote a culture of integrity and quality throughout the firm. These are documented in our internal handbooks and manuals. Our internal quality controls are designed around the following elements:

Leadership responsibilities for quality
The Board has ultimate responsibility for the Firm’s system of quality control and has issued a “Board statement on audit quality” to emphasise The Board’s commitment to quality. Day-to-day responsibility of the audit department is delegated to the Firm’s Audit Management Committee, which is staffed by partners who are RIs and have the appropriate level of audit and technical expertise, and leadership qualities.

<p>The Firm's audit documentation as well as the quality control procedures is designed to promote a culture which recognises the importance of audit quality.</p>
<p><b>Relevant ethical requirements</b></p>
<p>The Firm's Ethics Committee is in charge of monitoring and aiding compliance with ethical matters, including the ICAEW's Code of Ethics and the Ethical Standard issued by the Financial Reporting Council.</p> <p>All partners and staff confirm acceptance of the need to comply with the Ethical Standard as part of their annual statement of independence and integrity ("Fit and Proper" form).</p>
<p><b>Acceptance and continuance of client relationships and specific engagements</b></p>
<p>Acceptance of new client relationships is subject to successful conflict and anti-money laundering checks. Our terms of business are confirmed in a letter of engagement.</p> <p>Partners and staff consider the continuance of client relationships in completing a client reappointment checklist and a consideration of independence summary on each audit assignment.</p> <p>Specific engagement difficulties are referred to the Ethics Committee and Practice Protection, who will recommend the appropriate of course of action to the Board.</p> <p>It is our policy to agree suitable terms of disengagement with all clients if the Firm is no longer actively engaged by our client.</p>
<p><b>Human resources</b></p>
<p>Partners and managers are assessed annually and their specific training needs are recorded in a personal development plan. Other audit staff and trainees undergo a six-monthly appraisal process, supplemented by quarterly mentor meetings and six-monthly training reviews.</p> <p>The Firm's appraisal system is also supplemented by the monitoring and peer reviews which alert the firm to any particular deficiencies.</p>
<p><b>Engagement performance</b></p>
<p>The requirement is met through our review procedures which are documented in our audit manual. Such procedures include requirements for partner and manager reviews, Engagement Quality Control Reviews on long association and high risk clients, and on-going monitoring reviews on the audit process. The Firm's Technical Committee provide further support and advice on technical matters.</p>
<p><b>Monitoring</b></p>
<p>The head of the Audit Management Committee also acts as the Audit Compliance Partner, responsible for monitoring the quality of audits. An overall assessment of the effectiveness of the quality control procedures is completed at the annual Audit Compliance Review. This review brings together the results of the internal and external peer reviews, supplemented by information gathered during the monitoring reviews and other specific research. Annual external and internal peer reviews are completed and cover at least one file for each partner and audit manager.</p>

- ii) The Firm's procedures on the internal review of audit quality consist of mandatory reviews of the work conducted by all audit and partners:
- On-going monitoring reviews are carried out by a member of the Technical Committee throughout the year on a sample of audit files, covering the entire audit process from planning to completion.
  - The Firm has appointed an external consultant to conduct a peer review of a sample of audit files on an annual basis. This review is normally conducted in late spring/early summer.
  - The Firm also conducts an internal peer process which is carried out by a group of select audit managers on an annual basis. This review is normally conducted in the autumn.

The files selected for the external and internal peer are given a rating, based on a scoring system. Remedial actions identified at those reviews are followed up in the next year's audit.

**D. Quality assurance review**

- i) The Firm is inspected by the Quality Assurance Department (QAD) of the ICAEW on a regular basis. The last monitoring visits took place in:
- September 2017 in respect of audit work conducted by HW Fisher.
  - November 2016 in respect of general practice assurance
- ii) The Audit Management Committee ensures that improvements and findings identified at those monitoring visits are disseminated to the whole Firm through compulsory training and update of policies and procedures.

**E. Public interest audit clients**

- i) During the year ended 30 April 2018, the firm did not sign off on the audit of public interest audit clients.

