



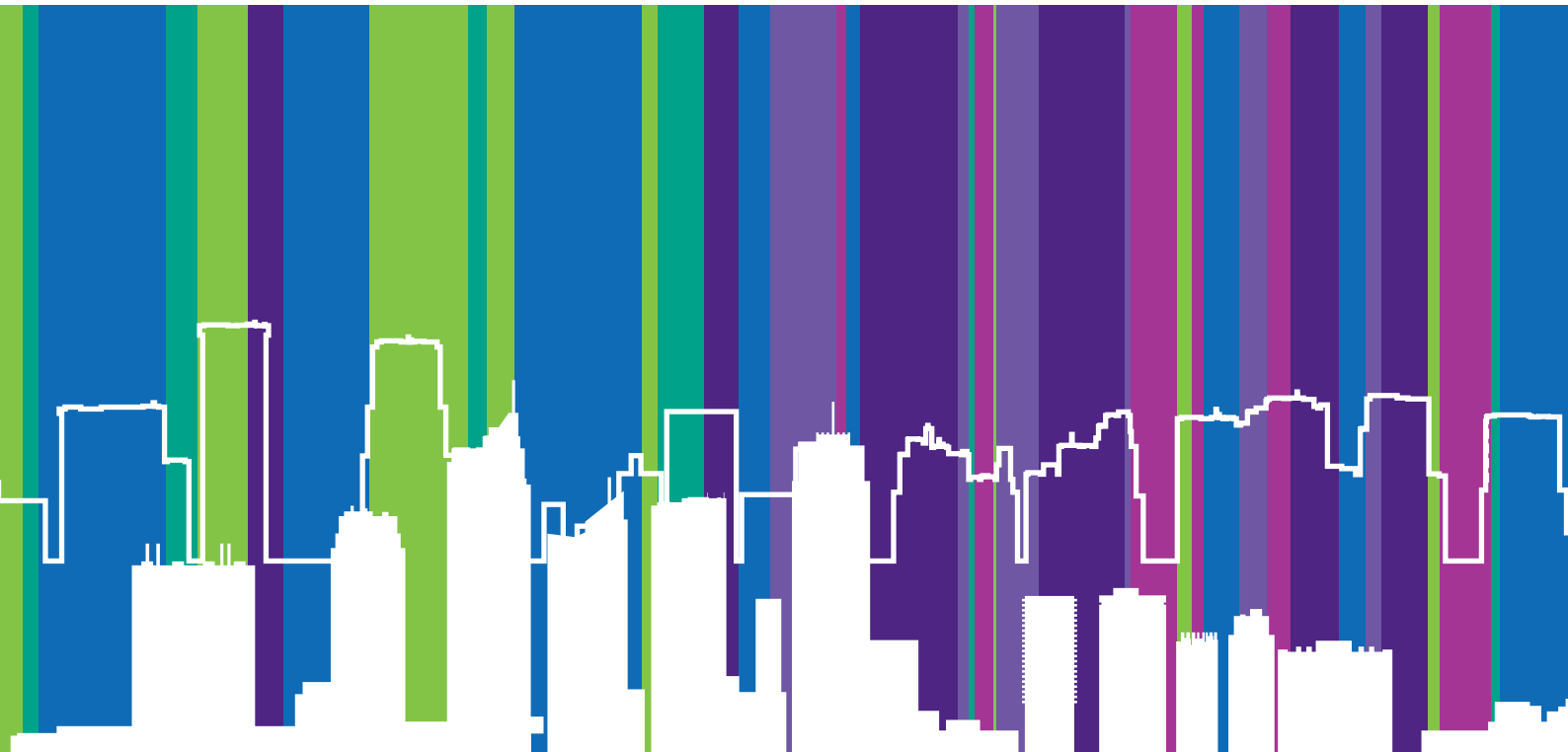
Grant Thornton

An instinct for growth™

TRANSPARENCY REPORT 2016

Grant Thornton Australia Limited and controlled entities
Grant Thornton Audit Pty Ltd

For year ended 30 June 2016





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INTRODUCTION

ANDREW ARCHER
NATIONAL MANAGING PARTNER - RISK & QUALITY



Transparency and audit quality are cornerstones of Grant Thornton Australia Limited's (Grant Thornton Australia) governance practices, and we welcome the opportunity to share the information contained in this Transparency Report for the year ended 30 June 2016. This report is a public statement of our commitment to good corporate governance and ongoing, transparent communication with our stakeholders – our clients, audit committees, regulators and the wider public. We provide quality assurance services to organisations in Australia and around the globe, and this report sets out how we comply with the requirements of the Corporations Act 2001 and the steps we have taken to drive audit quality across our business.

Grant Thornton Australia has voluntarily produced an annual Transparency Report since 2008. Grant Thornton Audit Pty Ltd, a registered audit company, conducts statutory audits for the firm's clients and is also registered with the Professional Oversight Board of the UK Financial Reporting Council, the Public Company Accounting Oversight Board (PCAOB) in the US and the Canadian Public Accountability Board (CPAB).

For a more comprehensive view of what Grant Thornton Australia stands for and how this manifests in our people and our work, please visit our website.

www.grantthornton.com.au

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

GREG KEITH
CHIEF EXECUTIVE OFFICER



In this, my second Transparency Report as CEO of Grant Thornton Australia, I look forward to sharing the successes that have taken our firm from strength to strength in the 2015-16 financial year (FY16).

Early in the year, I was privileged to lead the launch of our 2020 Strategy: Your tomorrow; Our today. As a firm we have reaffirmed our commitment to fostering exceptional client service throughout our practice by empowering our people to truly understand our clients' needs. We will grow our firm by continuing to create a distinctive service for our clients in core areas like audit and assurance, and in new growth areas like our Growth Advisory practice.

Growth Advisory – the combination of our Leadership, Talent & Culture, Business Risk Services, Performance Improvement, Technology Advisory & Solutions, and Asia Practice areas – is allowing us to have broader business conversations, and truly get to the heart of 'why' our clients are in business.

This aids the delivery of our audit services as we're able to take a deeper look behind the numbers and provide greater assurance to our clients, and their stakeholders, of their ongoing financial position.

Our strategy doesn't just focus on adding new practice areas. Over the next four years, we're aiming high, looking to:

- double our market share
- increase our partner numbers to 200+ (currently 138)
- increase revenue to \$400m (currently \$222.7 million)
- have 35 percent female partners (currently 15 percent)
- double our profitability

These are ambitious targets, but we're up to the challenge. In fact, we've already made significant inroads:

19 NEW PARTNERS JOINED GRANT THORNTON DURING FY16

During the year, we welcomed eight senior leaders to our Partner group around the country. These “lateral hires” are highly respected in their specialist fields and bring with them a wealth of experience that we can now offer to our client base. In addition, on 1 July 2016, 11 of our own senior people were promoted into the Partnership. This group included seven females, kick-starting our drive to develop more diversity of thought in our leadership group.

OUR BOLD, NEW WAY TO CONNECT WITH OUR PEOPLE

Our clients benefit most when our people are engaged, energised and enthusiastic. In FY16 we announced three industry-leading changes that aim to promote our vibrant and innovative culture:

- 1 First corporate in Australia to challenge outdated legislation by providing early access to long service leave after only two years of service
- 2 Industry leading paid parental leave program, moving to 26 weeks paid parental leave for the primary carer, and two weeks paid parental leave for the secondary carer
- 3 Embracing ‘flexibility’, empowering all our people with the opportunity to work flexibly

We’re growing authentic and inclusive leaders who encourage our people to perform to their full potential and deliver compelling client experiences.

WE ARE THE VOICE OF AUSTRALIAN MID-SIZE BUSINESS

As we unlock our own potential for growth, we also unlock our clients’ potential. We are the voice of Australian mid-sized business, and are actively engaged in advocating for change that will support mid-size businesses to grow.

Grant Thornton Australia is a mid-sized business itself, which is why we ‘get’ our clients. This year, we responded to the Federal Government’s 2016-17 Budget with commentary solely focused on the needs of mid-size businesses, and we’re currently engaged in research that will demonstrate the needs of Australia’s growth engines – mid-size businesses – and the growing pains they encounter throughout their journey.

This work allows us to not only provide the support that is sorely needed by Australia’s mid-size businesses as they face pressures both at home and globally, but also means that we can use our extensive network to lobby on their behalf. This will be an ongoing focus in the coming year.

SO, WHAT’S NEXT FOR GRANT THORNTON AUSTRALIA?

As we work towards 2020, our focus will continue to be on delivering exceptional client service. In our audit and assurance practice, that includes an unwavering focus on audit quality. Through financial discipline and changing our service delivery model (including technology and leveraging our overseas networks), we will deliver high quality services in audit and throughout our practice that our people are proud of, build scale and shift our financial performance to make us even more attractive to high quality talent and exceptional mid-size business clients. I look forward to sharing our progress in our next Transparency Report, in September 2017.

A MESSAGE FROM THE DIRECTOR OF PEOPLE & CULTURE

KIM SHMIDT
DIRECTOR OF PEOPLE & CULTURE



Grant Thornton Australia is a firm with a distinct vision: to be the leading employer in audit, tax and advisory services through our innovative people practices. We aim to be the best place to work for diverse talent looking to deliver an exceptional client experience.

This year, we have continued to work towards this goal. The launch of our 2020 Strategy late in 2015 flagged a number of exciting, people-focused initiatives that are already making a difference, including the launch of our “people package”, a development program for our leaders, and increased Chartered Accounting (CA) program support.

As the market and the nature of our business change, so too does the demand to attract and retain talented, highly-skilled people from diverse backgrounds. We know that these people are highly sought after, both by our competitors and our clients. We also know that digital disruption is changing the nature of the services we deliver and the skills our people need. And we know that diversity of thought at all levels appeals to people throughout our organisation and allows us to deliver better insights to our clients.

You can find out more about how our firm builds a strong and lasting relationship with our people in the Our culture and continuing professional education section of this report, or on our website:

www.grantthornton.com.au

A STATEMENT FROM OUR HEAD OF AUDIT & OF ASSURANCE

MATT ADAM-SMITH
NATIONAL MANAGING PARTNER - SERVICE LINES
NATIONAL HEAD OF AUDIT & ASSURANCE



GRANT THORNTON AUSTRALIA'S AUDIT & ASSURANCE PRACTICE OPERATES WITH ONE CENTRAL PRINCIPLE: TO DELIVER AUDITS OF THE HIGHEST QUALITY FOR THE BENEFIT OF OUR CLIENTS AND THE WIDER BUSINESS COMMUNITY. THE FIRM TAKES OUR STAKEHOLDERS' EXPECTATIONS TO CONDUCT RIGOROUS AND INDEPENDENT AUDIT OVERSIGHT SERIOUSLY.

In this report, we share the actions we have taken to continuously improve audit quality during FY16. This is my first report as the National Head of Audit & Assurance, and I welcome this opportunity to showcase our actions.

Ensuring we deliver a first-rate audit relies on having the appropriate culture and behaviours embedded in our people, sound systems and processes, and up-to-date technical knowledge. To compete in an increasingly challenging market, we also need to ensure that we add value throughout our relationship with our clients effectively and efficiently.

Grant Thornton Australia understands that our people and the way they interact with our clients is the most important part of our practice. To enhance our technical and analytical skills, the firm invests heavily in learning and development, so that every Grant Thornton Australia person has the skills to deliver the distinctive client service we aim to be known for.

