



Grant Thornton

An instinct for growth™



Governance

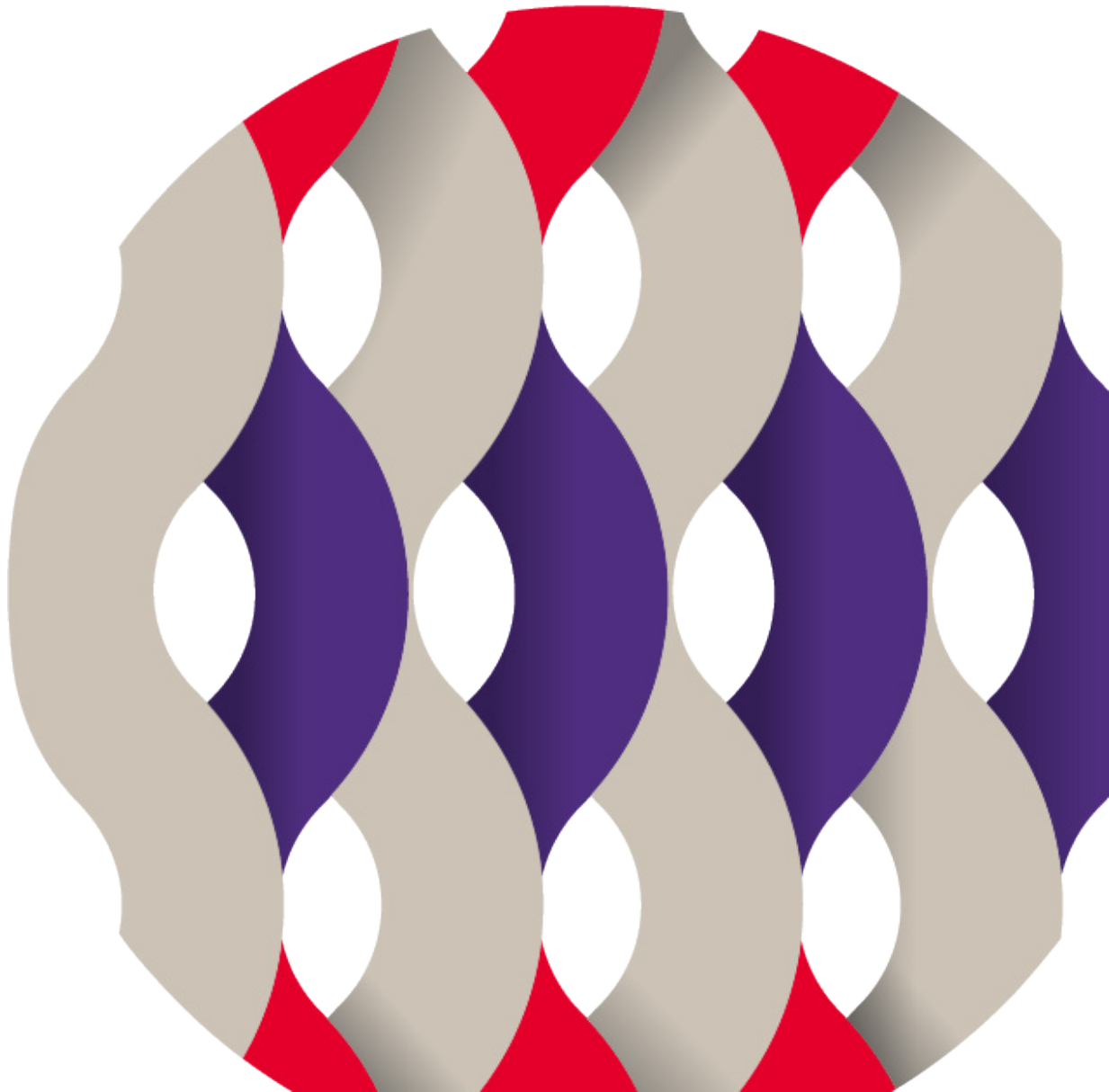


Quality

Transparency report 2017

Grant Thornton Australia Limited and Controlled Entities
Grant Thornton Audit Pty Ltd

For the year ended 30 June 2017



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Introduction

We are pleased to share our 10th Transparency Report for Grant Thornton Australia Limited (Grant Thornton Australia). We welcome the opportunity to share the information contained in this Transparency Report for the year ended 30 June 2017.

Transparency and audit quality are cornerstones of Grant Thornton Australia's values and governance practices. This report is a public statement of our commitment to good corporate governance and ongoing, transparent communication with our stakeholders: our people, 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 Australian Professional Standards, as well as the steps we have taken to drive audit quality across our business.

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



Andrew Archer
National Managing Partner,
Risk & Quality

A message from our Chief Executive Officer

I am pleased to reflect on what can only be described as an incredible year for the people of Grant Thornton Australia.

It has been a year of enormous change, one in which we have experienced record success made material changes to our business and invested heavily for the years ahead. We are experiencing real momentum as a team and a growing confidence in our ability to reach our 2020 vision.

We are very aware of the changes in our industry, the changing needs of our clients and our people. We are committed to quality, innovation and embracing technology to help us meet these challenges and become the firm of the future. We are expanding both our skillset and our service offering to be able to bring together a diverse team of specialists to help our clients grow.

As growth Advisors, we also recognise the different objectives when dealing with our listed company and other public interest entity audit clients. Our approach to audit clients draws on the same strategic principles with a commitment to exceptional client service, empowering our people to better understand our clients' businesses and risks, as well as investing in the development of our people's skills and expertise to ensure they are best placed to respond to clients' audit risks through greater collaboration with our other specialists.

Strong strides towards our 2020 ambition

Our 2020 ambition is to clearly position ourselves as the growth advisors for mid-sized businesses. Our strategy is about taking action today with a future focus, combined with a commitment to exceptional client service and empowering our people to understand our clients' needs. This year has truly been the year of the client – we've made it our business to deeply know their business – developing frameworks to allow for those strategic growth conversations, as well as investing in the development of our people's skills and expertise to ensure they are best placed to guide their clients on their growth journeys.

We are making strong advances towards our strategic goals:

- Double our share of our chosen market - mid-sized business.
- Increase our partner numbers to 200+.
- Increase revenue to \$400m.
- Have 35 percent female partners.
- Double our profitability.



Greg Keith
CEO

Quality

Our global audit strategy is underpinned by “leading with quality”, to reflect our complete commitment to quality. To achieve this we have redesigned our internal reporting structures to achieve best practice, consistent service delivery, elevated a quality leader to all management teams (including my own), improved internal quality reviews and the sharing of great ideas.

Growth of our clients

Our strategy is to help our clients grow and in so doing we are confident we will grow as a firm. We see our own growth as an outcome rather than the goal.

We have embraced the ‘ó Box’ methodology developed by Grant Thornton International. This provides a simple but compelling structure which allows us to discuss with our current and future clients their business strategy, the barriers they face and to bring together our diverse skills to help propel them forward. The feedback from our clients as a result of these conversations has been fantastic.

In addition to this methodology, we have developed the CEO Room, CFO Room and Family Business Room which are even more complex and assist the CEO and her/his management team to tackle major business decisions over three horizons.

The combination of these methodologies has seen us become more integral to the growth of our clients and more confident to have these supportive conversations.

Our approach to audit clients draws on these same methodologies to better understand our clients’ strategies, businesses and associated risks so that we can better respond to the related audit risks.

Growth of our people

We have invested heavily in the leadership abilities of our Partners and Directors as we firmly believe that “Leadership + Culture = Performance”. This has resulted in a third of our Partners having completed an in-house course of discovery and development over 18 months, four face to face meetings and 30 hours of personal reflection. A further 20 percent of the Partners will commence cohort three shortly.

