

TRANSPARENCY REPORT 2023

GRANT THORNTON AUSTRALIA LIMITED
AND ITS CONTROLLED ENTITIES
INCLUDING GRANT THORNTON AUDIT PTY LTD

FOR THE YEAR ENDED 30 JUNE 2023



Contents

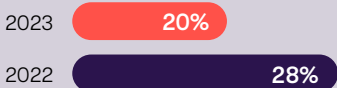
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Transparency at a glance

Total employees as at 30 June 23



Audit & Assurance Employee Turnover %



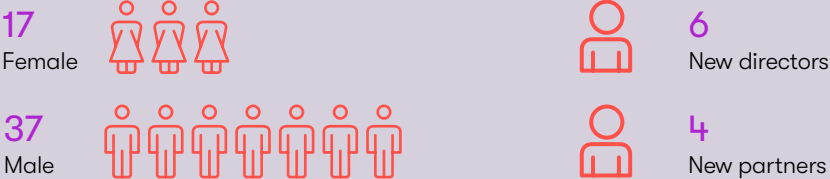
Chartered Accountants Australia & New Zealand training



Gender diversity in Audit & Assurance



Gender diversity in Audit & Assurance Partners





Nicole Bradley
National Managing Partner
Audit & Assurance

Foreword

FOCUS AREAS

-  Governance and Transparency
-  ESG and sustainability reporting
-  Education and embracing technologies
-  Wellbeing of our people
-  Uplift in engagement and growth

FY23 saw many businesses return to pre-Covid normalcy. However, the professional services industry experienced increased scrutiny, emphasising the need for transparency more than ever.

Governance and transparency

Recent events have put the spotlight on issues concerning governance and integrity within the professional services industry. From our perspective, these topics have always been critical considerations. Accounting firms rely heavily on public confidence in their work, and we are conscious of the need to continually reinforce professional integrity with our people while improving our systems to monitor and manage quality and compliance.

With governance being a significant issue for the sector, we can report the public unlisted company structure employed by Grant Thornton, governed by the Corporations Act, is serving us well. Grant Thornton has three independent board members, including an independent Chairperson of our Board and all its committees. We are independently audited, with our transparency reports and audited financial statements publicly available.

ESG and sustainability reporting

As the Australian Treasury has proposed mandatory sustainability reporting from 1 July 2024, there is a growing demand for organisations to provide transparency on their commitment to ESG and sustainability, as well as disclosure of the non-financial impacts of their business activities. These changes to standards mean there is now a requirement for auditors to respond to the rapidly developing landscape of sustainability reporting. This has prompted a fundamental change in the skills of our people and technology to build appropriate processes and develop capability around the data required to support disclosures, and how to present the required information. We must work quickly to navigate through the new process of educating clients on collating the right information, building appropriate processes and for our clients to develop capability around the data required to support disclosures, and how to present the required information.

Education and embracing technologies

Education and embracing technologies is key to success in this ever-evolving audit landscape. At Grant Thornton, we believe that every audit is underpinned by quality and our firm's CARE values employed by our people. We foster curiosity, strategic thinking, and encourage our people to implement technologies such as process automation, artificial intelligence (AI) tools, data analytics, and utilising data effectively within audits to build on their skills and increase quality. We provide appropriate safeguards and limitations over the use of these technologies and provide support for their acceptable use and functionality through our digital assurance team and regular education.

We believe the industry should explore and embrace audit innovations and new ways of doing things, including AI and data transformation, so that industry regulations and standards are met more efficiently. This creates room for broader, commercial thinking in our people.

Wellbeing of our people

We are committed to supporting professional development within a culture that values the wellbeing of our people. A key threat to the sustainability of our profession is the future supply of talent, and the effect that people shortages may have on the workload for audit teams in particular.

We actively manage this risk within our own team through market-leading workplace initiatives that enhance our people's wellbeing, including flexible work options and the extended trial of the 9-Day Fortnight. We also advocate for broader changes to the regulatory environment that may help ease the burden of workload and busy periods on members of our profession.

At Grant Thornton, we believe we are making a concerted effort to listen to our people and ensure we are addressing these workload issues, alongside other reputational issues facing the profession.

