

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

27<sup>th</sup> June 2022

Jon Roberts, jon.roberts@uk.gt.com  
Lead, public sector complaints,  
Grant Thornton UK LLP  
2 Glass Wharf  
Bristol BS2 0EL

Dear Jon

**Complaint re Grant Thornton and certain Partners, including John Gregory and Peter Barber. Conduct in the audit of Gloucestershire County Council (GCC) and the investigation of the formal objection to the accounts raised on value for money grounds under Section 27 of the Local Audit and Accountability Act 2014 (The Act). Objection raised March 2017, final report issued June 2021**

The complaint is that in undertaking this audit of an objection, and more widely in its audit and reporting to the County Council and public in the matter of GCC'S contract with UBB that:

- Grant Thornton (GT) failed to act independently and in the accordance with their statutory, professional and public duties
- That Grant Thornton failed to ensure that the audit was carried out in a timely manner with appropriate professional oversight to ensure compliance with fiduciary duties and guidance.
- That Peter Barber was professionally negligent and failed to act professionally and in accordance to his public duties
- That John Gregory was professionally negligent and failed to in accordance to his public duties.
- That Grant Thornton acted so as to support a cover up of wrongdoing and failure to act in the public interest by the County Council and its officers.

Further that these deficiencies resulted in a significant failure to provide an effective audit function and accountability to the Council and the public, so undermining effective oversight and the democratic process.

I can provide further detail on the complaint and detailed evidence to an independent investigator as below. Key documents are attached and listed below.

This complaint is reinforced by the comments of Duncan Sinclair, the barrister who has acted for the objectors since prior to the objection, largely on a pro bono basis because of the importance of the case to the public interest and environment. On 20 September 2021 following the final, much delayed and diluted report Mr Sinclair sent an email to John Gregory and Grant Thornton which is attached. He states:

*... "GT was supposed to properly oversee the responsible expenditure of public funds, calling to account (at least making public by a report) any errors which occurred and where lessons should be learnt within GCC.*

*GCC was found, by the High Court, to have hidden the true cost (to the tune of more than the annual education and social care budget of the Council) of its largest contract, not only from taxpayers but from its own Councillors including some on the audit committee.*

*What a shame a conflict of interest so influenced Grant Thornton. Sue me - as your lawyers will know, it is no libel (as it is true). And (for your legal team which has so elegantly navigated GT through so it may maintain its income from GCC) I have published by copy to others and may well do so verbally or in writing further."*

**Duncan Sinclair, Barrister** (acting pro bono publica for the complainants)

It is notable that neither John Gregory nor Grant Thornton have responded to this note, nor objected to its content.

You will understand that this is a very serious complaint, which not only goes to the integrity of Grant Thornton as an auditor of public bodies, but also the professional conduct of certain of your partners, and the workings of the 2014 Act when dealing with a complaint under S27/28. There may also have been a breach of your legal and professional duty under the Act, which may be actionable by the public or the local authority. The underlying loss to the public of this contract is very significant, the contract is demonstrably much more expensive than any comparable contract in the country, about twice the national average. The contract was entered into without the necessary competitive tender process and details of the contract were kept secret for years, including in your firm's audit reports on the County Council. At the same time the County misled the public by continuing to give an outdate value for the contract, much below what had been agreed in secret. The complaint is that Grant Thorntons actions were partisan, and supported the County Council's desire to hide the facts from the public.

You will understand that we objectors have no confidence that Grant Thornton will consider this complaint with due independence, and therefore ask that you consider at a senior level whether to immediately refer this to an independent body, and if not to ensure independence in some other way.

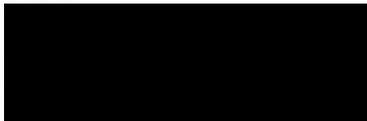
John Gregory made a number of representations to us committing to ensure effective accountability to the public. In December 2020 he said he would (subject to confirmation) issue a formal "report in the public interest" which is as you will understand a very important conclusion. This followed legal advice that the County should have put the contract out to tender in 2015/16 which it failed to do, instead keeping a 37% increase in cost (£163m) secret from the public and Councillors. These commitments were not fulfilled, and this key conclusion was changed without the objectors being made aware of this. John Gregory informed us that his final report, (and therefore the changes in its conclusion to remove the public interest report) had been discussed and approved by a senior partner meeting at Grant Thornton many weeks before we were informed. Some time prior to the objectors being informed, the County Council was also told of the significant change in his report, and – according to the report itself - GCC agreed to certain minor concessions on information so that

the public interest conclusion was removed. The objectors were informed just hours before a deadline to submit public questions in what would appear to be a move coordinated with the County Council to limit public accountability on this matter. During the years of your investigations Grant Thornton received of many £100k's in fees for audit and other work from the County Council.

Can you please address the structural points I raise, in particular:

- Immediately conduct a top level assessment to decide whether this complaint can be fairly handled within Grant Thornton, or whether it should immediately be referred to a suitably independent body
- Provide a point of contact and lead for the investigation of this complaint who is demonstrably independent (not conflicted) by the interests of Grant Thornton which are at the centre of the complaint.
- Provide a copy of this complaint to John Gregory and put us in touch with him, with a request from Grant Thornton that he provides reasonable support of our enquiries (copied to us). We request responses from him to a number of points. He had a duty to be impartial in his investigation and was our point of contact, he made a number of explicit and implicit commitments to us which we believe that he did not deliver. Our complaint may extend to him personally and professionally. It is important that Grant Thornton do not attempt to block our access to what was our point of contact on this quasi-judicial investigation of a complaint under the 2014 Act.
- Set out a timetable for investigating and acting on the complaint
- Provide full details of oversight bodies and where we can address concerns about the conduct of this complaint investigation, to include professional, governmental and statutory bodies dealing both with the complaint about your firm, and that of the professional conduct of certain partners.