We have also invested in policies which engage our people differently:

- Our market-leading early access to long service leave recognises that our people are committed and work long hours for clients but also need balance at a personal level.
- Our market-leading 26 weeks parental leave recognises the importance of family and demonstrates our support of our people during this exciting time of their life.
- Our GT Flex Appeal recognises the desire of our people to work in an environment where they can achieve balance and perform at their best.
- We introduced “Clear Careers” this year which breaks down the previous time barriers of levels and allows people to progress at a pace best suited to merit.
- We are moving towards “agile” work environments which allow us to be more client centric.
- We have developed an auto delay on all non-urgent internal emails sent out of “work hours” which stores and sends emails the next working morning. This allows us to respect our people’s private time and give them the space to recharge and enjoy their private time with their family and friends without the constant pressure of non-urgent work demands.

We have also recognised the demand of our “peak seasons” on our people and over the last two years have been developing a support process with our American and Indian firms to provide additional support, over and above the extensive secondment programs we have in place.

Advisory Capability

We are committed to providing our clients with a broader range of services, so that we can call upon those diverse skills to solve their increasingly complex global challenges. This year we have expanded the following offerings:

- Leadership Talent and Culture.
- Technology Advisory.
- Debt advisory.
- Payments Advisory.
- Wealth Management.
- Profit Improvement.
- Business Risk.

We will also continue to add deep industry expertise in the coming year which we believe will help our clients grow.

Growing youth in the community

Our focus on corporate social responsibility, both through the Grant Thornton Foundation, and through our office-based community projects, is focused on growing youth in our community. It has been another exciting year where we have had the privilege to work with some incredible organisations.

Diversity

We have set ambitious gender diversity targets and we are currently on track with the percentage of female partners rising from 9 percent to 17 percent in the last two years.

We support all forms of diversity so that our people can be themselves and know that we will support and celebrate what makes them special. This included our “Wear it Purple Day” in support of our colleagues who identify as LGBTIQ, our Chinese New Year and Diwali celebrations and numerous other office events. The message around all of these is very clear and I take the leadership on these issues very personally, setting a very clear “tone from the top”.

Technology

This year we have followed a simple philosophy... “be more profitable, save those funds and then invest them back into the business”.

The Partner group came together as one this year to deliver an increased profit of approximately 30 percent. Rather than distribute those funds, we recognised that the business environment has changed and we adapted our model to retain 15 percent of our profits in the business, so that we can invest in technology. This year we reviewed every area of technology and scoped out our future needs, reviewed the market and sought out business partners to overhaul our complete technology platform. This will see us engage with our clients and people in a market-leading manner and will be a revolution for our firm.

Bringing to life our brand promise

As we’ve grown as a business, our brand has also needed to evolve. This financial year we launched our updated, distinctive visual identity across all of our offices.

We also took the opportunity to reflect deeply on who we are – individually and together – and to embrace the opportunity we have to grow and succeed and to work alongside our clients to help them to grow and succeed.

We conducted comprehensive external and internal brand research, including one-on-one qualitative interviews with a group from right across the business. Using the research, we encapsulated our brand essence in six signature ‘brand anchors’ or attributes to represent what we stand for in the market. We held launch events in every office to not only promote the new visual identity, but to celebrate the Grant Thornton brand and what it means to each person in the firm.

Agile for growth

In February, we reached another milestone toward delivering a compelling client experience with the completion of our new Adelaide office, offering agility for our clients and our people. This is our very first activity-based workplace office in Australia, and it epitomises the ‘Grant Thornton 2020 and beyond’ experience. As an outcome, we saw our clients share this environment with us, and every team in Adelaide improved their morale and financial performance.

It is designed to be fun, enjoyable, personal, collaborative and enable innovation. We are looking forward to moving to the same activity-based workspaces in Melbourne, Sydney and Perth in the coming months.

Looking ahead

One firm: a national approach – leading with quality

Commencing 1 July 2017, we moved to a national service line structure to ensure the highest quality of product and service, share best practice efficiently and effectively, and enhance collaboration for the benefit of both our people and our clients.

This new structure is designed to allow us to embrace innovation and ensure we maintain quality, risk and compliance standards and have consistent approaches to technical training across the country. Our clients will benefit from being serviced by the best person for the job with industry expertise regardless of geography. Our people will benefit from sharing ideas and best practice, building technical capability, getting exposure to different clients and working with others across the business.

This national approach will allow us to standardise and streamline our processes which will create efficiencies and improve our ability to embrace technology and compliance procedures.

We have also introduced a Head of Quality & Excellence, a National Managing Partner of Industry and a National Managing Partner of Innovation to elevate our focus and investment in each of these critically important areas.

Our Partner conference in Cairns this year will be committed to us reinforcing this message.

Digital transformation

FY18 will also see us make a significant investment in technology and innovation. As the pace of change in our industry exponentially increases, We need to remain focussed on technology as a priority and continually invest.

Disruption through Innovation

Under our new structure we now have a National Head of Innovation. Our intention is to listen to our people, give them a strong voice and create a platform where they can have a say.

Retail Specialist

In September of this year we joined forces with GNC to bring a further five Partners and 50 retail specialists to Grant Thornton. Together we now have superior skills and expertise in this important industry sector. We look forward to working together to support our clients in this industry through this period of rapid change.

Growth in Partner Talent

We have detected a trend of increased talent approaching us to bring their industry expertise to our firm. Since 1 July of this year we have made four further Partner appointments and we continue to engage with numerous other applicants.

Our Partner numbers have now jumped to 159 and we are on track to achieve our target of 200+ by 2020.

In addition, our talent mapping highlights the fantastic talent in our senior ranks we hope to see a material portion of our 65 Directors progress through our organisation over the coming years. This is supported by our desire to attract, develop and promote great talent to Partnership.

Work environment for our people

In the year ahead we expect our people to:

- Be committed to leadership with quality.
- Work more flexibly.
- Be more agile in their work practices.
- Embrace improved technology.
- Enjoy new fun and innovative office designs.
- Be more refreshed by having less interrupted personal time.
- Have a greater say and help us to disrupt our market through their innovation.

A message from our National Managing Partner – 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.

This year – in my second report as National Managing Partner – Audit & Assurance – I reflect on the steps we've taken during FY17 to continuously improve audit quality, including our firm's work towards a significant structural change to our business that brought our audit practice into a single national business unit under my leadership, effective 1 July 2017.

Our global assurance strategy Leading with Quality was launched during the year and our local Australian focus is well-aligned to this strategy. Ensuring we deliver a first-rate, high-quality audit relies on having the appropriate culture and behaviours embedded in our people: strong systems and processes, state-of-the-art technology and deep technical knowledge. To compete in an increasingly challenging market, we also need to ensure that we deliver our audits efficiently and with insights to add value to our clients through our work with them.

We understand 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 in learning and development, so that every Grant Thornton Australia person has the skills to deliver the distinctive client service for which we aim to be known.

Overview of the 2016-17 financial year (FY17)

FY17 brought continued growth to Grant Thornton Australia's Audit & Assurance practice, with revenue increasing to \$72.3 million. This is a pleasing outcome, especially given the highly competitive environment in which we operate. Our firm has continued to benefit 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 our clients with distinctive 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 continued refinements to the way our Partners are evaluated and remunerated via our Partner Scorecards and a robust national moderation process. We measure and reward behaviours and outcomes that reinforce Grant Thornton Australia's commitment to continuing quality in all our service lines.