Uplift in engagement and growth

Our wellbeing initiatives also help attract and retain highly skilled and diverse talent ranging from Associates to Partners and within our support teams. We actively promote firmwide diversity and inclusion initiatives, including the Gender Equity Network, which has seen a tangible increase in the number of women in leadership roles throughout the firm, as well as creating an inclusive environment for everyone. As a result, we have seen an uplift in our people's engagement and satisfaction, which has in turn led to better client service and growth across all parts of the firm. We expect this growth to accelerate throughout FY24.

Over the past 18 months, Grant Thornton has undertaken a successful repositioning in the market reinforcing that as a mid-tier firm, it can combine the resources and skillsets of larger firms – including expert Partners and specialist teams – with the accessibility and agility of smaller firms. Grant Thornton will continue to be a successful audit firm by investing in our ESG capability, and our CARE for our people and clients, while fostering a culture of collaboration and inclusiveness. We are also exploring the use of new technologies and data analytics to improve quality and deliver meaningful results for our clients.

Nicole Bradley

National Managing Partner – Audit & Assurance

[Connect with me](#)

Grant Thornton Culture

People initiatives

At Grant Thornton we aspire for all our people to live our four core values that we collectively refer to as CARE; Collaboration, Authenticity, Responsibility and Excellence. These four values are embodied in our 'GT Way' (behavioural expectations) and drive each and every decision in our firm, ensuring our people feel empowered, respected, supported and safe in the workplace.

As a firm, we consistently strive to enhance the overall people experience, and are willing to try new things such as the launch of our 9-Day Fortnight trial to ensure we reach for remarkable in supporting our people and clients. Launched in March 2023, the 9-Day Fortnight trial, with no cut to remuneration, was a proactive step by the firm to address the burn-out commonly experienced in professional services. The ultimate goal for the 9-Day Fortnight project is to provide an environment where our people feel supported to do their best work and deliver quality outcomes for our clients while at the same time focus on their own health and wellbeing.

The trial is uniquely flexible as it acknowledges each service line has varying reporting deadlines resulting in some teams opting for a 9-Day Fortnight, and others adopting a 4.5 day week. In order to ensure our commitment to client deadlines, the audit team chose to work a 4-day work week in off-peak (i.e. outside of major reporting deadline times) to recharge and allow for surge capacity during those peak times.

As part of the trial, our people have been encouraged to contribute ideas to work more efficiently including redesigning the workday, rethinking meetings, and leveraging technology. The trial has now been extended until March 2024 to be able to get a full year's worth of data, including the two major audit busy seasons, in order to validate the positive progress and feedback that has already been received during the initial trial period.

Creating an inclusive and diverse workplace

Grant Thornton is committed and active in workplace diversity and inclusion, as we know this is crucial for growing a stronger firm that can create greater value for our clients, and the communities we operate in. Our Diversity, Equity & Inclusion strategy is underpinned by five pillars of focus: cultural diversity, disability, LGBTQ+ inclusion, gender equity, and First Nations Peoples. Although not exhaustive, these pillars ensure we embrace and celebrate the diversity within our firm and communities and build a deeper understanding of inclusion and belonging for all our people.

Some examples of our recent initiatives to better support our diverse team members includes: the launch of our Gender Equity Network as part of our Gender Equity Action Plan; and strengthening our Parental Leave and Family & Domestic Violence Leave policies to increase the accessibility of family support and prioritise physical and psychological safety of our people.

We monitor and measure the impact of our work in diversity, equity and inclusion through internal and external benchmarks. For example, our annual engagement survey has seen a year-on-year increase for our average firm scores for "Inclusion". This shows our people feel our leaders proactively support diversity and inclusion initiatives, that we treat each other with respect, and that diverse perspectives are valued and encouraged. Every two years we participate in the Diversity Council of Australia (DCA) Inclusion@Work Index to gather more nuanced data on how our people are experiencing inclusion at our firm and to benchmark our progress against other leading organisations. We were recognised as an Inclusive Employer by DCA in 2021 and will share our 2023 survey results in November.

We are proud to say our work in this area has also received external recognition from a variety of organisations including being certified a Family Inclusive Workplace and winners of the Diversity and Inclusion Initiative of the Year by the Australian Accounting Awards 2023.