OVERVIEW OF THE 2015-16 FINANCIAL YEAR (FY16)

FY16 brought continued growth to Grant Thornton Australia's Audit & Assurance practice, with revenue increasing to \$72.5 million. This is a positive outcome, especially given the highly competitive environment in which we operate. Our firm has benefited from our focus on mid-size businesses in our chosen industries which we will pursue as we work towards our 2020 Strategy.

We differentiate ourselves by providing clients with distinctive client service. This means a high level of Partner involvement and a focus on servicing the needs of our clients. This Partner-led client relationship model allows us to better understand our clients' businesses and their industries. In addition, our clients' direct access to senior decision makers and the host of technical resources available at Grant Thornton Australia gives us the tools to communicate to our clients both clearly and quickly. Feedback from clients through our "Client Voice" feedback process reflects their preference for our relationship model.

Our commitment to audit quality has also been demonstrated through amendments to the way our Partners are evaluated and remunerated in FY16: our Partner Balanced Scorecards. We measure and reward behaviours and outcomes that reinforce Grant Thornton Australia's commitment to continuing quality in audit services.

AUDIT INSPECTIONS

During FY16, we continued our cyclical, routine audit inspections by the Australian Securities and Investments Commission (ASIC). ASIC runs an 18-month inspection cycle program, with our next report expected in mid-2017. The firm-specific and industry-wide reports this regulator prepares give us further insight into focus areas and the high expectations of the industry they oversee.

Grant Thornton Australia welcomes every initiative by ASIC and its overseas counterparts aimed at improving audit quality and maintaining the trust the market has in our profession.

In late 2015, ASIC released a private firm-specific report to Grant Thornton Australia as part of its regular inspection program, reviewing seven of our engagement files. The key findings outlined in this report form part of the industry-wide Audit inspection program report for 2014-15, released on 15 December 2015. Available on ASIC's website, the Audit inspection program report covers ASIC's findings from inspections of 21 audit firms undertaken in the 18 months to 30 June 2015.

ACTION PLAN TO IMPROVE AUDIT QUALITY

ASIC has requested the six largest audit firms in Australia develop action plans with the aim of improving audit quality across the profession, since the release of the ASIC inspection report in 2012. These plans are focused on improving the overall quality of the audit profession in Australia. Grant Thornton Australia has embraced the goal of industry-wide improvements in audit quality and has actively worked with ASIC to develop and refine its own action plan.

Our firm's action plan recognises that industry-wide improvements in audit quality need collective action from all major stakeholders. The action plan is a living document whose details and focus areas will evolve based on our monitoring activities and findings from audit quality inspections. Currently it addresses actions in three main areas:

- 1 Sufficiency and appropriateness of evidence obtained by the auditor
- 2 Level of professional scepticism exercised by audit engagement teams
- 3 Extent of reliance on the work of other auditors and experts

We consider all these points to be vital for maintaining audit quality at the highest level. During FY16, we have made significant progress in completing all items contained within our action plan, and its focus areas remain central to the training and development of our people at all levels.

The action plan also focused on reinforcing the requirements of the standards and our commitment to quality:

- after the successful implementation of the first series of Grant Thornton International's global training on International Standards of Auditing (ISA), the second and third series are now mandatory for all audit Partners and team members as part of our global drive to maintain technical expertise in an ever-changing regulatory landscape
- engagement team leaders now complete a six-monthly series of audit quality workshops. These case study based workshops look at current issues and regulatory focus areas outlined in ASIC inspection reports
- the Voyager Information System (VIS) is giving us further insight into our engagement spread and their progress from commencement to final archiving

- our updated Audit Findings Report for presentation to client boards and those charged with governance focuses on highlighting key issues with more clarity and continues to align with the latest audit reporting regulations and standards
- to prepare for the new reporting regime for engagements beginning on or after 15 December 2016, we have begun a 'dry run' of extended audit reports for our listed clients and other relevant entities
- further focusing on engagement leadership, we have updated our Partner Balanced Scorecards for the coming year to incorporate leadership based measures
- we have amended our firm's policies and procedures to drive continuous improvement and respond to changes in the local and global regulatory environment
- we have created an Audit Quality Panel to further support our teams in delivering high quality audits to higher-risk engagements

EVOLVING & ENHANCING OUR CLIENT SERVICE DELIVERY MODEL

The realities of a highly competitive market mean that audit firms are looking for new ways to achieve the best results for their clients. Those with international networks – like Grant Thornton Australia – are leveraging their networks to more efficiently and effectively deliver high quality audits and distinctive client service. This year Grant Thornton Australia has embarked on a pilot program to use our global reach to access overseas Grant Thornton International member firm resources to realise this goal. This pilot program will continue into 2016-17.

GLOBAL INITIATIVES

Grant Thornton International is progressing with development of a new global audit methodology and supporting technology/learning program for use by Grant Thornton member firms. We are actively involved in this significant project; Andrew Archer, our National Managing Partner – Risk & Quality, is on the global steering committee, we have seconded a number of our people to the project team, and our local team is providing continuous feedback as the development of this new package progresses.

At the heart of all of this is the consistent delivery of quality service to our clients and the wider business community that relies on the integrity of our audit conclusions. These initiatives tie into our long-term commitment to continuously improve our services, and allow us to respond to the challenges and opportunities posed by the robust regulatory environment in which we operate.

I look forward to reporting further on our progress and delivery in our next Transparency Report in 2017.



OUR CULTURE AND CONTINUING PROFESSIONAL EDUCATION

OUR CULTURE

Grant Thornton Australia is committed to developing a high performing and engaging culture that will underpin the long-term effectiveness of our business and ensure our clients consistently receive quality service and solutions. With this front-of-mind, we launched our 2020 Strategy: Your tomorrow; Our today in November 2015. A continuation of the direction set with our 2015 Strategy, this new strategic roadmap will see us “walking the talk” over the next four years to be integral to our clients’ growth, speak out on issues affecting Australia’s mid-size businesses, and deliver a distinctive and transformational experience for our leaders and our people.

There are four key elements to our culture that will set us apart from our competition, and allow us to develop authentic, inclusive and inspiring leaders and deliver a vibrant working environment for all of our people:



I AM FREE TO BE AUTHENTIC

Our culture enables and encourages each of us to be honest to our personal values and purpose in our work lives. Being recognised and respected for the unique perspective that we each bring.



I AM INSPIRED TO MAKE A DIFFERENCE

We know that each of us directly contributes to clients’ growth, to the development of our colleagues, and to the communities where we work and live.



WE ARE BETTER TOGETHER

Collaboration with each other, with clients and with other professionals broadens our thinking and improves our approach. We enjoy learning about other people and applying that learning in our work.



MY GROWTH IS CONTINUOUS

Development is achieved through stretch and challenge, offered with support and coaching that enables our people to be better than they believe they can be.

One of the first manifestations of this fresh approach to the relationship between the firm and our people, is our “people package”, launched early in 2016. Designed to make a bold impact, and showcase Grant Thornton Australia as a leader in the market, we announced:

- 1 First corporate in Australia to challenge outdated legislation by providing early access to long service leave after only two years of service
- 2 Industry leading paid parental leave program, moving to 26 weeks paid parental leave for the primary carer, and two weeks paid parental leave for the secondary carer
- 3 Embracing ‘flexibility’, empowering all our people with the opportunity to work flexibly

DIVERSITY AND INCLUSION

Over the last year Grant Thornton Australia has significantly increased its focus on diversity and inclusion. We have continued to focus on creating a distinctive, vibrant working environment where our people are encouraged to reach their full potential and thrive – regardless of their age, sexual orientation, gender, ethnicity, faith, or disability status.

Over the last year we have specifically focused on supporting our leaders to build their capability to deliver on diversity and provide visible leadership on and commitment to gender diversity, by embedding a gender diversity perspective into our business-as-usual processes with a special focus on performance management, reward, succession planning, recruitment and accelerating the development and progression of diverse talent into leadership roles at Grant Thornton Australia.

We continue to have an active DAWN (Diversity at Work Now) committee in each office that seeks to build awareness, headline and celebrate diversity, and create an inclusive and warmly welcoming work environment.

We are also active members of Australian Marriage Equality, the Diversity Council of Australia and Pride in Diversity.

GROWING OUR PEOPLE

One of the keys to our 2020 Strategy will be attracting and retaining diverse, high-performing talent. In addition to implementing innovative people practices (as outlined above) we are working to ensure we are identifying and rewarding exceptional performance. This year we continued to embed our performance and reward strategies to ensure a strong link between the two. Our remuneration framework seeks to ensure fair, consistent, and unbiased remuneration outcomes for all our people.

Our career framework, which incorporates our Performance Inspiring System, Learning Pathway and technical and non-technical competencies, provides an overview of how our people can grow within the firm. Performance Inspiring Conversations are conducted twice yearly between coaches (usually team Managers and/or Partners) and individuals, and the emphasis of the conversation is on:

- reflecting on how the team member has delivered on their objectives and recognising other achievements throughout the period
- identifying and leveraging their strengths and career aspirations

- agreeing on objectives for the year ahead and being clear about how they can make the biggest difference to the success of their team and the firm
- agreeing on the type of support, experiences and development needed to help them achieve their objectives

Our people receive ongoing coaching, support, and feedback throughout the year that recognises the achievement of objectives, effort and behaviours, and incorporates feedback from colleagues and clients.

Grant Thornton Australia's Learning Pathway is designed to build highly skilled growth advisors and leaders at all levels who consistently deliver quality service and solutions to our clients. Each of our technical and non-technical learning programs contribute to building competencies and leveraging strengths to meet the requirements of the firm, our clients and the individual's career goals.

TOMORROW'S LEADERS: LEADING INTO 2020

Throughout the past year we have continued to work to identify transformational leaders for our business. A comprehensive talent mapping process has been underway for some time, and will continue as we grow. With 11 new Partners promoted on 1 July 2016, seven of whom were female in line with our diversity targets, this talent process and pipeline is critical to the long-term success of our firm.

These promotions were conducted via the rigorous and transparent process that we use to identify and select candidates for our firm's leadership roles (Associate Director, Principal and Partner). Clear selection criteria are used to assess technical expertise, quality of work, alignment to our signature behaviours, and leadership potential. A panel interview involving a selection of leaders from our Strategic Leadership Team, Markets Leadership Team and People & Culture assess the candidates against set criteria and a recommendation for appointment is put to the CEO, and in the case of Partners, to the Board for final approval.

In FY16 we brought in eight new Partners from outside Grant Thornton Australia. These "lateral hires" are highly respected in their specialist fields and bring with them a wealth of experience that we can now offer to our client base. All new leaders joining our Partnership from outside the firm are put through the same rigorous selection process as those promoted from within.

DEVELOPING SKILLS AT ALL LEVELS: CA SUPPORT AND INSPIRATIONAL LEADERSHIP PROGRAM

For those at the beginning of their professional accounting career, there is ample support available at Grant Thornton Australia. We encourage our people to complete their Chartered Accounting (CA) qualification and provide a range of support including high calibre training from an external provider, webinars, summary notes, and exam preparations in addition to their study leave. This program is coordinated nationally by our CA support champion and is strongly encouraged as part of the CA study of all candidates.

CA studies form a vital part of the technical development of our team members in their journey to become growth advisors to our clients. In addition to the formal learning outlined above, our leaders support and mentor CA candidates through each module.