Matt Adam-Smith
National Managing Partner –
Audit & Assurance

Audit inspections

During FY17 we continued our cyclical, routine audit inspections by the Australian Securities and Investments Commission (ASIC). ASIC runs a continuous 18-month inspection cycle program. Its firm-specific and industry-wide reports prepared after the review period 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 market's trust in our profession.

In late June 2017, ASIC released its industry-wide Audit inspection program report on its observations and findings in the 18 months to 31 December 2016. Available on ASIC's website, it covers the results of inspections of 23 Australian audit firms undertaken during that time.

ASIC also released a private firm-specific report to Grant Thornton Australia as part of its regular inspection program, reviewing four of our engagement files. The key findings outlined in this report form part of the industry-wide Audit inspection program report.

Action plan to improve audit quality

ASIC regularly meets with the six largest audit firms in Australia to review their action plans, which 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 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 six main areas, reflecting the main points of previous ASIC Audit inspection program reports:

- 1 Maintaining a strong culture of audit quality.
- 2 Level of professional scepticism.
- 3 Sufficiency and appropriateness of audit evidence.
- 4 Appropriate use of the work of experts and other auditors.
- 5 Audit of revenue.
- 6 Audit of asset values, particularly impairment of non-financial assets.

We consider all these points to be vital for maintaining audit quality at the highest level. During FY17 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 focuses on reinforcing the requirements of professional standards and our commitment to quality:

- We have fully implemented Grant Thornton International's global training on International Standards on Auditing (ISA), making it mandatory for all auditors as part of our global drive to maintain technical expertise in an ever-changing regulatory landscape.
- Engagement team leaders continue to complete audit quality workshops. These case study based workshops look at current issues and regulatory focus areas, including those outlined in ASIC inspection reports.
- The Voyager Information System (VIS) tool is giving us further insight into our engagement spread and enables us to monitor engagement teams' progress from commencement through 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.
- 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.
- Our Audit Quality Panel continues to support our teams in delivering high quality audits to higher-risk engagements.
- Appointment of our Engagement Quality Control Reviewers is now on a national level, matching engagements to reviewers with the right set of industry expertise and experience.

Evolving & enhancing our client service delivery model

The realities of a highly competitive market and the speed of change – especially in relation to technology – 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.

Last year Grant Thornton Australia embarked on a pilot program to expand our existing secondment program with other Grant Thornton International member firms into an extended delivery model to realise this goal. This pilot program was successful and has been expanded for the 2017-18 year to ensure we have capacity in the peak months of a highly seasonal audit practice resulting from the predominant 30 June year ends for most companies in Australia.

Global initiatives

Grant Thornton International is progressing with the development of our new global audit methodology and supporting technology and learning program (LEAP) for use by Grant Thornton member firms. We are actively involved in this significant project, with Australian team members having been seconded to the global project team. I am a member of the global steering committee and our local LEAP champions are involved in on-going user acceptance testing.

Some 25 online training modules – focused on the International Standards on Auditing (ISAs) – have been released and are available to our Australian audit team members. Completion of all 25 modules is mandatory. The LEAP methodology has also been finalised and some changes already implemented ahead of the launch of the technology platform later this year.

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 2018.

Our culture and continuing professional education

Our culture

We are committed to developing a distinctive, vibrant working environment where our people are inspired and challenged to deliver exceptional client experiences. We know that transformational leadership plays a critical role in creating our desired culture. Our work on leadership and culture is continuous and our programs are designed around building authentic, inclusive and inspiring leaders who ignite a culture that fosters innovation, curiosity, diversity of thought and deep care for our clients and each other.

We saw progress in this space over the past year with the launch of a number of key initiatives:

Launch of our Pathway to Leadership Program, which will help our Directors develop their leadership capability and set them up for success as they prepare to step up to Partner or Principal roles.

Launch of Clear Careers, which streamlines our career pathway and provides our people — including in Audit and Assurance — with clarity and the support they require to take ownership of their career progression.

A review of audit technical competencies as part of the Clear Careers program, providing a contemporary point of reference for Audit professionals to follow as they move from Advisor to Partner. The Clear Careers project has also highlighted the key expectations for audit professionals at each role level.

Our FY17 Partner conference, which provided our leaders with the tools required to have broader business conversations and provide deeper insights to our clients.



Kate Lindwall
Chief People & Culture Officer



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 an environment where differences are embraced and our people are encouraged to reach their full potential and thrive – regardless of their age, sexual orientation, gender, ethnicity, faith or disability status.

We continued to support our leaders to build their capability to deliver on diversity and provide visible leadership on — and commitment to — gender diversity.

We have specifically focused on embedding GT Flex Appeal, with a focus on creating clarity around how we would support our people in pursuing professional and personal aspirations without compromising our “client-first” mindset. GT Flex appeal has been embedded through:

- Guiding principles for conversations.
- Alignment of the flexible work policy.
- Creating shared language and understanding.
- Interactive guides and forms.
- Celebration of flexible work stories.

We look forward to continuing to evolve GT Flex Appeal over the next 12 months.

Our commitment to developing our approach to inclusion was reflected in our submissions to the Workplace Gender Equality Agency, as well as the Australian Workplace Equality Index.

Our active Diversity at Work Now (DAWN) committees in each office continue to build awareness, embed the celebration of diversity and create an inclusive and warm welcoming work environment. The DAWN committees have led the celebration of International Women’s Day, Wear it Purple Day and Movember, just to name a few.

Grant Thornton Australia is proud to be an active member of the Diversity Council of Australia and Pride in Diversity and an active supporter of marriage equality.

Growing our people

High performance is integral to the delivery of our 2020 Strategy.

2017 saw the launch of Clear Careers, our simplified career framework. Clear Careers articulates the expectations and capabilities for success at each career level. Clear Careers empowers our people to take ownership of their careers and supports them to develop their capability at their own pace while delivering excellence to our clients.

The Clear Careers development guide has been well received by team members and leaders, and provides an understanding of the key performance expectations at each level, the capabilities required for success and development options across these non-technical competency areas.

Clear Careers complements our Performance Inspiring system by providing clarity for both coaches and team members around what “good” looks like at each level.

Grant Thornton Australia’s Learning Pathway is designed to build highly skilled professionals, growth advisors and leaders at all levels. Each of our technical and non-technical learning programs contribute to building capability across the firm.

Tomorrow’s leaders: leading into 2020

Our comprehensive talent mapping process is critical to the long-term success of our firm and continues to evolve. Each year we continue to identify transformational leaders and future leaders for our firm. The success of our talent planning and pipelining process has seen 10 new Partners promoted on 1 July 2017, three of whom were female, and 25 new Directors, eight of whom were female.

These promotions were conducted via a rigorous and transparent selection process involving a selection of leaders from our Board, Strategic Leadership Team, Markets Leadership Team and People & Culture, who assessed candidates against set criteria and then made recommendations for appointment to the CEO for Directors and – in the case of Partners – to the Board for final approval.

In FY17 we brought in four new Partners from outside Grant Thornton Australia, two of whom are female. These lateral hires are highly respected in their specialist fields and bring with them a wealth of experience, industry expertise and diversity of thought that we can now offer to our clients. 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

We encourage our people to complete their Chartered Accounting (CA) qualification. We provide a range of support to facilitate this, 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 throughout each module.

At a leadership level, the second cohort of leaders has finished our Inspirational Leaders 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 through 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.

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 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 Development (CPD) 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.

For professional members of audit teams, as part of their mandatory CPD training and development, we have a continually evolving set of formal technical training courses run throughout the year. Each course is tailored to the target team members' level, helping them enhance their expertise and technical abilities.

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 FY18 our firm will continue to look for new ways to develop our leaders, and create engaged and high performing teams to help bring our 2020 strategy to life. 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.