Awards



Early careers

#32 – 2023 Top Graduate Employer

Australian Association of Graduate Employers (AAGE)

#20 – 2023 Top Intern Programs

Australian Association of Graduate Employers (AAGE)

#30 – Top 100 Graduate Employers

GradConnection (in collaboration with the Australian Financial Review)

#45 – Prosple Top 100 Graduate Employers



2023 outcomes

Winner

Australian Accounting Awards 2023, Diversity and Inclusion Program of the Year Award for our Gender Equity Network (GEN)

Finalist

Women in Insolvency and Restructuring Victoria, Gender Diversity Organisation of the Year



2022 outcomes

Winner

Women in Finance Awards 2022, Employer of the year

Finalist

Recalibrate Gender Equity Awards

Finalist

Women in Insolvency and Restructuring Victoria, Gender Diversity Organisation of the Year

Silver Employer

Australian Workplace Equality Index – Pride in Diversity

Inclusive Employer certification

Diversity Council Australia

Family Inclusive workplace 2022–2023

Firm's internal Quality systems

System of quality management

The International Standard on Quality Management 1 (ISQM1) is effective from 15 December 2022. ISQM1 requires firms to establish a robust System of Quality Management (SoQM) across eight specified components and is applicable for firms that perform audits of financial statements, or other assurance or related services engagements. It replaces the International Standard on Quality Control 1 (ISQC 1) and takes a more proactive and risk-based approach to managing quality.

The standard establishes the firm's responsibilities for its system of quality management and requires the firm to implement responses to quality risks. The objective is to design, implement and operate a system of quality management for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm that provides the firm with reasonable assurance that:

- the firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

As part of the implementation, the firm has developed an ongoing program to perform monitoring and remediation procedures to enable an annual evaluation that our SoQM provides reasonable assurance that the quality objectives of ISQM 1 have been met. This has involved developing a framework for performing the monitoring and remediation activities to identify and evaluate deficiencies and prepare remediation plans to enhance the existing quality control system.

Whilst the outcomes from the implementation and execution of the firm's framework have highlighted areas of focus for improvement, the monitoring and remediation process established is intended to mitigate the risk of these findings continuing into future reporting periods.





Operating Effectiveness Statement

Statement of the firm's internal control systems

The responsibility for establishing strong, capable internal control and quality management systems across Grant Thornton Australia ultimately lies with the Board.

Grant Thornton Australia's quality management policies and procedures are built with the intention for monitoring, managing and mitigating risk, both internally as a firm in respect of meeting our business objectives, and externally for our clients over the risk of material misstatement in financial statements.

As the policies are not intended to eliminate risk, they provide only reasonable, not absolute assurance against failure or material misstatement.

As a firm, we leverage off the outcomes of our internal and external reviews to improve our policies and procedures and by continually enhancing our strategies within the changing risk landscape we develop more robust systems for risk assessment and response.

In the current period, the Board's review of the firm's internal quality control systems (including internal independence processes) did not identify any failings or weaknesses deemed to be significant. However, there were findings identified that can be actioned to help improve and strengthen existing policies and processes.

The Board's annual review considers:

- The design and operation of the quality management systems described in this report
- The findings of the regulatory inspections and subsequent remedial actions
- Reports from the firm's external auditors
- Reports from Grant Thornton International and various compliance programs operated by our firm on our quality control systems
- Assessment of the impact of non-compliance on the partners balance scorecards; and
- Assessment of our audit quality action plan and review of the root cause analysis.



Continuing professional education

At Grant Thornton we firmly believe in the importance of cross-collaboration across our national offices and between service lines. Providing opportunities for networking across the firm is a vital part of our culture, as well as an integral part of our team’s learning and development.

Technical training is complemented by non-technical soft skill training to ensure we provide maximum opportunity for our auditors to develop into skilful, strong, empowered employees. Our non-technical training encompasses a broad range of topics such as report writing, project management, review and supervision, and providing and receiving constructive feedback.

We recognise it is not realistic our team members are available at any one given time to attend live training, so we endeavour to record all our live sessions to playback on demand through our online learning platform. In addition, we also provide bite sized online training on particular topics for all teams to dive into when they require additional training material.