Our people's development doesn't stop once they attain a leadership role. We have recently commenced our Inspirational Leadership Program: a 12 month blended program that includes a 360 degree assessment of our leaders' skills, online learning, action planning, and interactive face-to-face workshops. The time our leaders commit to spending on their personal and professional development via this program is evidence of the importance we place as a firm on continuing to grow our leaders so that they can, in turn, grow their teams and provide better insights to our clients.

CONTINUING PROFESSIONAL EDUCATION

Our graduate, senior accountant, future leader and Partner development programs are designed to equip our people with deep technical and industry expertise, coaching and leadership capability, as well as business development and growth advisor skills. They are delivered through facilitator-led workshops, on-the-job learning, support for external qualifications, coaching, conferences, and e-learning.

Chartered Accountants Australia and New Zealand and CPA Australia use Grant Thornton Australia to provide technical updates to their members. Grant Thornton Australia has invested heavily in national training. All our Partners and qualified people are required to keep up to date with the latest professional standards, including our own risk management, ethical and independence requirements, and with Chartered Accountants Australia and New Zealand's Continuing Professional Education requirements. Members are required to undertake a minimum of 120 hours of training and development over a three-year period. At least 20 hours (including no more than 10 hours of technical reading) must be completed annually.

Our people operating in specialist service lines or dedicated markets, including statutory audit, must comply with compulsory training requirements. Partners holding certain registrations are required to complete at least 40 per cent of their hours in the appropriate specialist area.

As we head into FY17, and look towards 2020, our firm will continue to look for new ways to engage with our people to deepen the relationship between them and the firm. We know this will lead to more engaged team members, delivering better insights to our clients. We are committed to finding new ways to streamline the career development of our people, support their personal and professional growth at all stages of their careers, and reach our diversity targets throughout the firm.

UNLOCKING THE POTENTIAL IN OUR COMMUNITY

In October 2014 Grant Thornton Australia launched the Grant Thornton Foundation to help unlock the potential for growth in communities.

In the last financial year, the Grant Thornton Foundation has made significant progress towards achieving its vision of “Growing Youth” and delivering tangible benefit to our community partners through a co-ordinated workplace giving program, and our people’s involvement in volunteering and mentoring programs with our national and local charity partners.

Throughout FY16, Grant Thornton people have rolled up their sleeves to work with our national charity partners on a range of projects, from assisting with fundraising and setting up e-mentoring with Big Brothers Big Sisters Australia, to directing the future of our contribution to the work World Vision is undertaking in the community in Vanuatu.

July 2015 saw our leadership group replace their annual Partners’ Conference with an once-in-a-lifetime experience. 135 leaders from Grant Thornton Australia, in partnership with Habitat for Humanity Australia, gathered in Phnom Penh to build homes for disadvantaged families.

Over five days, we pushed ourselves physically and emotionally for a greater cause. The comfort of our air-conditioned offices was exchanged for heat and humidity as we worked to build not just houses, but homes. We learned to work to each other’s strengths and experienced the power of collaboration. We connected with the country, its history, the families and their hope. In connecting with their dreams, we delivered more than we ever thought we could. Crucially, we defined ourselves better as individuals and as leaders and we brought back the lessons learned in Cambodia to help us build a stronger, more collaborative partnership.

In May 2016, Grant Thornton Australia’s senior leaders together with 71 of the firm’s “future leaders” (those in management positions on the path to Partnership), joined with Red Dust Role Models to host The Red Dust Games – a mini-Olympics event for around 200 children from remote Indigenous communities in Alice Springs and surrounding areas.

In our local communities, our people and the Grant Thornton Foundation continue to make a real difference, with activities including assisting The Streets Movement with fundraising to set up Guerrilla Gyms across the Cairns area, and participating in Manna Inc’s Hot ‘n’ Healthy Meals program for the homeless and disadvantaged at Christmas 2015 in Perth. This year in Sydney, we also added an additional local charity partner – Whitelion – after significant consultation with our people about which causes were most important to them and aligned with our vision and values.

We look forward to continuing to give back to our communities in the coming year.

NATIONAL CHARITY PARTNERS

World Vision

Big Brothers Big Sisters Australia

LOCAL CHARITY PARTNERS

Adelaide charity partners

Junction Australia

Childhood Cancer Association of South Australia

Brisbane charity partners

Brisbane Youth Service

Youngcare

Youth Housing Project

Cairns charity partner

The Streets Movement Organisation Inc

Melbourne charity partner

Whitelion

Perth charity partner

Manna Inc

Kids Are Kids!

Sydney charity partner

YWCA

Whitelion

LEGAL STRUCTURE AND OWNERSHIP

LEGAL STRUCTURE

Grant Thornton Australia is an unlisted public company with wholly owned special purpose subsidiaries. All shareholders are associated investment entities of the Partners of Grant Thornton Australia. There are no outside shareholders. Statutory audits are conducted by Grant Thornton Audit Pty Ltd, a registered audit company, which is controlled by the Partners of Grant Thornton Australia, who are senior leaders of our audit practice nationally.

A small number of audits are conducted by other Grant Thornton partnerships that are controlled by Grant Thornton Audit Pty Ltd.

REGULATORY BODY AFFILIATION

Many of the firm's activities are regulated by a number of independent bodies including:

- Chartered Accountants Australia and New Zealand
- Australian Securities and Investments Commission (ASIC)
- Public Company Accounting Oversight Board (PCAOB) – USA
- Public Oversight Board (POB) – UK
- Canadian Public Accountability Board (CPAB) – Canada
- Company Auditors and Liquidators Disciplinary Board
- Tax Practitioners Board
- Australian Prudential Regulatory Authority (APRA)

Grant Thornton Australia is subject to reviews by regulatory authorities including Chartered Accountants Australia and New Zealand, ASIC, PCAOB, CPAB and APRA. Grant Thornton Australia is a member firm of Grant Thornton International.



GRANT THORNTON INTERNATIONAL

GRANT THORNTON AUSTRALIA IS A MEMBER FIRM WITHIN GRANT THORNTON INTERNATIONAL.

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

References to 'Grant Thornton' in this report are to the brand under which the Grant Thornton member firms provide assurance, tax, advisory, outsourcing and other services to their clients; and/or refers to one or more member firms, as the context requires. As of 1 January 2016, Grant Thornton International had 140 member firms. Each member firm is a separate legal entity. Membership in the global organisation does not make any firm responsible for the services or activities of other member firms.

Member firms carry the Grant Thornton name, either exclusively or as part of their national practice name.

GOVERNANCE

BOARD OF GOVERNORS

The Board of Governors (the Board) is the principal and overriding authority in Grant Thornton International. The Board exercises governance over Grant Thornton International and comprises the Chief Executive Officer (CEO), managing partners from the largest Grant Thornton member firms, managing partners elected from Grant Thornton member firms which are not amongst the largest, and independent directors. The Board aims for a reasonable balance of representation from different geographical areas, including emerging markets.

The Board's responsibilities include:

- approving global strategic direction and policies
- overseeing the implementation of the global strategy
- overseeing membership matters (including approving new member firms, suspending the rights of a member firm, or expelling a member firm)
- appointing and setting the remuneration of the Chair of the Board
- appointing, evaluating performance and setting the remuneration of the CEO
- approving the budget and member firm fees
- overseeing the financial health of Grant Thornton International

- overseeing global enterprise risk management
- overseeing general governance matters, such as the composition and performance of the Board

CHAIR OF THE BOARD

The Chair of the Board (the Chair) is a proactive role with a focus on ensuring that the Board functions as a coordinated group in support of the CEO on global strategy, including but not restricted to provision of distinctive client service by Grant Thornton member firms.

Scott Barnes was appointed Chair on 1 January 2015, and his term runs to the end of December 2017. The role of the Chair is pivotal in creating the conditions necessary for a highly effective Board focused on Grant Thornton's strategic global development.

THE BOARD OF GOVERNORS AS OF 30 SEPTEMBER 2016

Scott Barnes	Chair
Peter Bodin	Sweden
Pascal Boris	Independent member
Mauricio Brizuela	Mexico
Marivic España	Philippines
Gagik Gyulbudaghyan	Armenia
Arnaldo Hasenclever	Argentina
Vassilis Kazas	Greece
Greg Keith	Australia
Klaus-Günter Klein	Germany
Daniel Kurkdjian	France
Mike McGuire	United States
Phil Noble	Canada
Ed Nusbaum	Global CEO, Grant Thornton International
Sacha Romanovitch	United Kingdom
Judith Sprieser	Independent member
Xu Hua	China

INDEPENDENT BOARD MEMBERS

Independent Board members bring a valuable external business-oriented perspective to the deliberations of the Board; they add to the network's profile raising activities and increase Board transparency. Independent board members support the organisation's recognition of its public interest responsibilities and its attitudes towards quality, risk management, and governance, and the organisation's effectiveness in executing its strategic goals and market positioning. Grant Thornton International has processes in place to ensure that the appointment of independent Board members and their ongoing service is compliant with the relevant independence rules.

STANDING COMMITTEES

There are five standing committees with authority and powers for certain matters as delegated to them by the Board.

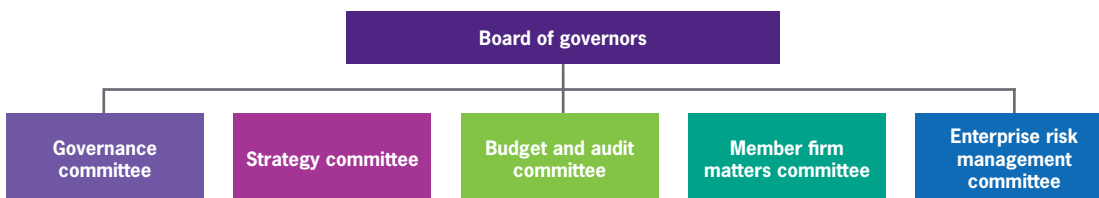
- 1 Governance Committee
- 2 Strategy Committee
- 3 Budget and Audit Committee
- 4 Member Firm Matters Committee
- 5 Enterprise Risk Management Committee

The use of standing committees allows a more efficient and effective discharging of the Board's responsibilities and involves others in the activities of the Board. Each standing committee is chaired by a Board member and its membership includes, but is not limited to, Board members.

GLOBAL CHIEF EXECUTIVE OFFICER

The CEO is appointed by the Board for an initial term of up to five years, renewable once for a further period of up to three years. Ed Nusbaum's term as CEO runs to the end of December 2017.

The CEO is responsible for the leadership of Grant Thornton. The role of the CEO includes the development and recommendation of global strategic priorities for ratification by the Board, together with overseeing execution of these priorities. The CEO has responsibility for appointing the Global Leadership Team (GLT), subject to the concurrence of the Board. The GLT assists the CEO in the execution of the global strategy. The CEO works closely with the GLT in maintaining global policies and procedures, including those governing international work for the assurance, tax and advisory service lines.



MANAGEMENT

GLOBAL LEADERSHIP TEAM

The GLT develops and drives the execution of the global strategy, and is chaired by the CEO. It is a full-time management group dedicated to leading the global organisation in the successful execution of the strategy. In addition to the service line and global development areas they lead, GLT members also have functional and regional responsibilities.

The diagram below depicts these responsibilities as at 30 September 2016.