Legal structure and ownership

Legal structure

Grant Thornton Australia Limited 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 Ltd 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 2017, Grant Thornton International Ltd had 130 member firms. Each member firm is a separate legal entity. Membership in the global network 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 names.

Governance

Board of Governors

The Board of Governors (the Board) is the principal and overriding authority in Grant Thornton International Ltd (GTIL). The Board exercises governance over GTIL and comprises the Chief Executive Officer (CEO), the chair of the Board, 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 GTIL.
- 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.

Scott Barnes was appointed Chair on 1 January 2015. His term runs until the end of December 2017, with the possibility of re-appointment for two additional years at that time. 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 at 1 January 2017

- Scott Barnes, Chair
- Pascal Boris, independent member
- Vishesh Chandiook, India
- Marivic Españó, Philippines
- Hisham Farouk, UAE
- Gagik Gyulbudaghyan, Armenia
- Arnaldo Hasenclever, Argentina
- Xu Hua, China
- Emilio Imbriglio, Canada
- Anna Johnson, Sweden
- Vassilis Kazas, Greece
- Greg Keith, Australia
- Daniel Kurkdjian, France
- Kevin Ladner, Canada (observer)
- Mike McGuire, United States
- Ed Nusbaum, CEO GTIL
- Joachim Riese, Germany
- Sacha Romanovitch, United Kingdom
- Judith Sprieser, independent member

Independent board members

Independent Board members bring a valuable external business perspective to the deliberations of the Board, add to the network's profile and increase Board transparency. Independent Board members support the network's recognition of its public interest responsibilities and its attitude towards quality, risk management and governance, and the network's effectiveness in executing its strategic goals and market positioning.

GTIL has processes in place to ensure that the appointment of independent Board members and their ongoing service is compliant with relevant independence rules.

Standing committees

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

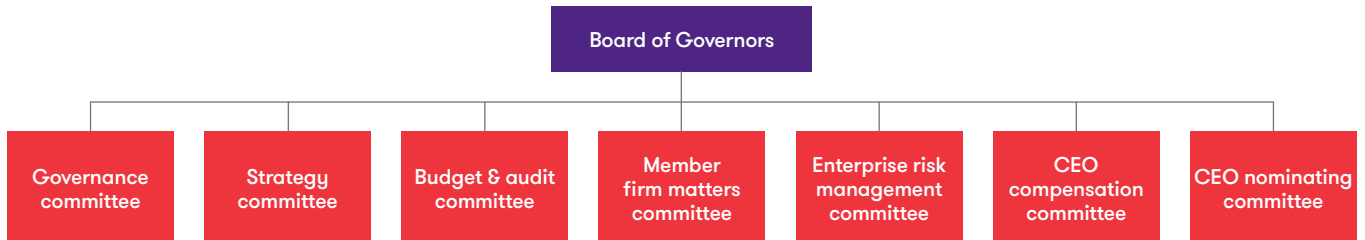
- **Governance committee:** ensures efficient and effective operation and oversight of GTIL's leadership structures and performance.
- **Strategy committee:** advises on the development, alignment and execution of the global strategy.
- **Budget and audit committee:** oversees the GTIL budget and audit processes to ensure the successful execution of the GTIL strategy and adherence to the fiduciary responsibilities of GTIL.
- **Member firm matters committee:** considers and determines resolution for, on behalf of the Board, recommendations made by the global leadership team relating to member firm matters, including member firm terminations, complaint handling and changes proposed to rules and agreements that materially affect member firms.
- **Enterprise risk management committee:** has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms.
- **CEO compensation committee:** executes the Board's responsibilities relating to the annual performance evaluation and related compensation of the GTIL CEO, the adoption of policies that govern the CEO's compensation and performance, and the oversight of plans for CEO development.
- **CEO nominating committee:** charged with recommending a candidate/s for the role of GTIL CEO to the Board.

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 until the end of December 2017. Peter Bodin will replace Ed Nusbaum as CEO from 1 January 2018 for a period of five years.

The CEO is responsible for the leadership of Grant Thornton International Ltd. 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 (GLT)

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 1 January 2017.

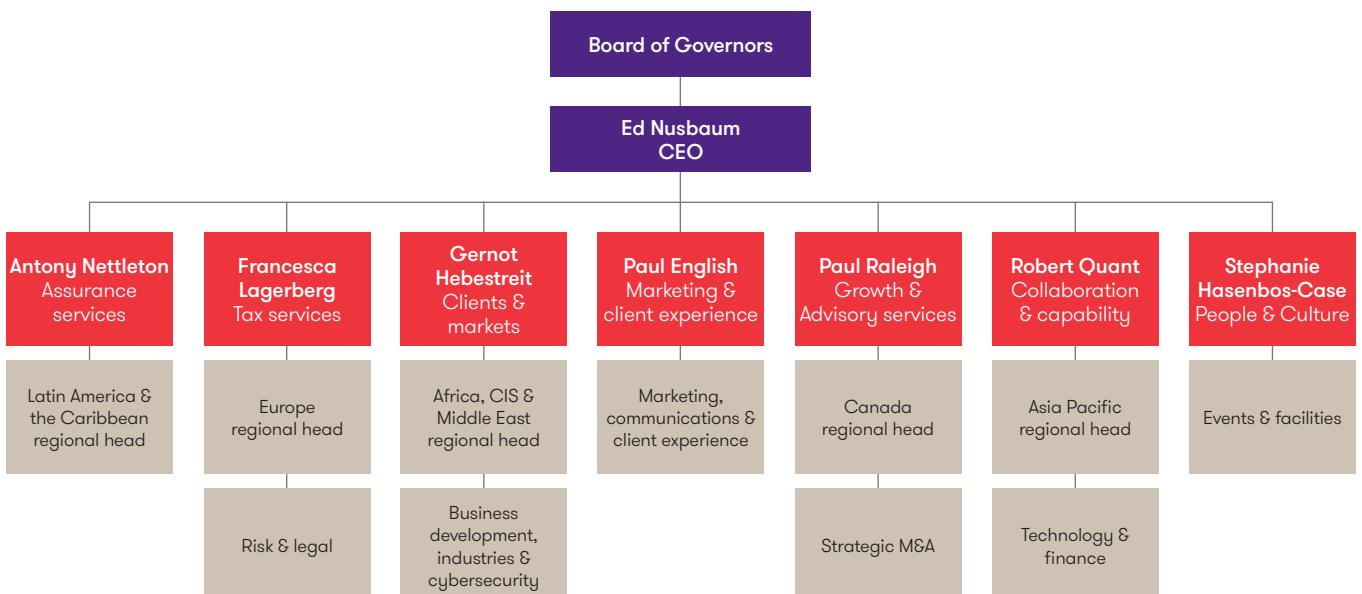
A critical role of the GLT is to work with member firms in driving the execution of the global strategy. Our vision is to be known as the leading business adviser to dynamic organisations by unlocking the potential for growth in our people, our clients and our communities.

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 across our organisation with:

- Our people
- Our clients
- Our markets and communities

It sets out how Grant Thornton will achieve its vision and identifies the actions Grant Thornton will take. 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, and monitoring financial performance.
- Appointment of the CEO.
- Approving major matters in line with the shareholder agreement.

As at 30 June 2017, the Board members were:

- Tony Crawford (Independent Chairman)
- Greg Keith, CEO
- Louise McCann (Independent)
- Michael McCann
- Andrew Hewitt
- Michael Catterall
- Mauri Mucciacciaro
- Peter Woodley

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 by the Board.

Partner Equity and Promotion Committee

This committee's role is to oversee and approve the annual remuneration and equity allocation for Partners, including those Partners who are also directors of Grant Thornton Australia and 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 - Quality and Excellence, and the National Head of Risk, Compliance and Quality, oversee the risk and compliance framework and report to this Committee, the CEO and the Board.