**F. Independence practices and internal review**

- i) HW Fisher is regulated by the ICAEW in the provision of audit, accountancy and related services. The Firm is further bound by the ICAEW Code of Ethics and guidance and is also bound by the ethical requirements of the Designated Professional Bodies Handbook which sets out the standards we must adhere to when providing regulated financial services under our DPB licence. All members of the firm regardless of professional affiliations are subject to the ICAEW Code.
- ii) The Firm operates an Ethics Committee, which is jointly-chaired by two partners, with a third partner assisting as deputy. Audit partners and staff consult with the Ethics Committee on long associations, provision of non-audit services to audit listed clients, extent of non-audit services for audited clients, and other independence matters through the use of appropriate checklists and scoring sheets.
- iii) In addition to the policies and procedures on internal quality control as described above, the Firm's Compliance department has established firm-wide policies regarding:
- Prohibition in holding and making financial investments in listed clients.
  - Policies on holding and making financial investments in non-listed clients.
  - Restriction in the provision and receipt of gifts and hospitality.
  - Reporting of money laundering suspicions, bribery and financial crimes.
  - IT procedures, security and GDPR
  - Handling complaints

- iv) The Firm has a Practice Protection group, which provides leadership, guidance and tools to assist all partners and staff to enhance and protect the firm on all matters relating to risk and quality.

**G. Continuing education of statutory auditors**

- i) The Board is committed that its partners and staff are adequately trained in matters concerning financial reporting, audit procedures and anti-money laundering. The firm's Training Committee is appointed to oversee such training and compliance with IES8.
- ii) The firm conducts a series of training courses provided by an external provider, including:
- Six-monthly updates on audit and financial reporting matters.
  - Monthly or quarterly updates on tax matters.
- iii) Further specific training requirements as identified in the personnel development plans of audit partner and managers are met through the use of specialist providers.
- iv) The training requirements of our trainees are met through:
- Tailored in-house training set at different stages of their career.
  - Classroom-based learning provided by external course providers, as part of studying for their professional qualifications.

**H. Basis of remuneration of partners**

- i) Partners earn a share of the firm's profits based on a number of factors such as participation in the firm's capital, experience, skills, and contribution to the firm's growth and development.

**I. Rotation of partners and staff**

- i) The Firm's policy is to rotate the responsible individual on audited listed clients every 5 years, and the Engagement Quality Control Reviewer, every 5 years. Such partners may not be involved with the audits of these clients in another capacity for a further 5 years.
- ii) The Firm does not have a policy of rotating partners and staff on non-listed audit clients. We mitigate the familiarity threat that may arise from the long association risk by requiring an Engagement Quality Control Review to be performed on such audits.

**J. Financial information**

- i) The firm's total fee income for the year ended 30 April 2018 was £26.7m (2017: £25.8m), of which approximately £41k (2017: £28k) was earned from public interest audit clients, and £3m (2017: £2.9m) was earned from the statutory audits of other entities.

## Appendix I

### Business entities

H W Fisher & Company and H W Fisher & Company Limited are registered to carry out audit work in the UK and in Ireland. A list of the names of the partners of HW Fisher & Company is open to inspection at our offices.

H W Fisher & Company is licensed by the Institute of Chartered Accountants in England & Wales to carry out the reserved legal activity of non-contentious probate in England and Wales.

Fisher Forensic, Fisher Partners, and Fisher Performance Improvement are trading names of specialist divisions of H W Fisher & Company, Chartered Accountants.

H W Fisher & Company Limited, Fisher Corporate Plc, FisherE@se Limited, Fisher Forensic Limited, VAT Assist Limited, CBF Wealth Management Limited, Four Elements Consulting LLP and Fisher IT Asset Consulting Limited, are related entities of H W Fisher & Company, Chartered Accountants.

H W Fisher & Company and H W Fisher & Company Limited are not authorised under the Financial Services and Markets Act 2000 but are regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. They can provide these investment services only if they are an incidental part of the professional services they have been engaged to provide.

Fisher Corporate Plc is authorised and regulated by the Financial Conduct Authority under reference 193921.

CBF Wealth Management Limited is an Appointed Representative of Close Brothers Asset Management Limited authorised and regulated by the Financial Conduct Authority under reference 119329.

Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C005355424.

Details of our probate accreditation can be viewed at [icaew.com/probate](http://icaew.com/probate) under reference number C005355424.