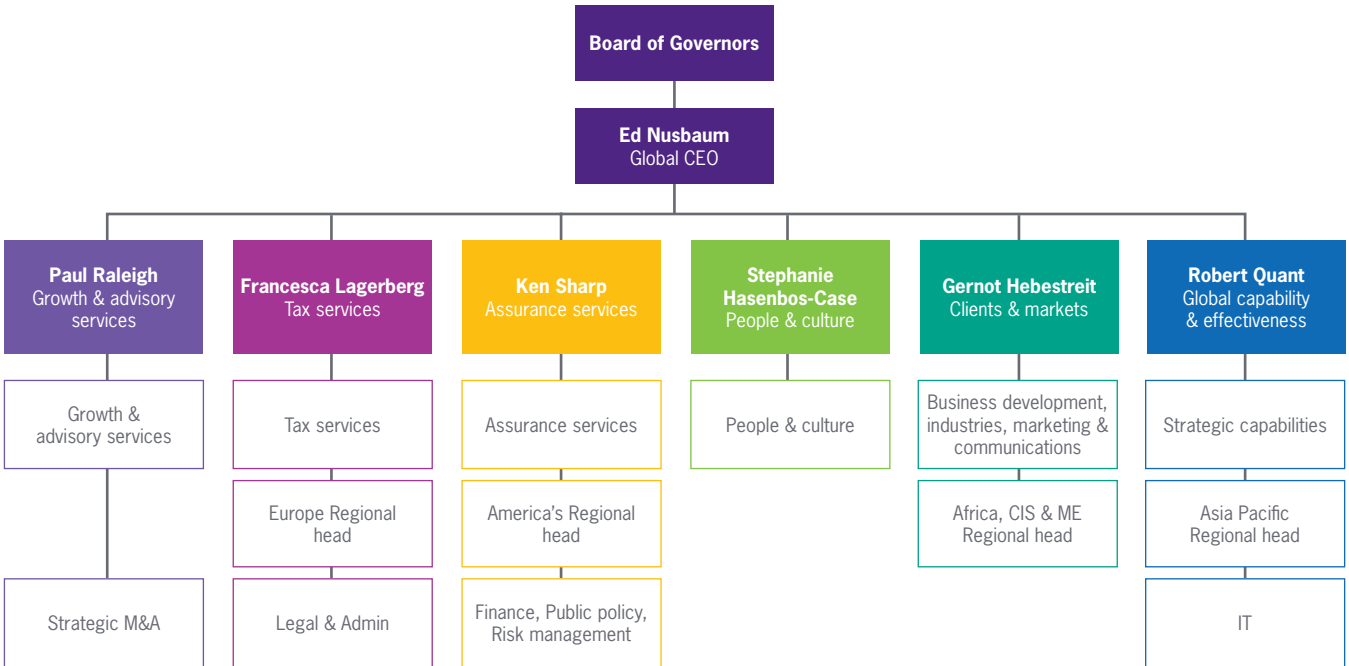
A critical role of the GLT is to work with member firms in driving the execution of the global strategy. Our vision is to be known as the leading business adviser to dynamic organisations by unlocking the potential for growth in our people, our clients and our communities.

We care about the work we do for clients, the impact we have in our community and the way we treat people. And, as dedicated professionals, our work and influence builds trust and integrity in the markets we work in. We help create commercial and social environments that enable long-term success and growth for businesses and where people flourish. We do this because we are committed to shaping a vibrant economy.

Our global strategy is focused on Growing Together with:

- our people
- our clients
- our markets and communities
- and across our organisation

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



GRANT THORNTON AUSTRALIA: GOVERNANCE AND MANAGEMENT

GOVERNANCE

Grant Thornton Australia is governed by our Board, comprising an Independent Chairman, four Executive Directors elected by shareholders, a national CEO and two other external Independent Directors nominated by Grant Thornton Australia's Board (the Board).

The Board's composition enables sufficient oversight, independent thought leadership, and a working knowledge of our environments in order to maintain our entrepreneurial business culture.

Our independent Chairman guides the policy and strategy to protect the firm's values at a Board level.

The Board maintains four standing subcommittees:

- Partner Equity & Promotion Committee
- Finance & Audit Committee
- Enterprise Risk Committee
- Nominations Committee

MANAGEMENT

The key roles and responsibilities for management within Grant Thornton Australia's structure are as follows (this is also depicted in the Reporting Structure Diagram below):

BOARD OF DIRECTORS

The Board oversees the governance of the organisation and protects the interests of shareholders.

Board members, other than independent members, are elected by shareholders for a term of three years.

Persons who directly report to the CEO are not eligible for election to the Board. The key roles of the Board are:

- governance
- setting strategic direction
- ensuring the CEO executes our business strategy approving plans and budgets to support the strategy monitoring financial performance
- appointment of the CEO
- approving major matters in line with the shareholder agreement

As at 30 June 2016, the Board members were:

- Anthony Crawford (Independent Chairman)
- Greg Keith, CEO
- Susan Thomas (Independent)
- Louise McCann (Independent)
- Michael McCann
- Andrew Hewitt
- Michael Catterall
- Mauri Mucciacciaro

CHAIRMAN – TONY CRAWFORD

The Board appoints the Independent Chairman who is one of the independent members nominated to the Board.

CEO – GREG KEITH

The CEO, who is charged with the day-to-day operations of the firm, is appointed by and accountable to the Board.

The key roles of the CEO are:

- leadership and vision
- propose and execute approved strategies
- propose business plans and budgets to support the strategies
- appoint senior management
- operate the business in accordance with the strategies, and
- business plan approved by the Board

PARTNER EQUITY & PROMOTION COMMITTEE

This committee's role is to oversee and approve the annual remuneration and equity allocation for Partners, including directors of the audit company Grant Thornton Audit Pty Ltd.

FINANCE AND AUDIT COMMITTEE

The Finance and Audit Committee assists the Board to fulfil its corporate governance and oversight responsibilities in relation to the firm's financial reporting, finance systems, and the internal and external audit functions. They objectively analyse the firm's financial data and ensure the Board receives the information it requires in a timely manner.

ENTERPRISE RISK COMMITTEE

The Enterprise Risk Committee is responsible for implementing risk and compliance initiatives. This group has oversight for risk management and compliance across their area of responsibility and hence for ensuring that the business complies with Grant Thornton Australia's Risk Management and Compliance framework. The Risk & Compliance group, together with the National Managing Partner – Risk and Quality and the National Risk Compliance Manager, oversee the risk and compliance framework and report to this Committee, the CEO and the Board.

NOMINATIONS COMMITTEE

The Nominations Committee ensures effective governance of director appointments to the Board, Board succession, Board remuneration and Board performance, including that of the CEO.

STRATEGIC & WIDER LEADERSHIP TEAMS

The firm is managed by the CEO and the Strategic Leadership Team (SLT). This team consists of five senior leaders selected by the CEO. Each of the five members has key responsibilities and leadership roles, and manage the firm together with the Wider Leadership Team (WLT) which also includes the Managing Partners of each office.

The SLT and WLT are responsible for the execution of Grant Thornton Australia strategy and business plan within the annual budget parameters.

THE REPORTING STRUCTURE

MANAGING PARTNERS

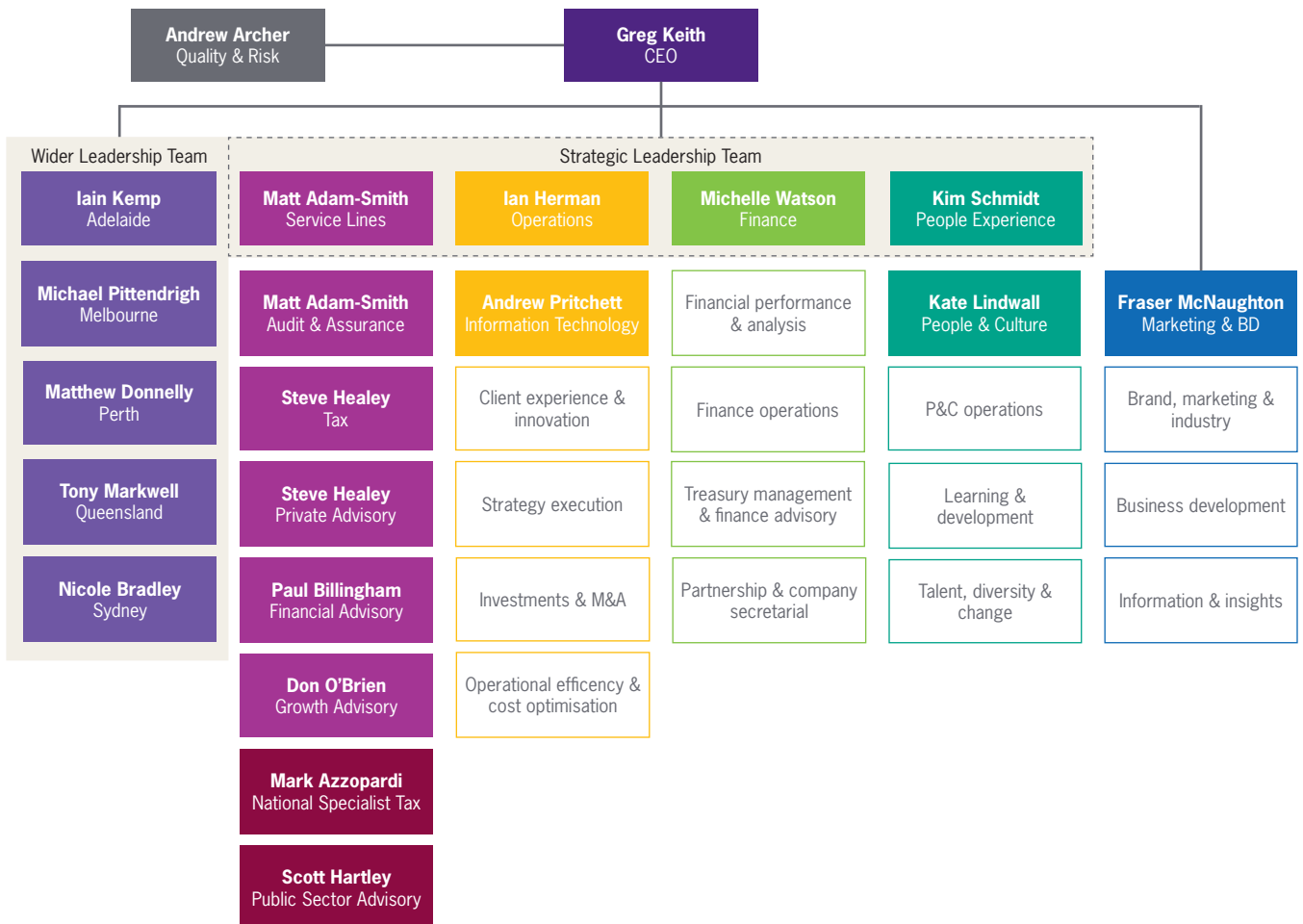
Our Managing Partners collaboratively lead our go-to-market strategies to build our brand, attract quality people, deliver distinctive client service and grow revenue to ensure profitable performance in each local market.

LEADERS

Our Leaders execute our strategy and business plans in respect to each service line. Their goal is to develop and leverage our national technical capability, build our market presence and deliver the highest quality service to clients in support of achieving our growth targets and goal of being a leader in our chosen markets.