With regards,



Tom Jarman

Objector – Under Section 27 of Local Audit and Accountability Act 2014

Volunteer Director Community R4C Ltd (community Benefit Society)

Documents attached to support this complaint: (further documents available on request). *Key to filing: yearmonthday 171019 = 19<sup>th</sup> October 2017*

- 171019 Email chain. Request for information including contract and a copy of the unredacted Ernst and Young report detailing Value for money. This information should have been provided immediately to the objectors since it was fundamental to their objection. At the time we were still not aware that contract costs had been increased by 37%. Information was not shared until December 2020. GT have duties of independence and openness in this matter, including a quasi judicial role. The failure to share this information in a timely manner, leading to a 4 year timescale to produce a final report while the public and GCC audit committee was kept in the dark is fundamental to our complaint

- 1802108 Letter from objectors to John Gregory again emphasising the need for disclosure and quoting the ruling of Judge Shanks in a Freedom of Information Tribunal (2016) on this contract which noted the overriding public interest in disclosing the contract terms. Nevertheless, this information continued to be withheld from the objectors, apparently as a result of representations by GCC
- 180530 Note from Duncan Sinclair (barrister for the objectors) to John Gregory, setting out the legal issues and guidance notes (AGN4) which should be guiding the work by John Gregory, and pointing out the serious anomalies in particular relating to the failure to disclose contract and other information, and to reach conclusions based on this.
- 180730 Complaint to Peter Barber, Grant Thornton, alleging his misleading of the Audit committee meeting. This concludes *“Grant Thornton appears to be in danger of conflating its appointment as auditor to GCC (in which it has a financial interest) with its role to independently consider complaints (under the Act).”* - a point also made in 180530 above
- 180817 Letter from Andy Mack for Grant Thornton stating that this complaint will be dealt with once the review has been concluded rather than in process. It appears that Grant Thornton did not address the serious matters contained in the complaint of 180730, instead providing this response. The points in the complaint 180730 should be addressed now, and are of course more serious since the behaviour being complained about continued.
- 190122 Note from Duncan Sinclair to Grant Thornton following issue of “updated provisional views” by John Gregory. This sets out the public law and ‘non-disclosure and its impact’ . This is an important note and concludes amongst other matters *“In summary: the more that is revealed the greater the legal concerns. That GT has considered it appropriate, to date, to fail to disclose critical information, and (I understand) to inform the GCC that “all is well”, is in the circumstances very surprising.”* Yet John Gregory continued to delay release of information under pressure from GCC. This is highly material to our complaint here.
- 190123 Note from objectors to John Gregory
- 190717 email to John Gregory from objectors and letters to Peter Barber and GCC about misleading information in the audited accounts and notes provided to the Audit committee. These incorrectly claimed savings from the incinerator contract despite the ongoing audit into value for money, prejudicing the outcome of that investigation and adding Grant Thornton’s name to information which misled the public in support of GCC’s public statements on the contract. This appears to be prejudicial, lacking in objectivity and partisan in breach of audit duties.
- 190723 Complaint to Peter Barber, Grant Thornton on the above matter. Grant Thornton did not advise the Audit committee of any reservations in claims that the misleading note in the accounts claiming savings for the UBB contract, when in fact waste treatment costs had gone up by 50%, had the support of Grant Thornton.
- 210119 Letter from John Gregory to the objectors containing legal threat not to release his latest provisional view document prior to local elections. This provisional view contained the conclusion that he would issue a Report in the Public interest. The objectors complied with this request despite their being no merit in the threat (all information covered by Schedule 11 was already in the public domain). This was done having been given assurances by John Gregory that he fully understood the need to ensure effective public accountability. In the event the information about this contract was not made available to the public prior to the local elections in 2021 – this compromised those elections, as made clear by Judge Shanks in his ruling in 2016. This threat (in order to support GCC’s misleading reporting agenda) and the unfulfilled promise are part of our complaint here.
- 210122 Letter from the objectors to John Gregory setting out concerns with the third provisional views document setting out serious concerns with the conduct and conclusions. This letter was sent in response to a provisional views document which did at least foresee a formal Report in the Public Interest.

- 270121 Email and trail John Gregory / objectors. Complaints about the action of Grant Thornton in relation to the Audit committee meeting of Jan 2021, and emphasising the need to release his much overdue report prior to the upcoming local elections.
- 210319 Email from John Gregory to the Chair of the audit committee to seek to prevent release of provisional views or information to the committee for their oversight, including a legal threat relating to schedule 11 which could not be justified by the nature of the information to be disclosed, and could in any case be dealt with by closed meeting.
- 210324 Speech by Nigel Robins, Chair of the audit committee. This sets out serious concerns about the delay in providing the audit by John Gregory (“almost 4 years since raised”) and the failure to keep the audit committee fully informed and involved. This amounts to a complaint about the serious failures of Grant Thornton in its roles to ensure the Audit Committee was empowered to do its job in the public interest, and that this seems to have been the result of the Council’s ‘lobbying’. He concludes *“the Audit and Governance Committee has been treated with such disrespect that this must diminish its authority, which is not how it should be”*.
- Sinclair to Gregory 20 sep 2021. Email from Duncan Sinclair (Barrister) following the issue of the much delayed and changed report (removing the public interest report finding) including the statement *“What a shame a conflict of interest so influenced Grant Thornton. “*