During the FY23 period, Grant Thornton provided a number of training opportunities for each level:

	Associate Level	Senior Associate Level	Manager/Senior Manager Level	Director/ Partner Level
Face to Face Learning/Live Webinars - Technical and Non Technical	131	112	69	71
PCAOB Badging			17	17

Other Training (hrs) available on demand

Audit – Methodology	6,051
Technical Accounting	2,516
Leap Audit Tool	1,100
Other Audit Tools	955
Other Topics	1,292

Grant Thornton International have developed a suite of courses that form part of our PCAOB Badging program; a requirement for managers and above who work on PCAOB engagements. The Badging course is an annual course and FY23's program added 17 hours of additional learning. There is a condensed version of this course available for senior associates and below that wish to upskill in this area and learn the fundamentals of PCAOB engagements.

FY23 saw the rollout of Grant Thornton's new audit tool. To ensure our audit teams were equipped with the skills required to execute an efficient, compliant audit with the new tool, the National Assurance Quality (NAQ) team ran two days of intensive training in each of the six local offices, which was an introduction to the tool and its enhanced functionality. Supplementing this training session, the NAQ

team have offered over 1,100 hours of additional on-demand support in our online Learning Exchange platform, as well as a detailed instruction manual and quick reference cards (a combination of locally made and sourced from Grant Thornton International).

In 2023, off the back of feedback from our employees, the NAQ team also introduced an additional three-day face-to-face conference targeted at Experienced Senior Associates on the trajectory to become Managers within the next 12 to 18 months, covering a range of technical topics.

In addition to the technical training offered, in FY23 our People and Culture team also ran two separate conferences for our Associates and Senior Associates.

Associate Conference November 2022

The 3-day conference at the Hyatt Regency in Sydney provided participants with the opportunity to connect, network, collaborate and learn from each other and business leaders. Associates from all our offices nationally attended with a total of 230 at the conference. The topics and themes covered included:

- Bringing our client promise to life through the client's experience and the impact Associates have when they truly connect with our clients
- Skill Building exploring concepts of curiosity, insightful questioning, commercial acumen, learning about the power of the brain, and mindset and perspective taking
- Research Project to help Associates put the client at the core of what we do and deeply understand their business.

Senior Associate Hackathon March 2023

Our goal with a community focused Hackathon was to bring life to our community promise in an environment where our Senior Associates could deeply connect with something purposeful and to come up with pragmatic and meaningful solutions to a community partner's challenge or problem. At the Hackathon seven Community Partners brought with them real life challenges and problems they are currently experiencing which are holding them back from achieving their social mission. Over 3 days our Senior Associates broke into cross service line teams to hack these challenges and problems, pitching their ideas to a panel which included both Grant Thornton Leaders and Leaders from the Community Partner organisations. Senior Associates from all our offices nationally attended with a total of 227 at the Hackathon.

Future conferences

Further feedback from our audit teams highlights a gap in non-technical face-to-face training at both the manager and director level. In response to this, our People and Culture team have designed two separate three-day conferences for both our Managers and Senior Managers (to be held in December 2023) as well as our Directors (to be held in March 2024). FY24 will also see the return of the Partner's Leadership Conference in November 2023, uniting the Partner group in strategic direction and strengthening leadership capabilities.

Professional Requirements

Our auditors are required to complete the CA Program as part of their employment. Members of the CA ANZ are required to undertake a minimum of 120 hours of training and development over a three-year period. At least 20 hours must be completed annually of verifiable training. CA ANZ has amended their requirements to allow on the job training to be captured as part of the training and development program with mandatory ethics training requirements also brought into the program.

Grant Thornton Australia is a Registered Training Organisation, meaning that our career framework aligns with CA assessment framework and therefore candidates are exempt from completing their practical experience logbook.