Our Leaders cover:

- Audit & Assurance
- Tax
- National Specialist Tax
- Financial Advisory
- Growth Advisory
- Public Sector Advisory
- Private Advisory



AUDIT & ASSURANCE LEADERS

THE NATIONAL HEAD OF AUDIT & ASSURANCE

Matt Adam-Smith has been the National Managing Partner – Service Lines and National Head of Audit & Assurance since October 2015, following Andrew Archer's move into the role of National Managing Partner – Risk & Quality. Matt is responsible for driving audit quality, supported by the Audit & Assurance National Service Line Leadership Team, comprising the local office Heads of Audit, the National Audit Support (NAS) team, the Australia-wide audit team and the host of resources at our disposal from colleagues in the global Grant Thornton network.

NATIONAL AUDIT SUPPORT (NAS)

The NAS team, headed by Merylyn Gwan, supports the National Head of Audit & Assurance in developing and implementing Grant Thornton Australia's audit strategy. This includes:

- localising and refining audit software and manuals from Grant Thornton International
- training and technical guidance
- expert advice on complex issues during engagements
- ongoing compliance monitoring with key quality and risk management controls
- client/market research and data analytics

NAS helps develop thought leadership material on topics including auditing, financial reporting and ethics. The team also represents Grant Thornton Australia in local regulatory circles, engaging with policymakers regarding the latest technical developments and issues, as well as commenting on regulatory initiatives and proposed reforms.

QUALITY CONTROL

GRANT THORNTON AUSTRALIA'S ONGOING COMMITMENT TO AUDIT QUALITY AND TRANSPARENCY

Grant Thornton Australia views the core of audit quality as using the best practices, procedures and judgement at our disposal to reach the right audit opinion for our clients and stakeholders. This means maintaining independence, complying with Australian and global laws and audit standards, and putting forward impartial recommendations and appropriate insights to our clients.

OUR FIRM'S CULTURE

A strong and inclusive organisational culture is the first step to conducting a rigorous, quality audit in which our clients and stakeholders can have confidence.

Grant Thornton's six global values – Collaboration, Leadership, Excellence, Agility, Respect, and Responsibility (CLEARR) – form the foundation of our approach to audit quality. Alongside our signature behaviours, this framework inspires our people across our entire business.

UNITING THROUGH GLOBAL COLLABORATION

Our firm's global scale allows us to tap into a network of experts from all corners of the world. We have international network agreements in place, giving us the tools to consult widely with:

- Grant Thornton International's global auditing standards team
- audit specialists in other member firms
- our International Financial Reporting Standards (IFRS) help desk
- industry specialists around the world

A comprehensive internal online network equips our people with information on the latest global developments on auditing, financial reporting, ethics and independence standards, as well as guidance on applying these reforms effectively.

DEMONSTRATING LEADERSHIP IN ALL WE DO

Grant Thornton Australia aims to lead the audit and assurance profession in Australia with its focus on quality. We have led the profession for many years, preparing and releasing transparency reports at our own initiative well before it became a legislative requirement.

Our people are leaders in their chosen fields. They do this by contributing to the development of the profession through membership of standard setting bodies, as well as through teaching and research positions at Australia's leading universities.

PROMOTING A CONSISTENT CULTURE OF EXCELLENCE

We understand that our clients and wider stakeholders often have differing demands of our audit and assurance engagement teams, though all parties have a common need: a demand for excellence.

A consistent culture of excellence is an important element of how we think and what we do. Our culture of excellence involves employing strong client acceptance and continuance systems and processes, aligned with the relevant legislative requirements and Grant Thornton International's protocols.

Our audit consultation and risk monitoring activities help drive quality in our work, ensuring clients and the wider market receive a world-class assurance product from our engagement teams.

ACTING WITH AGILITY AND ENSURING DEEP RESPECT FOR PEOPLE

The audit and assurance landscape is changing, with advancements in technology and the rapid emergence of disruptive industries filling headlines every hour of the day. In line with the transformations around us, Grant Thornton Australia has shown our commitment to the continued professional education and training of all our people, fostering a culture of agility, adaptability, innovation and respect for each team member's strengths. We do this by making full use of our resources, including:

- global, national and local training, delivered both face-to-face and online
- regular firm-wide and industry and/or service line-specific communications
- national support staff and industry experts sharing knowledge across offices

TAKING RESPONSIBILITY FOR OUR ACTIONS

Grant Thornton Australia recognises our wider impact on our clients and stakeholders. We act with integrity, openness and accountability to stay true to our purpose and behave in a way that is consistent with our values. In Audit & Assurance, we demonstrate this commitment to our responsibilities through strong ethical practices promoted with consistent messages, including:

- annual ethics and independence training
- our Audit and Risk & Compliance 'Alert' programs
- national bulletins and technical training

DELIVERING AND MEASURING AUDIT QUALITY

Audit quality is an essential element of Grant Thornton's business; we pride ourselves on our commitment to continuous improvement in quality and service delivery. We respect the trust that our clients place in Grant Thornton Australia. To maintain this trust, we have a stringent quality control system in line with the high bar of legal and professional requirements both in Australia and abroad.

We make full use of the resources at our disposal to maintain a culture of robust client acceptance, and quality of work at all stages of an audit. These resources include:

- client continuance systems aligned with Australian legislative/regulatory requirements as well as Grant Thornton International's stringent protocols and audit methodology, supported by a globally utilised state-of-the-art software suite
- policies and procedures in our audit guidance material benchmarked against stringent international auditing regulations and standards
- regular ethics and independence training, Audit and Risk & Compliance 'Alert' programs and national bulletins and technical training
- mechanisms to monitor quality and our supporting risk management methodology



SUPERVISION, CONSULTATION AND REVIEW

A strong culture where our people can exchange feedback and consult with one another on challenging issues is essential to a successful and high-quality audit engagement. We embed this throughout our audit methodology, to provide the right level of quality control and support for audit engagement teams.

We make use of our extensive resources, in line with and above the requirements of the International Standard on Quality Control (ISQC 1), including:

- engagement quality control reviewers (EQCR) on publicly-traded entities and other specified engagements
- experienced support partners on higher-risk engagements
- technical specialists (e.g. valuations, IT audit, taxation)
- industry specialists
- the NAS team
- National Managing Partner – Service Lines where appropriate
- National Managing Partner – Risk & Quality where appropriate
- the Audit Quality Panel

This synergy of experience and technical ability, coupled with our culture of constructively challenging each other, ensures quality and rigour in all stages of the audit.

PROFESSIONAL DEVELOPMENT AS A PRIORITY

To ensure audit quality outcomes, a priority of our Audit & Assurance practice is to maintain and improve the skills and technical competencies of all our people, ensuring we meet all professional and legal benchmarks.

We take pride in reinforcing the need for broad business insights, technical excellence, audit quality, critical thinking, and ethical behaviours in all team members, from induction through to continuous learning programs.

Applying technical expertise is a key competency which is reviewed during our six-monthly Performance Inspiring Conversations, together with team members' personal development plans.

Within Audit & Assurance, our people have access to firm-delivered and external learning via Grant Thornton Australia's Learning Pathway on financial reporting, company law, ethics and auditing matters. This is in addition to the annual and quarterly technical updates the entire team receive.

Our people complete industry-specific training where appropriate, taking into account their range of clients and their industry presence.

BEFORE THE AUDIT – ENGAGEMENT ACCEPTANCE AND CONTINUANCE

An important part of audit quality is the right choice of clients. Grant Thornton Australia employs a rigorous client engagement acceptance and continuance policy, taking into account risk, complexity and specialised experience requirements.

LOOKING AT POTENTIAL AND NEW ENGAGEMENTS

We assess each potential and current audit engagement, assigning them to a risk category to help drive additional quality control procedures where required.

For a new audit engagement, a partner from outside the proposed audit team and a Managing Partner must approve the initial acceptance.

In the case of high-profile engagements, the Head of National Audit Support must also review and approve the proposed engagement. In certain exceptional circumstances, we will also consult with our colleagues at Grant Thornton International.

SOLUTIONS FOLLOWING CLIENT ACCEPTANCE

After accepting an engagement, if we identify weaknesses in governance and internal control systems during the audit, we work with clients to identify and recommend actions for improvement.

We run through a similar annual process for continuance of an engagement. If we identify significant changes in circumstances or if other risk indicators are present, we may require approval from a partner outside the audit engagement team, the Head of National Audit Support and/or Grant Thornton International before proceeding with the audit.

CORPORATE GOVERNANCE AND ENGAGEMENT CONTINUANCE

A client's corporate governance and the robustness of its financial reporting system is critical to an effective audit. Any concerns we identify about a client's corporate governance through our client acceptance and continuance procedures need careful consideration to determine whether we act for that client.

INDEPENDENCE AND REGULATORY COMPLIANCE

Independence from an audit and assurance client is paramount to a successful engagement, both in legal and ethical terms. When accepting an audit client, Grant Thornton Australia's strict policies and processes safeguard us from providing prohibited services. Grant Thornton people assigned to an engagement must adhere to:

- the independence rules prescribed by the Corporations Act 2001
- professional standards and codes
- relevant foreign legislation and regulations
- Grant Thornton's internal policies, including declarations that team members are free from prohibited financial interests in, and relationships with, a client, its management, partners and significant owners.

USING GRANT THORNTON INTERNATIONAL'S INDEPENDENCE FRAMEWORK

In keeping with best practice, we adopt Grant Thornton International's global policies, designed to safeguard independence on assurance engagements and identify circumstances that could pose a conflict of interest.

Our firm's global independence policies and procedures are based on the International Ethics Standards Board's (IAESB) Code of Ethics for Professional Accountants, with supplements to govern compliance with our global independence and international relationship checking processes.

We tailor our global independence policies to fit with local requirements, including those outlined in the Corporations Act 2001 and APES 110.

PERSONAL INDEPENDENCE MONITORING

We monitor personal independence through our Risk & Compliance Group and web-based Global Independence System (GIS). Controls are also built into our acceptance and continuance tool for non-audit services to make sure we consult and seek approval to provide these services. In cases where a conflict may arise, we consult the engagement Partner on the audit to determine the appropriate safeguards and remove threats to independence or ethical concerns.

PARTNER ROTATION AND OTHER COMPLIANCE MONITORING

The NAS team works to monitor engagements from commencement to archiving. This monitoring includes reviewing all engagements in line with the rotation provisions under the Corporations Act 2001 s324DA-DD, APES 110 Code of Ethics for Professional Accountants s290 and, where applicable, those of foreign regulators such as the US Securities and Exchange Commission (SEC).

In the case of clients who are authorised deposit-taking institutions and authorised non-operating holding companies, we ensure that rotation and independence provisions are also in line with Australian Prudential Regulation Authority's (APRA) Prudential Standard APS 510.

THE AUDIT ENGAGEMENT

AUDIT TECHNOLOGY AND GRANT THORNTON INTERNATIONAL'S IMPORTANT ROLE

Grant Thornton International assists all member firms in delivering consistent, rigorous and high-quality audits, achieved through a range of initiatives including:

- global audit methodology and software
- protocols to facilitate consultation with audit specialists in other member firms
- global data network with up-to-date information on relevant professional standards
- worldwide restricted entity list
- IFRS help desk and topical alerts

HORIZON, OUR GLOBAL AUDIT METHODOLOGY AND TECHNOLOGY

Grant Thornton member firms make use of Grant Thornton International's Horizon* global audit methodology, implementing it through our Voyager* software suite. The Horizon global audit methodology equips member firms' Audit & Assurance teams with a clear link between:

- financial reporting risks they identify
- evaluating the entity's internal controls addressing the identified risk
- audit procedures the engagement team performs that directly respond to the identified risks

This approach enables Grant Thornton Australia's Audit & Assurance team to judge how the current environment affects their client's financial reporting and any risks this identifies. It also gives the audit team a clear opportunity to design the appropriate audit response, maintaining ongoing dialogue with the client.