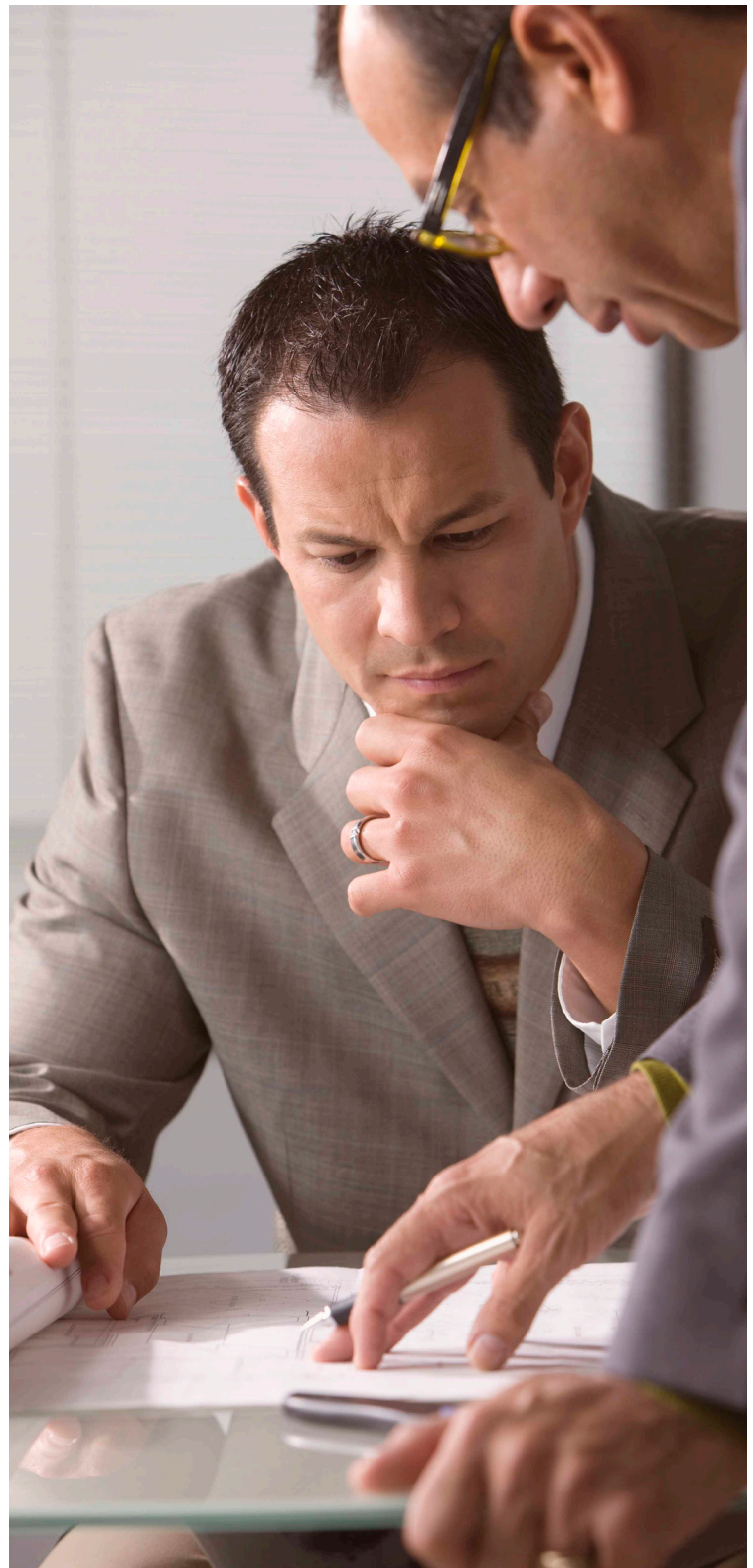
Nominations Committee

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 and 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's strategy and business plan within the annual budget parameters.



The reporting structure

Managing Partners

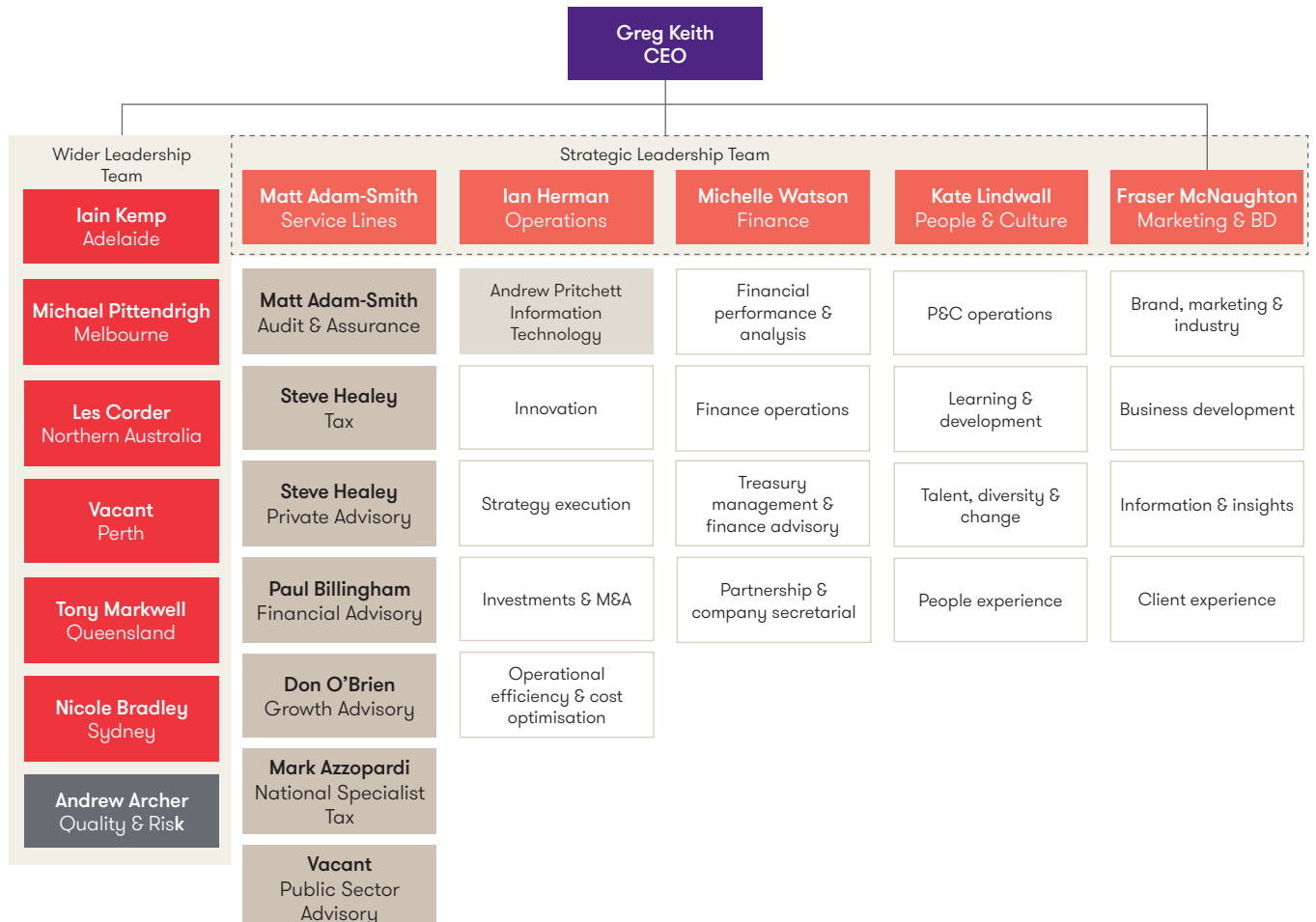
Our Managing Partners collaboratively lead our go-to-market strategies to build our brand, attract quality people, deliver distinctive client service and grow revenue to ensure profitable performance in each local market.