As an accredited firm, our members are supported by a number of initiatives to help guide and incentivise quality study including:

- Upfront fee payment of all CA modules to complete the program (9 modules)
- A study leave balance of 20 days to be used across the program as the candidate sees fit
- Payment of CA Study Support Classes (CA Masterclass)
- Merit award for top performing students
- Remuneration uplift upon completion of the program
- Annual payment of CA membership fees (both provisional and full)



Our commitment to audit quality and transparency

Audit Quality is an iterative concept at Grant Thornton. Our continued commitment to improving the quality of our audits both strengthens our people's knowledge and skill-sets and helps to build a stronger relationship with our clients by adding valuable insight into their business.

How audit quality is promoted at Grant Thornton

There are a number of ways in which we promote audit quality at Grant Thornton.

Client acceptance and continuance

Headed by the National Managing Partner for Quality and Excellence, our Client Acceptance Panel (CAP) meet regularly to discuss, and ultimately approve or deny the acceptance (or continuance) of all high-profile engagements, including listed entities and those designated as Public Interest Entities (PIEs). A consultation is also required with Grant Thornton International when certain criteria are met.

Support and Resources

As an extension of the audit team, The National Assurance Quality (NAQ) comprises of a number of designated firms experts in Audit Methodology (supporting ASA), Financial Reporting, Data Assurance, and PCAOB compliance. The NAQ team are on call to help the audit teams through any queries regarding any of these areas. Audit quality is promoted through a range of policies and procedures which dictate when mandatory discussion, consultation, or review is required (and those that are otherwise encouraged). The NAQ team is responsible for designing, approving, and providing training, templates and resources on The Assurance Library (TAL); a one-stop destination for the Grant Thornton Audit Methodology.

In addition to the NAQ team, our audit quality resources include:

- Engagement Quality Reviewers (EQR) on publicly traded and other specific engagements
- Experienced support partners on higher-risk engagements
- The Audit Quality Panel
- Technical specialists (valuations, IT, taxation)
- Industry specialists
- National Managing Partner – Audit & Assurance
- National Managing Partner – Quality & Excellence
- Head of Independence & Quality Control

The evolution of our audit quality framework over the last reporting period has seen a number of improvements and initiatives actioned, including:

- Introduction and rollout of our cloud-based audit tool, with full implementation by 30 June 2024. The cloud-based tool disaggregates our audit by timeline, from planning through to completion, allowing for a more streamlined review process, reducing the administrative burden on teams so that they are able to focus on deliverables to our clients;
- To facilitate the review and approval of planning and risk assessment of 30 June engagements by 30 June, we have utilised our new audit tool to create a range of detailed dashboards with key engagement status metrics to encourage more streamlined project management.

Ongoing monitoring

To ensure the continued performance of the highest quality audits each period, we execute a number of internal monitoring and training policies, including:

- Grant Thornton International Audit Review (GTAR) – GTI review a number of audit engagement files to assess quality and risk assessment processes. In the current period, the firm was subject to a limited review of one engagement file.
- National Engagement Quality Review allocations on all PIE designated and Listed audit engagements.
- Audit Quality Panel – a team of experienced auditors who sit alongside a sample of engagement teams throughout the audit process to assist in real-time reviews, ensuring live, timely feedback and compliance monitoring.
- Global Independence System (GIS) audit of declarations – conducted annually, with quarterly interim reconciliation. Latest audit of the GIS system conducted April 2023.
- Technical accounting, audit and methodology consultations with NAQ, of which a policy has been developed in FY23 that mandates discussion and consultation on various matters, both in technical accounting and in methodology.
- For listed engagements, our Extended Audit Report Panel reviews all reports to ensure they are unambiguous and comprehensive.
- Collaborative consultation opportunities with internal subject matter and industry experts as requested by engagement teams.





Internal Quality Control Review ongoing monitoring

Our Internal Quality Control Review Program (IQCR Program) is carried out by a handpicked team of experienced Partners, Directors and Senior Managers across our offices in Australia, led by a Review Team Leader from the Local Service Line Leadership team.

The IQCR Program is designed to assess the quality of audit files from inception to completion over a two-year rotational period, to ensure compliance with the firm's quality and risk management framework.

In the current period, we have revised our quality control review process, with all audit partners now being reviewed on a two-year rolling basis. In the event an engagement partner fails the internal review, they are required to be reviewed again in the next reporting period, in addition to any partners already selected in that round. This change in policy allows for a more robust, extensive review, promoting consistency in audit quality across the board.