Our global audit methodology includes integrated quality control processes including policies and procedures for engagement quality control review. We benchmark these against ISA, ISQC and IESBA Regulations, Codes and Standards. We then apply the Horizon global audit methodology using our integrated Voyager suite of proprietary software tools.

THE VOYAGER SUITE CURRENTLY INCLUDES:

- Voyager – a tool for assisting audit teams to identify financial statement risks, and links to the processes and internal controls established to address those risks. Voyager also assists audit teams in documenting, evaluating and testing internal controls and designing an appropriate substantive response
- TBeam* – a trial balance and work paper generation tool fully integrated with Voyager which allows audit teams to automatically update lead sheets for changes to the trial balance, perform analytical procedures, evaluate misstatements, and create standard and customised work papers
- Voyager Information System (VIS) Tracking – an application that provides Grant Thornton member firms with the ability to view information about their assurance clients contained in Voyager files, manage and monitor concurring review policies, control and monitor the archiving process for annual and interim periods, and control the storage and protection of archived Voyager files

Using the Voyager suite, audit teams in all Grant Thornton International member firms achieve a common level of, and approach to, audit quality. Grant Thornton member firms produce a seamless audit product, regardless of whether one member firm performs the audit for local purposes, or many member firms collaborate in the case of group engagements.

We supplement the Voyager suite with Grant Thornton International's Audit Manual (our guide to the overall global audit methodology), suggested formatting for working papers/financial statements, checklists and practice aids, all regularly maintained by the NAS team and available to via our firm's internal network.

Grant Thornton International continually evaluates its audit methodology and software applications, and provides annually updated versions to member firms. Similarly, Grant Thornton International looks at opportunities to expand the Voyager suite with new applications to improve the quality of audits as well as their efficiency and effectiveness.

Each year we make further investment in audit methodology development, technology, training, communications and guidance toward the continuous improvement of service quality.

STARTING THE AUDIT

THE AUDIT PLANNING REPORT AND AUDIT FINDINGS REPORT

Grant Thornton Australia's audit process is not merely about a standard audit report. Within regulatory guidelines, we strive to enhance our clients' business, working to bridge the expectation gap between our audit process and communication with the client's Audit Committees, Boards and those charged with governance.

To succeed in this, we use tools such as the Audit Planning Report and Audit Findings Report, which provide clarity about issues including:

- the scope of our audit
- identified threats and mitigations
- key risks and judgements
- emerging issues
- regulatory changes
- any other findings that must be communicated

FACTORS AFFECTING AUDIT QUALITY OUTSIDE THE CONTROL OF AUDITORS

On many occasions, there are factors the engagement team cannot anticipate or control.

Making use of the engagement team's knowledge of the client's industry, and with research and analysis from the NAS team, we can pinpoint factors outside the control of our audit process as risks within our audit tools. Our culture and processes ensure that engagement teams put in place the right responses to address these risks throughout the audit.

Some examples of factors outside the control of auditors that have the potential to affect audit quality include:

- the client's culture and their focus on financial reporting
- the resources of the client's internal finance team and their Audit Committee
- quality, timeliness, and availability of the client's financial information
- changes in the regulatory environment in which the client operates, including reporting deadlines

REPORTING TO CLIENTS – THE AUDIT FINDINGS REPORT (AFR)

Following extensive testing, analysis and use of professional judgement, our engagement teams report to clients using both a formal audit report (the audit report), which is made public, and an internal Audit Findings Report (AFR).

Our audit reports comply with relevant auditing standards and legislation, and are signed by the engagement leaders after a detailed review of the work completed, and following confirmation of compliance with the firm's consultation and review criteria.

The AFR outlines the primary considerations, judgements and results of our audit. The content and format is tailored to each client's needs, but all include:

- the scope and approach of our audit
- an explanation of any ethical or independence matters (including safeguards in place)
- principal audit judgements
- an outline of any control weaknesses identified
- insight into upcoming changes in reporting requirements or other relevant legislative/regulatory changes

For listed clients, the audit report and AFR will include a section on the Key Audit Matters our engagement teams have identified, in line with regulatory requirements for financial reporting periods beginning on or after 15 December 2016.

MONITORING ACTIVITIES

It is a common adage that continuous improvement is better than delayed perfection. Grant Thornton Australia's Audit & Assurance division takes on board the recommendations of all reviews, both internal and external, incorporating them into our plans for continually improving audit quality. We also monitor and respond to ongoing regulatory, industry and other developments in financial reporting and audit, further delivering improvements in the quality of our work.

INTERNAL REVIEWS

The National Audit Support (NAS) team drives Audit Quality Reviews to assess the quality of completed audit work and its compliance with the firm's quality and risk management framework. In line with ISQC 1, the NAS team reviews each Partner and each office at least once every three years. The review teams are selected from another office, and the engagements selected are those that NAS and the Review Team Leader consider to be more complex or of higher risk.

The Audit Quality Review process tests the effectiveness of our quality controls in areas like client acceptance, team member retention/advancement, training, and independence.

The NAS team communicates any themes from these reviews to the entire Audit & Assurance team through regular training sessions, conferences, and technical updates. We make sure that areas for improvement are built into audit quality action plans.

During the 2016 financial year, Grant Thornton Australia's internal quality inspection reviewed 10 engagement files.

INTERNAL MONITORING

Our stringent internal monitoring policy includes:

- Grant Thornton International Audit Review (GTAR) – at least every three years. Last inspection, December 2013
- Grant Thornton Australia Peer Review (IQCR) program – rolling quality reviews, with all Audit & Assurance Partners reviewed over a three-year cycle. Last inspection, December 2015
- Independence Declaration Compliance Audit – annually

In addition to periodic reviews, Grant Thornton Australia engages in ongoing monitoring programs, all with the aim of continuously ensuring the strength of our quality framework and performance. These other monitoring activities include:

- national Engagement Quality Control Review allocations where required on specific audit engagements
- consultation reviews requested by the engagement team with industry experts within the firm or by the NAS team
- accounting, audit and methodology technical queries performed by the NAS team

PEER REVIEW PROGRAM

The firm's peer review program extends beyond the review of individual engagement files. Across all service lines, the program assesses policies and procedures, and how effectively they serve their purpose. It comprises a compliance review component to assess performance against relevant legislation, standards, industry codes, and our own policies.

As an example, Grant Thornton International member firms use the standardised Grant Thornton International ISQC 1 reporting mechanism to form a basis for internal reviews. Each member firm submits a final inspection report of its quality control system to Grant Thornton International for monitoring and follow-up.

This is in line with the requirements of the following standards:

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

The NAS team coordinates Grant Thornton Australia's audit review teams, approved by the Audit & Assurance national service line leadership team.

EMBRACING EXTERNAL MONITORING OF AUDIT AND ASSURANCE ACTIVITIES

ENGAGEMENT WITH REGULATORS

The changing audit regulatory environment has a clear effect on the quality of audit and assurance work. Given this, Grant Thornton International member firms maintain an open and constructive relationship with their national regulators, consistent with our global policy of embracing external oversight, along with our support of balanced public reporting of external inspection programmes.

As a leading international network of independent professional services firms, Grant Thornton meets several times each year with the International Forum of Independent Audit Regulators (IFIAR) and regularly contributes to the public debate on major industry issues.

GRANT THORNTON AUSTRALIA'S LEADING ROLE

Grant Thornton Australia actively engages with regulators, standards setters, and investors to shape and influence the drive for regulatory improvement. These activities help us develop constructive responses to emerging financial reporting and audit reforms, helping us shape the future of our profession in Australia.

Grant Thornton people actively participate in various boards, committees, working groups, and forums across a diverse range of bodies and topics, and provide commentary and feedback on the firm's view of planned developments and issues.

This includes the Australian Securities and Investments Commission (ASIC) Accounting Liaison Group, as well as roundtable meetings arranged by standard setters including the Australian Accounting Standards Board (AASB), the Auditing and Assurance Standards Board (AUASB) and the Accounting Professional & Ethics Standard Board (APESB).

We also continue to work closely with Australia's professional accounting bodies Chartered Accountants Australia & New Zealand (CA ANZ), CPA Australia, the Institute of Public Accountants (IPA) and the Australian Institute of Company Directors (AICD) on emerging issues.

EXTERNAL REVIEWS

In keeping with our legislative and regulatory requirements, Grant Thornton Australia is subject to a program of scheduled monitoring of its audit quality, as well as monitoring of compliance with independence rules.

Grant Thornton Australia's Audit & Assurance division's external monitoring under Australia's co-regulatory framework includes:

- ASIC – continuous quality reviews. Last inspection commenced, November 2015. Number of inspections: Two
- CA ANZ – analysis of the drivers of audit quality. Last survey conducted, 2012
- PCAOB Review – every three years. Last inspection, March 2015. Number of inspections: Three

RESPONDING TO REVIEWS

RISK MITIGATION

Grant Thornton Australia assesses all risk issues identified in review and monitoring activities, determining an appropriate Management Action Plan (MAP) for each. MAPs are loaded to our centralised Risk Monitor system.

Our Risk & Compliance team use the ASIC Action Plan and Risk Monitor to track issues through to completion. Risk Monitor data and information from our Risk Assessment Program are combined to improve quality standards across the firm.

Results are communicated to the firm's management teams through all levels up to and including the Board. The results of our quality monitoring and risk assessment programs are used to effectively allocate resources where needed to maintain or improve quality performance.

Where the actions being taken are considered insufficient to meet the completion deadlines, or insufficient to fully and appropriately resolve the issue, the National Risk & Compliance Manager has the option to escalate the issue to the Local Risk Management Advisory Committee, National Managing Partner – Risk & Quality, and the Board.

All breaches are carefully considered on a case-by-case basis and an investigation conducted to determine the impact, extent, and reasons the breach occurred, and then the appropriate action to address it.

A goal of our compliance program is to minimise the chance of a breach occurring, and mitigate the impact if one does occur.

During the last twelve months, no issues have been raised which we believe have had, or have the potential to result in, a material negative impact on the quality of our statutory audits.

INDEPENDENCE PRACTICES

MAINTAINING OBJECTIVITY AND INDEPENDENCE OF THOUGHT IS VITAL TO CONSERVING GRANT THORNTON AUSTRALIA'S REPUTATION.

Grant Thornton Australia has a strong system of independence and conflict checks, which is designed to identify potential conflicts of interest at the earliest possible juncture and deal with them appropriately.

Independence has particular meaning in the audit environment but is equally relevant throughout the whole firm. Independence standards are clearly defined in our Independence Policy and Guidelines and in our Compliance Manual.

Independence compliance is monitored actively, and the firm, Partners and client facing managers are required to record their financial interests (and those of their immediate family members) in our automated tracking system, the Global Independence System (GIS).