Leaders

Our Leaders execute our strategy and business plans in respect of 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 and Assurance leaders

The National Managing Partner – Audit & Assurance

During FY17, Matt Adam-Smith was the National Managing Partner – Service Lines and National Managing Partner - Audit & Assurance.

From 1 July 2017, Matt has taken on the role of National Managing Partner – Audit & Assurance, as the firm moves its primary management structure from geographical to national service lines to continue to enhance quality and consistency of service delivery.

Matt is responsible for driving audit quality, supported by the Audit & Assurance National Service Line Leadership Team. This team is comprised of the local Audit & Assurance Service Line Leaders, the National Assurance Quality (NAQ) Partner, the National Managing Partner – Quality & Excellence, as well as representatives of other firm resources for specialised projects.

National Assurance Quality (NAQ)

The NAQ team (previously NAS, National Audit Support), headed by Marilyn Gwan, works with the National Managing Partner - Audit & Assurance to develop and implement 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.

NAQ develops thought leadership material on auditing, financial reporting, ethics, and other industry-related issues. 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.

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 by 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

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 audit methodology team.
- Audit specialists in other member firms.
- Our financial reporting 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.

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. 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 and 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 the requirements of the Australian Standard on Quality Control (ASQC 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 NAQ team.
- National Managing Partner – Audit and Assurance.
- National Managing Partner – Quality & Excellence.
- The Audit Quality Panel.
- The Extended Audit Report Panel.

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

Professional development as a priority

Our Audit & Assurance practice prioritises maintaining and improving 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, such as listed and other Public Interest Entities, the Client Acceptance Panel, headed by the National Managing Partner – Quality & Excellence, must review and approve the proposed engagements. In certain exceptional circumstances, we will also consult with our colleagues at Grant Thornton International.

Solutions following client acceptance

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 (such as intention to become a listed entity) or if other risk indicators are present, we require the Client Acceptance Panel to review and approve the engagement before our teams proceed with the audit.

Corporate governance and engagement continuance

A client's corporate governance and the robustness of its financial reporting system are 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 NAQ team works to monitor engagements from planning through 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.

Where clients are registered organisations, we ensure that rotation and independence provisions are in line with the Fair Work (Registered Organisations) Act 2009.

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.
- GTINet, our global data network with up-to-date information on relevant professional standards and global assurance guidance.
- 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, review and respond to technical consultations, 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 NAQ team and available 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 investments in audit methodology development, technology, training, communications and guidance toward the continuous improvement of service quality.

* Trademarks of Grant Thornton International.

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. We strive to enhance our clients' businesses – within regulatory guidelines – 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 NAQ 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 all relevant auditing standards and legislation. They 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.

AFRs for listed client engagements also contain a description of Key Audit Matters (KAMs) identified during the audit and procedures to address them. This is in line with regulatory requirements for financial reporting periods beginning on or after 15 December 2016.

As part of the drafting and finalisation of audit reports for listed entities, the Extended Audit Report Panel, led by the Head of National Assurance Quality, conducts a comprehensive quality review of the description of identified KAMs and the ways in which the audit addressed each issue. This process ensures every Grant Thornton Australia Extended Audit Report is comprehensive and understandable to investors, including for those without a technical accounting background.

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 Assurance Quality (NAQ) team drives Audit Peer Reviews (Internal Quality Control Reviews 'IQCR') to assess the quality of completed audit work and its compliance with the firm's quality and risk management framework. In line with ASQC 1, the NAQ team reviews each Partner and each office at least once every three years. The review teams are comprised of experienced Partners, Directors and Managers from other offices and the engagements selected are those that NAQ and the Review Team Leader consider to be more complex or of higher risk.

The IQCR process tests the effectiveness of our quality controls in areas such as client acceptance, training, compliance with ethical standards and independence.

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

During the 2017 financial year, Grant Thornton Australia's internal quality inspection reviewed 34 engagement files.

Internal monitoring

Grant Thornton Australia engages in ongoing monitoring programs, all with the aim of continually ensuring the strength of our quality framework and performance in addition to our IQCR process. These stringent internal monitoring policies include:

- Grant Thornton International Audit Review (GTAR) — last inspection, December 2013. Next inspection scheduled for November 2017.

- Independence Declaration Compliance Audit — conducted annually. Last audit June 2017. Next audit scheduled for June 2018.
- Global Independence System audit of declarations — conducted quarterly. Last audit May 2017. Next audit scheduled for August 2017.
- Audit Quality Panel continuous monitoring of high risk, in-progress audit engagements.
- National Engagement Quality Control Review allocations on all audit engagements, matching clients with reviewers armed with the right set of experience and industry expertise.
- Consultation reviews requested by engagement teams with subject matter specialists and industry experts within the firm.
- Extended Audit Report Panel, ensuring every listed entity's report released to the market is comprehensive and easy to understand.
- NAQ Team accounting, audit and methodology technical consultations.

Peer review program

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

As an example, Grant Thornton 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 NAQ 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 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:

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

ASIC — continuous quality reviews. Latest inspection commenced January 2017 — five engagement files under review as at publication of this report. ASIC's previous inspection cycle took place during 2015/16. Number of engagements inspected: four.

CA ANZ — analysis of the drivers of audit quality. Last survey conducted 2012.

PCAOB Review — at least every three years. Last inspection March 2015. Number of engagements inspected: three. Next inspection scheduled for December 2017.

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 service line. MAPs are loaded to our centralised Risk Monitor system.

Our Risk & Compliance team – along with NAQ – use the firm’s Audit Quality 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.