The population of engagements for the IQCR program is comprised of those engagements that NAQ and the Review Team Leader considers to be of higher risk, either due to their complexity or other risk factors.

A final assessment is provided on the engagements, delivering either a pass, pass with significant deficiencies, or a fail, for which any engagements below a pass are required to undergo an extensive remediation process. The IQCR process complies with:

- ISQM1 (International Standard on Quality Management)
- ISA 220 (Quality Management for an Audit of a Financial Report and Other Historical Financial Information)
- IESBA International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code).

The findings from these bi-annual reviews are compiled into a Root Cause Analysis (RCA) paper that is communicated to our Enterprise Risk Committee, documenting the key reasons for file findings (both what worked well and what areas or policies require improvement). For the FY23 IQCR review season, the key highlights of the RCA included:

What worked well:

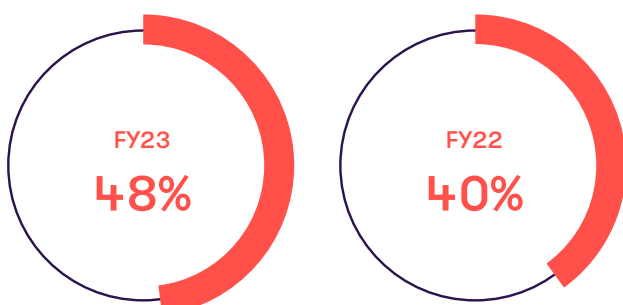
- ✓ Increased time on planning, which included two planning meetings focusing on risk and response
- ✓ High involvement from lead partner in the planning and project management of the engagement
- ✓ Time spent on difficult and technical areas upfront, including engagements where consultation was actioned early.
- ✓ Planning of engagement file all undertaken, reviewed and signed down prior to the timing of fieldwork.

The RCA, coupled with any other findings from external reviews, is then used as a foundation to develop the Audit Quality Action Plan (AQAP), which documents the key areas of focus for improvements to policies and procedures. FY24’s AQAP includes such strategies for improvements regarding:

- The client acceptance process;
- Further investment in Audit tools;
- Training; the continued implementation of training at each level, with a mix of technical and non-technical.
- Templates; the development of our audit templates is constantly evolving. The FY24 focus is on streamlining the existing templates.

Thematic findings from these reviews set the foundation for our bi-annual Audit Regulatory Workshop training hosted by the NAQ team, to highlight areas of focus and improvement for future reporting periods.

Percentage of partners reviewed as part of the peer review process



Grant Thornton is subject to review by the following bodies:

- | | |
|--|--|
| ✓ ASIC
(2 files reviewed in 2023, 5 key areas assessed, 2 risk of material misstatement identified) | ✓ PCAOB
(3 files reviewed in 2023, no Part A findings expected, awaiting final report) |
| ✓ CAANZ
no reviews | ✓ GTI Audit Review
(limited review – 1 file selected no risk of material misstatement identified) |
| ✓ CPAB
no reviews | |
| ✓ FRC UK
no reviews | |

ASIC’s New Approach to audit surveillance

Since the last review period, ASIC have taken a new approach when selecting audit files for their annual financial reporting and audit surveillance program. For the current reporting period, ASIC focussed on the financial reporting chain as a whole, selecting audit files for review based on changes made to the financial information/ report, or those reports that ASIC believe may have a risk of material misstatement. As a result, of the 15 audit files selected across 11 audit firms, two were reviewed from Grant Thornton Audit Pty Ltd.

Other Reviews

On 1 September 2022 Grant Thornton Audit Pty Ltd and former Grant Thornton director Brad Taylor appeared in the Melbourne Magistrates Court charged with failing to conduct the 2018 audit of iSignthis Ltd (ASX:ISX) in accordance with the Australian Auditing Standards. Grant Thornton takes its responsibilities in relation to Auditing Standards very seriously. The matter before the court – carried out under a relatively new application of the law – alleges that auditing standards were not correctly applied in the FY 2018 Audit of iSignthis, without any further implication of impropriety. Both Grant Thornton and Mr Taylor will be defending these matters with the hearing scheduled for 5th August 2024.