Financial interests of the firm and its affiliated entities are also recorded in GIS. A list of the firm's audit clients with publicly-traded securities is maintained and can be accessed on the firm's intranet by all Grant Thornton people. Compliance with the independence policy by all of the firm's personnel is checked formally on an annual basis as part of the firm's Annual Independence Declarations process, and a review of a sample of GIS accounts is performed to establish compliance of individuals with the policy and whether the firm's suppliers are audit clients and, if they are, whether a threat to independence might arise.

To maintain our objectivity when delivering services to clients, we have policies and procedures in place to identify any existing client, vendor, or business relationships with a prospective client or its affiliate prior to accepting the appointment. The nature and effectiveness of the firm's procedures for maintaining independence are under constant review. We obtain assurance about their operation from annual audits of user accounts in GIS, cold reviews of audit files and internal reviews of non-audit practice areas of the firm. Where weaknesses or breakdowns are revealed, appropriate corrective action is taken. Our procedures are designed effectively and are generally operating as intended.

During the year we have also participated in the pilot of Grant Thornton International's independence system, enhanced our vendor risk assessment program which incorporates independence considerations, and delivered a new training format for all independence training.

Grant Thornton Australia's Independence Compliance Officer (ICO) is responsible for determining and enforcing sanctions. GIS reports are monitored by the Head of Risk, Compliance and Quality and exceptions are reported to the ICO. Continued or repeated failure by any GIS user to comply with their obligations will be subject to escalation to the relevant Office Managing Partner, and then to the CEO. This is in addition to the mandated sanctions for GIS non-compliance by Grant Thornton International. In some circumstances, Grant Thornton Australia may also report the person's conduct to law enforcement authorities for appropriate action. Breaches are also taken into account during Partner and team member performance evaluations.

PARTNER AND RELATED ENTITY REMUNERATION

GRANT THORNTON AUSTRALIA'S PARTNER EQUITY & PROMOTION COMMITTEE (PEP) IS A BOARD SUBCOMMITTEE THAT OVERSEES FAIR AND RESPONSIBLE REMUNERATION PRACTICES FOR ALL PARTNERS.

The Partner Performance and Earnings Policy, is reviewed and updated annually to meet the changing needs of the business. The updated policy is approved by the Board and communicated to all Partners.

Each Partner is attached to a remuneration band that is linked to enterprise value.

Base remuneration bands are determined by the PEP in consultation with external consultants on an annual basis reflecting the market rate. Movement within the remuneration bands is dependent on a Partner's Overall Performance Score (OPS).

The CEO is the only Partner whose role stands outside the enterprise value assessment. Remuneration of the CEO is assessed upon the achievement of objectives and KPIs set and agreed by the Board.

Grant Thornton Australia is an unlisted public company. All shares in the company are owned and controlled by entities related to individual Partners.

Grant Thornton Australia distributes profits as determined by the company's policy. The company distributes 90 per cent of its profit annually.

SHORT TERM INCENTIVE (STI) EQUITY

The STI pool is discretionary, determined after review by PEP and the Board. Equity pool payments are declared based on shares on issue. These shares hold value and are annually independently valued. They cannot be sold to third parties.

All profit distributions are approved by the Board, based on the profitability and cash flow of the firm, subject to agreed retention levels.

Grant Thornton Audit Pty Ltd, being the registered audit company, has five directors who do not receive any remuneration as directors. The directors do receive Partner base remuneration.

Equity Audit Partners and staff are not remunerated by reference to

non-audit services sold to their audit clients.

Partner performance is formally assessed annually using a balanced scorecard system. This assessment forms the basis for the allocation of STI. Gatekeeping criteria further underpin the requirements for all Partners and acknowledge what being a Partner in Grant Thornton Australia means. These are of significant importance and include:

QUALITY, RISK AND INDEPENDENCE

- maintain high quality in all engagements including satisfactory results in all internal and external quality reviews
- adhere to risk, independence, and governance protocols
- adhere to regulatory, other external, Grant Thornton International and internal peer review outcomes

PARTNER BEHAVIOURS AND OBLIGATIONS

- uphold the values of the firm and adhere to firm policies and procedures
- fulfil the role and obligations of a Partner under the Partnership
- maintain a high standard of ethical behaviour in all dealings with clients, Partners and team members

OPERATIONAL HYGIENE

- appropriately manage lock-up, billings, production and client satisfaction

In cases where the gatekeeping criteria has been breached a penalty is applied (percentage reduction in STI) and assessed by the National Moderation Committee.

STATEMENT OF THE FIRM'S INTERNAL QUALITY CONTROL SYSTEMS

THE BOARD HAS ULTIMATE RESPONSIBILITY FOR GRANT THORNTON AUSTRALIA'S QUALITY MANAGEMENT SYSTEMS AND THE ESTABLISHMENT OF APPROPRIATE INTERNAL CONTROL SYSTEMS ACROSS THE FIRM

The policies and procedures that serve as the basis for the system of quality management for Grant Thornton Australia and its controlled entities outlined in this report are designed to manage rather than eliminate the risk of failure to achieve business objectives; or in the case of financial controls, the risk of material misstatement of our financial statements. Accordingly they provide only reasonable and not absolute assurance against such failure or material misstatement.

During the year the Board, through the activities of the Finance & Audit Committee and Enterprise Risk Committee, have reviewed:

- the design and operation of the quality management systems as described in this report
- the findings from regulatory inspections and subsequent follow up and/or remedial actions
- reports from the firm's external auditors
- reports from Grant Thornton International and various compliance programs operated by our firm on the firm's quality control systems
- assessment the impact of non-compliance on the Partners balance scorecards

The review by the Board has not identified any failings or weaknesses that it deems to be significant, but have identified actions which it believes will strengthen controls to mitigate significant risks. On the basis of the review, the Board is satisfied that the firm's internal quality control systems are operating effectively. In addition, the Board confirms an internal review of our internal independence processes has been conducted during the year.

We continually seek to improve all aspects of our business and use the findings of the practice review, other internal reviews and external regulatory reviews to enhance our system of quality control.

UNLOCKING THE POTENTIAL IN OUR CLIENTS

Grant Thornton Australia's national corporate structure enables us to provide superior client service across Australia and reduce business risks through stronger, more efficient systems and procedures.

We are able to offer a full range of services to dynamic organisations – private businesses, Not for Profits, government organisations, and listed public companies. This is achieved through dedicated client service Partners who understand the needs of our clients and can coordinate the specialist services required by them.

Being one national firm has enabled us to share information and resources across all of our offices. We provide distinctively better service to our clients no matter where they do business.

CLIENT VOICE

Our Client Voice program examines the thoughts and experiences of our clients and allows us to regularly monitor and review our client service delivery via a sophisticated online client feedback system. Feedback is used to continuously tailor and improve service levels and refine the training needs of engagement teams. This client feedback mechanism provides us with an action list for each client so that all members of the client service team understand the client's expectations, can monitor progress, and make improvements during the engagement. We seek to measure client service delivery feedback upon completion of a matter. There are four-steps to this process:

- 1 Questionnaire delivery scheduled for each client
- 2 Questionnaires sent by our internal Information & Insights team
- 3 Responses reviewed by engagement team members to analyse results
- 4 Follow-up performed with the client to review performance and address concerns



FINANCIAL INFORMATION FOR GRANT THORNTON AUSTRALIA LIMITED AND CONTROLLED ENTITIES

TURNOVER

	2016	2015
Fees (turnover) for statutory audits	\$71.7m	\$70.4m
Fees (turnover) for non-audit services charged to audit clients	\$18.0m	\$15.9m
Fees (turnover) for non-audit services to non-audit clients	\$130.6m	\$133.3m
Total Revenue from audit and non-audit services to clients	\$220.3m	\$219.5m
Other revenue	\$2.4m	\$5.0m
Total fees (turnover)	\$222.7m	\$224.6m

FIRM

	2016	2015
Number of Partners	138	131
Number of professional staff (full time equivalents)	831.6	791.4
Number of non-professional staff (full time equivalents)	191	218.2
Total	1,160.6	1,140.6

AUDIT

	2016	2015
Number of Partners	39	38
Number of professional staff (full time equivalents)	293.1	303.7
Number of non-professional staff (full time equivalents)*	17.3	16.3
Total	349.4	358.6

* Excludes firm wide shared services (e.g. IT, HR, Marketing, etc)

PUBLIC INTEREST ENTITIES

THE FOLLOWING IS A LIST OF PUBLIC INTEREST ENTITIES WHERE WE PERFORMED STATUTORY AUDITS IN THE FINANCIAL YEAR ENDED 30 JUNE 2016:

3D Oil Limited	Bridge Global Capital Management Limited	Flinders Mines Limited
Abilene Oil And Gas Limited	Brookside Energy Limited	Gascoyne Resources Limited
Adavale Resources Limited	Bulletproof Group Limited	Genera Biosystems Limited
Adcorp Australia Limited	Cannindah Resources Limited	Golden Deeps Limited
Adslot Ltd	CAPE Credit Union Limited	Goldsearch Limited
Advanced Share Registry Limited	Catapult Group International Ltd	Helix Resources Limited
AG Financial Ltd	Century Australia Investments Limited	Hunter Hall Global Value Limited
Alara Resources Limited	Chalmers Limited	Hunter Hall International Limited
Alexium International Group Limited	China Waste Corporation Limited	Imugene Limited
Anatara Lifesciences Ltd	Citation Resources Ltd	Innate Immunotherapeutics Limited
Animoca Brands Corporation Limited	Clean Seas Tuna Limited	Investigator Resources Ltd
Anteo Diagnostics Limited	Clinuvel Pharmaceuticals Limited	IPE Limited
Aphrodite Gold Limited	Comops Limited	Jayex Healthcare Limited
Archer Exploration Limited	Copper Strike Limited	Kangaroo Island Plantation Timbers Ltd
Argo Exploration Limited	Core Exploration Limited	Kidman Resources Limited
Armidale Investment Corporation Limited	Countplus Limited	Killara Resources Limited
ASF Group Limited	Country First Credit Union Limited	Kingston Resources Limited
Ashley Services Group Limited	Crest Minerals Limited	Kneomedia Limited
Asian American Medical Group Limited	Crestal Petroleum Limited	Laboratories Credit Union Limited
Ask Funding Limited	Dacian Gold Limited	Latam Autos Limited
Astron Corporation Limited	Dome Gold Mines Limited	Latitude Consolidated Limited
Ausmon Resources Limited	DWS Limited	Lawson Gold Limited
Austin Exploration Limited	Dyesol Limited	Leaf Resources Ltd
Australian Careers Network Limited	Ellex Medical Lasers Limited	Legend Corporation Limited
Australian Defence Credit Union Limited	Emergent Resources Limited	Leigh Creek Energy Limited
Avita Medical Ltd	Empired Ltd	Lycopodium Limited
Bass Metals Ltd	Enegex NL	Managed Accounts Holdings Limited
Benitec Biopharma Limited	Enterprise Metals Limited	Manalto Limited
Bigair Group Limited	Enterprise Uranium Limited	Maritime Mining and Power Credit Union Limited
Birimian Gold Limited	Enzumo Limited	Marmota Energy Limited
Bisan Limited	Estrella Resources Limited	Maximus Resources Limited
Bluglass Limited	Fleetwood Corporation Limited	McMillan Shakespeare Limited