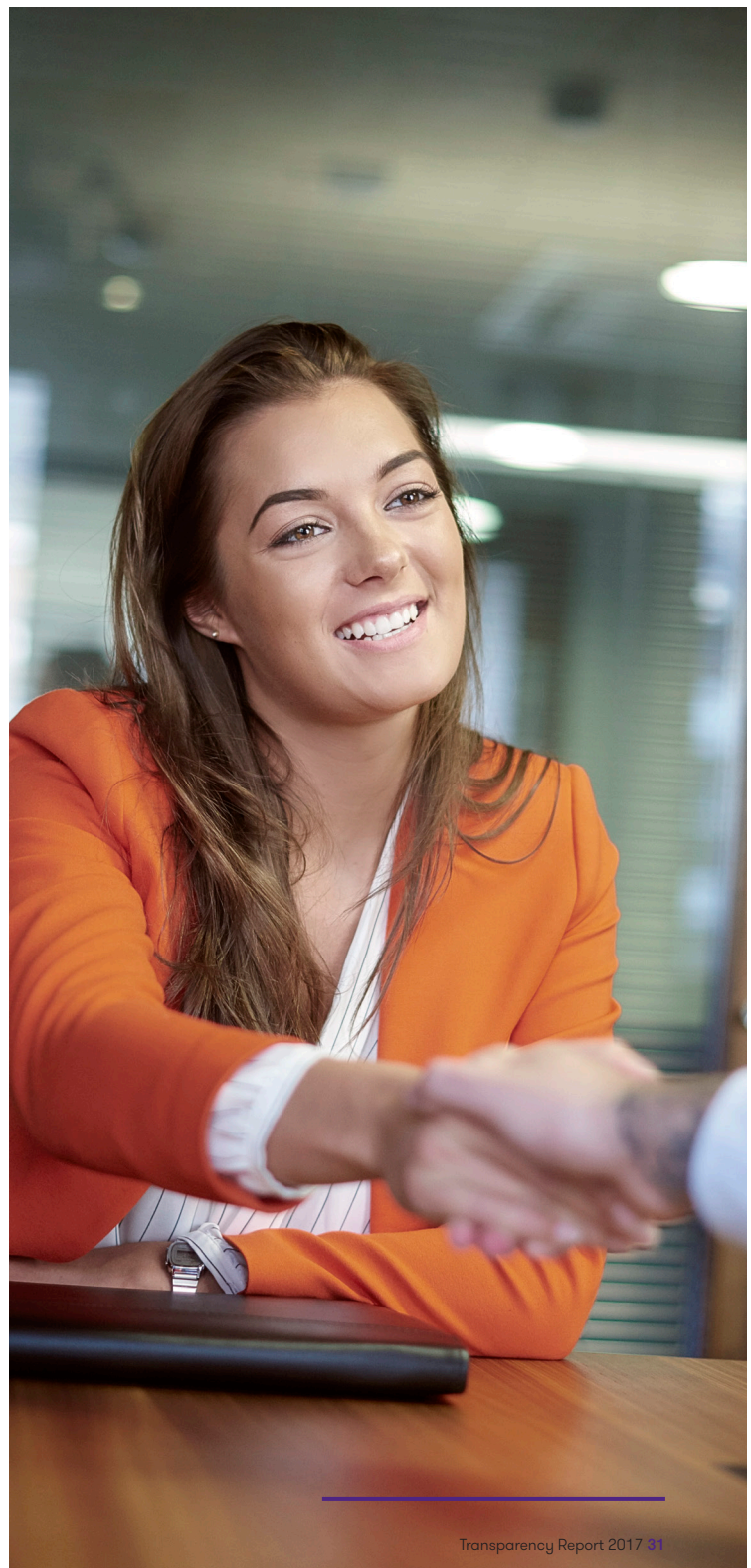
Results are communicated to the firm’s management teams through all levels up to and including the Board. The results of our quality monitoring and risk assessment programs are used to effectively allocate resources where needed to maintain or improve quality performance.

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, Enterprise Risk Committee, National Managing Partner – Quality & Excellence, 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 12 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 Assurance Quality and Control 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).

During the year, our internal monitoring identified independence matters relating to partner rotation requirements. The breaches primarily arose from historical inconsistencies in decentralised rotation register record-keeping, and were identified during our move to a centralised national rotation register. We self-reported these matters to ASIC and in separate independence declarations to clients. In addition to our centralised partner rotation register, we have enhanced and conducted new mandatory training modules to minimise the risk of a repeat of these breaches.

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. 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 joined in the implementation of the Global Relationship System (GRS) — 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's GRS is a global web application that streamlines the International Relationship Check (IRC) process between Grant Thornton member firms and provides insight into client and business relationships worldwide, supporting the identification of cross border business development opportunities. This new global relationship checking tool is being rolled out to all Grant Thornton member firms during the 2017 calendar year. It will facilitate the preparation, communication and workflows for international relationship check requests. It provides a robust platform and includes regular processes for assessing potential threats to independence or conflicts of interest identified during client acceptance.

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 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 89 per cent of its profit annually.

Short Term Incentive (STI) and 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 independently valued annually. 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 seven 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 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 behaviors 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 Enterprise and Risk 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 of 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 structure enables us to provide superior client service and advice across Australia with a view to helping our clients in their growth journey. This also allows us to reduce business risks through stronger, more efficient systems and procedures.

We 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 multifaceted Client Voice program builds the voice of the client into everything we do. The program examines the experiences of our clients to ensure we consistently provide exceptional client service and remain aligned to our clients' strategic aspirations.

Via a sophisticated online client feedback system we seek feedback on each engagement. This enables all members of the client service team to understand the client's expectations, monitor progress, and make improvements during the engagement. This feedback is used to continuously tailor and improve service levels and refine the training needs of engagement teams.

In addition, we undertake face-to-face interviews with our clients' management team to better understand how we can add value. These interviews are undertaken by senior partners independent of the relationship. CEO of Grant Thornton Australia Greg Keith also engages with CEOs and owners of our key clients to understand their issues, discuss their future aspirations and ensure the firm's strategic priorities are aligned to meet their needs.

Financial information for Grant Thornton Australia and Controlling Entities

Turnover	2017 (AU\$m)	2016 (AU\$m)
Fees (turnover) from statutory audits	72.3	71.7
Fees (turnover) from non-audit services changed to audit clients	18.7	18
Fees (turnover) from non-audit services changed to non-audit clients	134.6	130.6
Total revenue from audit and non-audit services to clients	225.6	220.3
Other revenue	3.6	2.4
Total fees (turnover)	229.2	222.7

Firm	2017	2016
Number of Partners	142	138
Number of Professional staff (FTE)	832.3	831.6
Number of Non-professional staff (FTE)	191	191
Total	1,165.3	1,160.6

Audit	2017	2016
Number of Partners	39	39
Number of Professional staff (FTE)	293.1	293.1
Number of Non-professional staff (FTE)*	17.3	17.3
Total	349.4	349.4

* 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 2017:

333D Limited	Asian American Medical Group Limited	Chalmers Limited
3D Oil Limited	Ask Funding Limited	China Waste Corporation Limited
Abilene Oil and Gas Limited	Asset Resolution Limited	Citation Resources Ltd
Adavale Resources Limited	Astron Corporation Limited	Class Limited
Adcorp Australia Limited	Ausmon Resources Limited	Clean Seas Seafood Limited
Adslot Ltd	Austin Exploration Limited	Clinuvel Pharmaceuticals Limited
Advanced Share Registry Limited	Automotive Solutions Group Ltd	Comops Limited
Alchemia Limited	Avita Medical Ltd	Copper Strike Limited
Alexium International Group Limited	Bass Metals Ltd	Core Exploration Limited
Alto Metals Limited	Benitec Biopharma Limited	Countplus Limited
Anatara Lifesciences Ltd	Berkut Minerals Limited	Dacian Gold Limited
Animoca Brands Corporation Limited	BigAir Limited	DigitalX Limited
Anteo Diagnostics Limited	Birimian Limited	Domacom Limited
Aphrodite Gold Limited	Bisan Limited	Dome Gold Mines Limited
Apiam Animal Health Limited	Bluglass Limited	DWS Limited
ApplyDirect Limited	Bulletproof Group Limited	Dyesol Limited
Archer Exploration Limited	Buymyplace.Com.Au Limited	Ellex Medical Lasers Limited
Argo Exploration Limited	Cannindah Resources Limited	Emergent Resources Limited
Armidale Investment Corporation Limited	Cape Credit Union Limited	Empired Ltd
Arrow Primary Infrastructure Fund	Carbon Energy Limited	Enegex Limited
ASF Group Limited	Catapult Group International Ltd	Ennox Group Ltd
Ashley Services Group Limited	Century Australia Investments Limited	Enterprise Metals Limited