Medusa Mining Limited
Metals Australia Ltd
Metgasco Limited
Metminco Limited
MGM Wireless Limited
Micro-X Limited
Minotaur Exploration Ltd
Mithril Resources Limited
MOD Resources Limited
Monax Mining Limited
MRG Metals Limited
Musgrave Minerals Limited
Mustang Resources Limited
Netcomm Wireless Limited
New Guinea Energy Ltd
Novogen Limited
Octanex NL
Oz Brewing Limited
Papyrus Australia Limited
Parmelia Resources Limited
Pawnee Energy Limited
Petratherm Ltd
Phoenix Copper Limited
Phosphate Australia Limited
Pilot Energy Limited
Praemium Limited
Premiere Eastern Energy Limited
Prophecy International Holdings Limited
Quay Credit Union Limited
Ramelius Resources Limited
Rand Mining Limited
Rectifier Technologies Ltd
Reef Casino Trust
Regeneus Ltd
Reverse Corp Limited
Sabre Resources Limited
Saferoads Holdings Limited
Shenhua International Limited

Shree Minerals Limited
Sirtex Medical Limited
Smart Parking Limited
SML Corporation Limited
Southern Crown Resources Limited
Southern Gold Limited
Spitfire Oil Limited
Strategic Energy Resources Limited
Sunbridge Group Limited
Sutherland Credit Union Limited
Sydney Credit Union Limited
Syrah Resources Limited
Tel.Pacific Limited
The University Credit Society Limited
Toro Energy Limited
Transerv Energy Limited
TTA Holdings Limited
Tychean Resources Ltd
TZ Limited
United Overseas Australia Limited
UraniumSA Limited
UXA Resources Limited
Valence Industries Limited
Vector Resources Limited
Vertua Limited
Victor Group Holdings Limited
Virny Resources Limited
Viralytics Limited
Westfund Limited
WPG Resources Ltd
XPD Soccer Gear Group Limited
Yanghao International Limited
Yellow Brick Road Holdings Limited

IN THE PROFESSION

WE ARE COMMITTED TO INVESTING THE TIME OF OUR SENIOR PEOPLE IN PROFESSIONAL LEADERSHIP POSITIONS. THIS ENSURES OUR CLIENTS HAVE ACCESS TO EXCELLENT TECHNICAL SUPPORT AND AWARENESS OF EMERGING ISSUES, AND THEIR INTERESTS ARE PROPERLY REPRESENTED AS PUBLIC POLICY IS DEVELOPED

Alex Gelman	<ul style="list-style-type: none"> The Lorna Hodgkinson Sunshine Home – Board Member 	Gail Curtis	<ul style="list-style-type: none"> Chartered Accountants Australia and New Zealand, Chartered Accountants Advisory Group (WA) Zonta House Women's Refuge – Treasurer and Board Member
Andrew Archer	<ul style="list-style-type: none"> Australian Public Policy Committee of the Accounting Bodies and major accounting firms Australian Securities & Investments Commission, Accounting Liaison Committee Chartered Accountants Australia and New Zealand, Program Member Advisory Panel – Audit & Assurance University of Technology Sydney, Adjunct Professor 	Ian Herman	<ul style="list-style-type: none"> Cydella Pty Ltd as Trustee for the Cybec Foundation – Board Member
Andrew Rigele	<ul style="list-style-type: none"> Chartered Accountants Australia and New Zealand, National Quality Review Committee – Chairman 	Joanne Wilson	<ul style="list-style-type: none"> Australian Insurance Law Association, Queensland Chapter – Treasurer
Darrell Price	<ul style="list-style-type: none"> Property Council of Australia, Retirement Living Committee Leading Aged Services Australia (Qld Branch), Retirement Living Advisory Committee Stepping Stone Clubhouse Inc – President Queensland Cruising Yacht Club Inc – Committee Member 	Joseph Box	<ul style="list-style-type: none"> Family Law Practitioners Association of Queensland – Board Member
Darren Bates	<ul style="list-style-type: none"> Property Council of Australia (VIC Division) Victorian Tax Reform Committee 	Merilyn Gwan	<ul style="list-style-type: none"> Australian Public Policy Committee of the Accounting Bodies and major accounting firms Australian Securities & Investments Commission, Accounting Liaison Committee Auditing & Assurance Standards Board's Consultative Group Chartered Accountants Australia and New Zealand, Technical Research Group
Darryn Hockley	<ul style="list-style-type: none"> Law Institute of Victoria, Collaborative Practice Section – Executive Committee Member 	Michael McCann	<ul style="list-style-type: none"> Australian Restructuring Insolvency and Turnaround Association (ARITA) – National President ARITA – Queensland State Committee Member
Dominic Wong	<ul style="list-style-type: none"> Property Council of Australia (NSW Division) Tax Committee member Board Director Assessments & Behaviour Interventions (Not-for-Profit) 	Paul Banister	<ul style="list-style-type: none"> The Taxation Institute – State Councillor & Chair (Queensland division) Property Council of Australia (Queensland division), Tourism Committee Member
Elizabeth Lucas	<ul style="list-style-type: none"> The Taxation Institute, FBT and Employment Taxes Committee – Chair The Taxation Institute, Not for Profit Subcommittee Australian Charities & Not-for-Profits Commission, Professional Users Group Australian Taxation Office, Tax deductible travel consultation committee & FBT safe harbour working group 	Paul Billingham	<ul style="list-style-type: none"> Rear Commodore – Cruising Yacht Club of Australia Chair – Grant Thornton Foundation
Eric Passaris	<ul style="list-style-type: none"> Australian Charities and Not for Profits Commission – Professional Users Group Companies Auditor and Liquidators Disciplinary Board CPA Australia Disciplinary Committee Berry Street Inc – Board Member and Member of Finance and Investment Committee, Education Committee, and Quality & Risk Committee Catholic Development Fund Melbourne – Board, Chair of Remuneration Committee and Member of Audit Committee Genazzano Fcj College – School Council and Chair of Finance Committee Project New Dawn – Finance Committee 	Peter Hills	<ul style="list-style-type: none"> Association of Mineral & Exploration Companies (AMEC)
		Rana Pala	<ul style="list-style-type: none"> Australia-India Business Council – NSW Executive Federation of Indian Chambers of Commerce & Industry – India Advisory Group in Australia – Founding Member
		Sian Sinclair	<ul style="list-style-type: none"> Property Council of Australia (QLD Division) Divisional Council member
		Simon Trivett	<ul style="list-style-type: none"> Business Reporting Leaders Forum Australian Securities & Investments Commission Accounting Liaison Committee (VIC) Victorian Council of Social Services, Audit & Risk Committee – Director and Chair of Finance

TRANSPARENCY REPORT COMPLIANCE MAP

The following table maps the requirements for audit transparency reports as set out in s332- 332G of the Corporations Act 2001 and Schedule 7A of the Corporations Regulations 2001 to our Transparency Report.

PRESCRIBED INFORMATION

NARRATIVE	Page
A description of the transparency reporting auditor's legal structure and ownership	14
If the transparency reporting auditor belongs to a network, a description of: the network, the legal arrangements of the network and the structural arrangement of the network	15-17
A description of the transparency reporting auditor's governance structure	18-20
A description of the transparency reporting auditor's internal quality control system	22-24
A statement by the transparency reporting auditor's administrative body or management body (or the company's board of directors) on the effectiveness of the functioning of the transparency reporting auditor's internal quality control system in the relevant transparency reporting year	32
The name of each body that is authorised to review the transparency reporting auditor (e.g. ASIC or a professional accounting body) and the date of the most recent review of the transparency reporting auditor conducted by the body	28-29
The names of the bodies of the kinds mentioned in subsection 332A(1) of the Corporations Act for which the transparency reporting auditor conducted an audit under Div 3 of Part 2M.3 of the Act in the relevant transparency reporting year	35-36
A statement about the transparency reporting auditor's independence practices in the relevant transparency reporting year, including the date on which the transparency reporting auditor most recently conducted an internal review of its independence compliance	30
A statement about the policy that the transparency reporting auditor follows regarding the minimum amount and nature of continuing or other professional education that professional members of an audit team must undertake during the relevant reporting year	10-12
Financial information for the transparency reporting auditor that relates to the relevant transparency reporting year, including: total revenue and revenue relating to audits of financial statements conducted by the transparency reporting auditor and other services provided by the transparency reporting auditor	34
Information concerning the basis for remuneration of the audit firm's partners or the authorised company's directors	31

ABOUT GRANT THORNTON

GRANT THORNTON IS ONE OF THE WORLD'S LEADING ORGANISATIONS OF INDEPENDENT ASSURANCE, TAX AND ADVISORY FIRMS.

These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice. Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions.

Grant Thornton Australia has more than 1,200 people working in offices in Adelaide, Brisbane, Cairns, Melbourne, Perth and Sydney. We combine service breadth, depth of expertise and industry insight with an approachable “client first” mindset and a broad commercial perspective.

More than 42,000 Grant Thornton people, across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work. Through this membership, we access global resources and methodologies that enable us to deliver consistently high quality outcomes for owners and key executives in our clients.

OUR SERVICES TO DYNAMIC BUSINESSES

AUDIT & ASSURANCE

PRIVATE ADVISORY

Private wealth

Family office services

Superannuation

Business advisory services

TAX

FINANCIAL ADVISORY

Forensic consulting

Corporate finance

Restructuring advisory

GROWTH ADVISORY

Asia practice

Leadership, talent & culture

Technology advisory & solutions

Business risk services

Performance improvement

NATIONAL SPECIALIST TAX

Indirect tax

Transfer pricing

Remuneration taxes

PUBLIC SECTOR ADVISORY

42,000+

PEOPLE GLOBALLY

130+

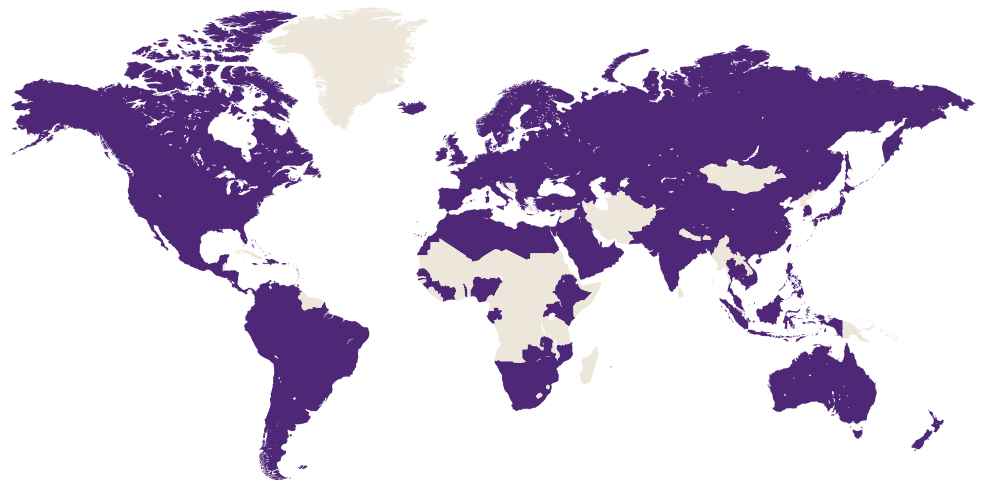
COUNTRIES

\$4.6BN

WORLDWIDE REVENUE
2015 (USD)

1,200+

PEOPLE NATIONALLY





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