Enzumo Limited	Laboratories Credit Union	Mylifemymoney Superannuation Fund
Fastbrick Robotics Ltd	Latam Autos Limited	NetComm Wireless Limited
First Option Credit Union	Latitude Consolidated Limited	New Guinea Energy Ltd
Firstwave Cloud Technology Limited	Lawson Gold Limited	Novogen Limited
Fleetwood Corporation Limited	Leaf Resources Ltd	NuCannaCo Science Limited
Flinders Mines Limited	Legend Corporation Limited	Octanex Limited
Funtastic Limited	Leigh Creek Energy Limited	Oncology International Research Limited
Gascoyne Resources Limited	Lincoln Minerals Limited	Papyrus Australia Limited
Genera Biosystems Limited	Lycopodium Limited	Pawnee Energy Limited
Golden Deeps Limited.	Managed Accounts Holdings Limited	Peako Limited
Goldsearch Limited	Manalto Limited	Petratherm Ltd
Gooroo Ventures Limited	Marmota Limited	PNX Metals Limited
Helix Resources Limited	Mason Stevens Credit Fund	Police Bank Limited
Horizon Credit Union Limited	Maximus Resources Limited	POZ Minerals Limited
Hunter Hall Global Value Limited	MCM Entertainment Ltd	PPK Group Limited
Hunter Hall International Limited	McMillan Shakespeare Limited	Praemium Limited
Imugene Limited	Medusa Mining Limited	Premiere Eastern Energy Limited
Indoor Skydive Australia Group Limited	Mejority Capital Limited	Prophecy International Holdings Limited
Innate Immunotherapeutics Limited	Merlin Diamonds Limited	Quest Minerals Limited
Integrated Payment Technologies Limited	Metals Australia Ltd	Ramelius Resources Limited
International Base Metals Ltd	Metgasco Limited	Rand Mining Limited
Investigator Resources Ltd	Metminco Limited	Rectifier Technologies Ltd
IPE Limited	MGM Wireless Limited	Reef Casino Trust
iSignThis Ltd	MHM Metals Limited	Regeneus Ltd
Jayex Healthcare Limited	Micro-X Limited	Reliance Rail Holdings Trust
Jupiter Mines Limited	Minotaur Exploration Ltd	ResApp Health Limited
Kalamazoo Resources Limited	Mithril Resources Limited	Reverse Corp Limited
Kangaroo Island Plantation Timbers Ltd	MOD Resources Limited	Sabre Resources Limited
Kidman Resources Limited	Monax Mining Limited	Saferoads Holdings Limited
Kingston Resources Limited	MRG Metals Limited	Sensera Limited
Kneomedia Limited	Musgrave Minerals Limited	Shenhua International Limited

Silver Heritage Group Limited	Xenith IP Group Limited
Sirtex Medical Limited	XPD Soccer Gear Group Limited
Smart Parking Limited	Yanghao International Limited
SML Corporation Limited	Yellow Brick Road Holdings Limited
Southern Gold Limited	Yojee Limited
Strategic Energy Resources Limited	
Sunbridge Group Limited	
Sydney Credit Union Limited	
Teachers Health Foundation Limited	
Teachers Mutual Bank Limited	
Terramin Australia Limited.	
Top End Minerals Limited	
Toro Energy Limited	
TPC Consolidated Limited	
Transerv Energy Limited	
TTA Holdings Limited	
Tychean Resources Ltd	
TZ Limited	
United Overseas Australia Limited	
Unity Bank Limited	
UraniumSA Limited	
Vector Resources Limited	
Veriluma Limited	
Victor Group Holdings Limited	
Vimy Resources Limited	
Viralitics Limited	
Visioneering Technologies, Inc.	
Vita Group Limited	
Westfund Limited	
Woolworths Employees Credit Union	
WPG Resources Ltd	

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">• Sunshine Homes – Board Member
Andrew Archer	<ul style="list-style-type: none">• 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
Andrew Hewitt	<ul style="list-style-type: none">• Portsea Surf Life Saving Club – Vice President• Portsea Surf Life Saving Club Foundation – Director and Trustee
Andrew Cornes	<ul style="list-style-type: none">• Building Active Connected Communities FNQ Ltd – Director and Treasurer• CA ANZ Regional Chair for Cairns and Far North
Cameron Bacon	<ul style="list-style-type: none">• Wesley College Council – Chair of Finance & Risk Management Committee
Dhun Karai	<ul style="list-style-type: none">• Founding member – Stone and Chalk (fintech hub)• Merchants Acceptance Group (USA) Member
Edward Draydon	<ul style="list-style-type: none">• Second Bite (Qld) – Advisory Board 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
Eric Passaris	<ul style="list-style-type: none">• Grant Thornton Foundation Ltd – Board Member• Companies Auditors – Disciplinary Board Member• CPA Australia – Disciplinary Committee Member• Australian Charities and Not-for-profits Commission - Professional Users Group• IBL Limited – Board Member• IBL Limited – Audit Committee Chairman• IBL Limited – Investment Committee Member• Catholic Development Fund Archdiocese of Melbourne – Board Member• Catholic Development Fund Archdiocese of Melbourne – Audit & Risk Committee Member• Catholic Development Fund Archdiocese of Melbourne – People & Organisation Committee Chairman• Genazzano FCJ College Ltd – Board Member• Genazzano FCJ College Ltd – Finance Committee Chairman• Berry Street Inc. – Board Member• Berry Street Inc. – Finance, Audit and Investment Committee Member• Berry Street Inc. – Education Committee Member• Project New Dawn Limited – Finance Committee 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 Grant Thornton Foundation – Board Member
Greg Keith	<ul style="list-style-type: none"> Habitat for Humanity – Board of Advisory
Ian Herman	<ul style="list-style-type: none"> Cybec Foundation – Chairman
Mark O’Hare	<ul style="list-style-type: none"> Stuartholme School – Chair
Michael McCann	<ul style="list-style-type: none"> Australian Restructuring Insolvency and Turnaround Association (ARITA) – Director (ARITA national board) ARITA Queensland Division – Committee Member
Mauri Mucciacciaro	<ul style="list-style-type: none"> CBC Fremantle – Board Member and Chairman of Finance Committee Family Business Australia – Committee member Western Australia
Merilyn Gwan	<ul style="list-style-type: none"> Accounting and Auditing Standing Committee 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
Mitesh Ramji	<ul style="list-style-type: none"> Property Council of Australia – WA Retirement Living Council – Committee Member
Paul Banister	<ul style="list-style-type: none"> The Taxation Institute – Chair of State Council (Queensland Division) Member of Brisbane Catholic Education Council Finance Committee Member of Property Council of Australia (Queensland division) Tourism Roundtable
Peter Hills	<ul style="list-style-type: none"> Association of Mineral & Exploration Companies (AMEC) – Corporate Regulation & Taxation Committee member
Rana Pala	<ul style="list-style-type: none"> Federation of Indian Chambers of Commerce & Industry – India Advisory Group in Australia – Founding Member
Robert Samuel	<ul style="list-style-type: none"> Australian Information Industry Association Government Special Interest Group Committee and founding member of the Women in Stem Initiative.
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, Audit and Risk committee
Tim Hands	<ul style="list-style-type: none"> QUPEX Inc, (Queensland Petroleum Exploration Association) Treasurer
Vince Tropiano	<ul style="list-style-type: none"> International Grammar School – Board member

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.

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	15-18
A description of the transparency reporting auditor's governance structure	19-21
A description of the transparency reporting auditor's internal quality control system	23-25
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	34
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	30
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	37-39
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	29;32
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	11-13
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	36
Information concerning the basis for remuneration of the audit firm's partners or the authorised company's directors	33

About Grant Thornton

We're an organisation of independent assurance, tax and advisory firms, made up of 47,000 people in 130 countries. And we're here to help dynamic organisations unlock their potential for growth.

For more than 100 years, we have helped dynamic organisations realise their strategic ambitions. Whether you're looking to finance growth, manage risk and regulation, optimise your operations or realise stakeholder value, we can help you.

Grant Thornton Australia has more than 1,160 people working in offices in Adelaide, Brisbane, Cairns, Melbourne, Perth and Sydney. We've got scale, combined with local market understanding. That means we're everywhere you are, as well as where you want to be.

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