Independence and regulatory compliance

Independence compliance is monitored actively and timely. Our independence monitoring policies and procedures are designed to promptly and efficiently detect and remediate any potential conflicts.

Independence principles are not limited to the audit function; they are pervasive throughout the firm. Independence standards are clearly defined in our Independence Policy and Guidelines, as well as in our Assurance Quality and Control Manual.

All Partners and client facing managers are required to record their financial interests (and those of their immediate family members) immediately in our automated tracking system, the Global Independence System (GIS), with a re-declaration for accuracy at least every 90 days.

Using Grant Thornton International's independence framework

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 for Accountants' (IESBA) 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 The Australian version of the Code of Ethics, APES 110.

Personal independence monitoring and non-audit services monitoring

We monitor personal independence through a number of channels, including:

- Our Quality and Excellence Group;
- Global Independence System (GIS); and
- The annual declaration process.

Controls are also built into our acceptance and continuance tool for non-audit services to ensure that consultation and approval is obtained before proceeding to provide these services. The client acceptance and continuance process is heavily scrutinised, to ensure no conflicts of interest.

In circumstances where a conflict arises, we consult with the engagement Partner on the audit to determine if the appropriate safeguards can be applied, and therefore remove any threats to independence or ethical concerns. In circumstances where there can be no appropriate safeguards applied, the engagement will not pass our client acceptance or continuance procedures and therefore will not proceed as a client.

The most recent GIS audit was completed June 2023.

Partner rotation and other compliance monitoring

The NAQ team works alongside the National Service Line Leaders to monitor engagements from planning through to archiving. This includes reviewing all engagements in line with the rotation provisions under the Corporations Act 2001 s324DADD, APES 110 Code of Ethics for Professional Accountants (including independence standards) and those of foreign regulators such as the US Securities and Exchange Commission (SEC). Our centralised partner rotation register ensures we continually track and monitor movements in our rotation requirements on our public interest entities and any other engagements requiring rotation.

Finance

Financials

Turnover (AU\$m)	FY2023	FY2022
Fees (turnover) from statutory audits	100.1	91.0
Fees (turnover) from other assurance engagements to audit clients	6.9	8.8
Fees (turnover) from non-audit services charged to audit clients	31.6	27.5
Fees (turnover) from non-audit services charged to non-audit clients	196.8	177.3
Total revenue from audit and non-audit services to clients	335.4	304.6
Other revenue	3.93	3.64
Total fees (turnover)	339.3	308.24

Firm	FY23	FY22
Number of Partners (FTE)	164	153
Number of Professional Staff (FTE)	1230	1097
Number of Non- Professional Staff (FTE)	357	329

Audit		
Number of Partners (FTE)	54	49
Number of Professional Staff (FTE)	518	422
Number of Non- Professional Staff (FTE)	28	26

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. The Partner Remuneration Framework is made up of four components:

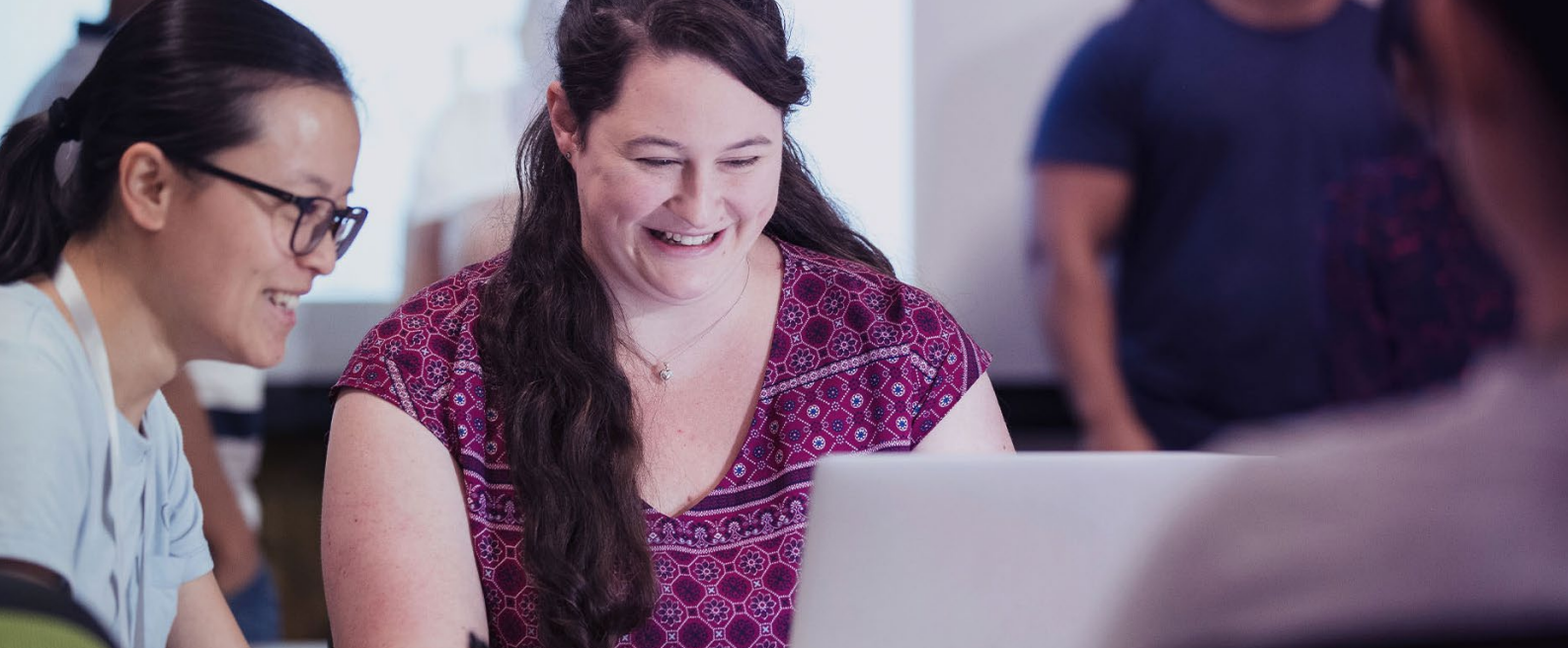
- Fixed Profit Draw (FPD)
- Variable Profit Draw (VPD)
- Equity
- Outperformance

Assessing performance

Partner performance is formally assessed annually using a balanced scorecard system. This assessment forms the basis of the FPD review and confirming the allocation of VPD. 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 includes:

- Quality, Risk and Independence
- Partner behaviours and obligations
- Operational hygiene

Our audit partners are not incentivised, nor are they permitted to be incentivised to cross-sell non-audit related services to audit clients.



Legal structure and Grant Thornton Network

Grant Thornton International Limited

Grant Thornton International Ltd (GTIL) is a public company limited by guarantee, incorporated in England and Wales. It is a non-practising international umbrella entity that does not provide services to clients.

GTIL has more than 140+ 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. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts and omissions. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names.

GTIL Board of Governors

The Board of Governors (the Board) is the principal and overriding authority in GTIL. The Board exercises governance over GTIL and comprises the chair of the Board; the chief executive officer of GTIL (CEO); managing partners from the largest Grant Thornton member firms; managing partners elected or appointed from other Grant Thornton member firms that are not amongst the largest; and independent directors. The Board aims for a reasonable balance of diversity and representation from different geographical areas, including emerging markets.

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

- Governance Committee
- Strategy Committee
- Budget and Audit Committee
- Member Firm Matters Committee
- Enterprise Risk Management Committee
- Technology and Innovation Committee; and
- CEO Compensation Committee

The use of standing committees allows a more efficient and effective discharge 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. GTIL is represented by our CEO on the GTIL Board of Governors.

Governance and management

Grant Thornton Australia Limited

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 – an authorised audit company under the Corporations Act 2001 – which is controlled by the Partners of Grant Thornton Australia, who are senior leaders of our audit practice nationally.

All audits are conducted under Grant Thornton Audit Pty Ltd other than New Zealand opinions which are signed from the Grant Thornton Australia Audit Partnership. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL).

Grant Thornton Australia Board

Grant Thornton Australia is governed by our Board, comprising an Independent Chair, five 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.

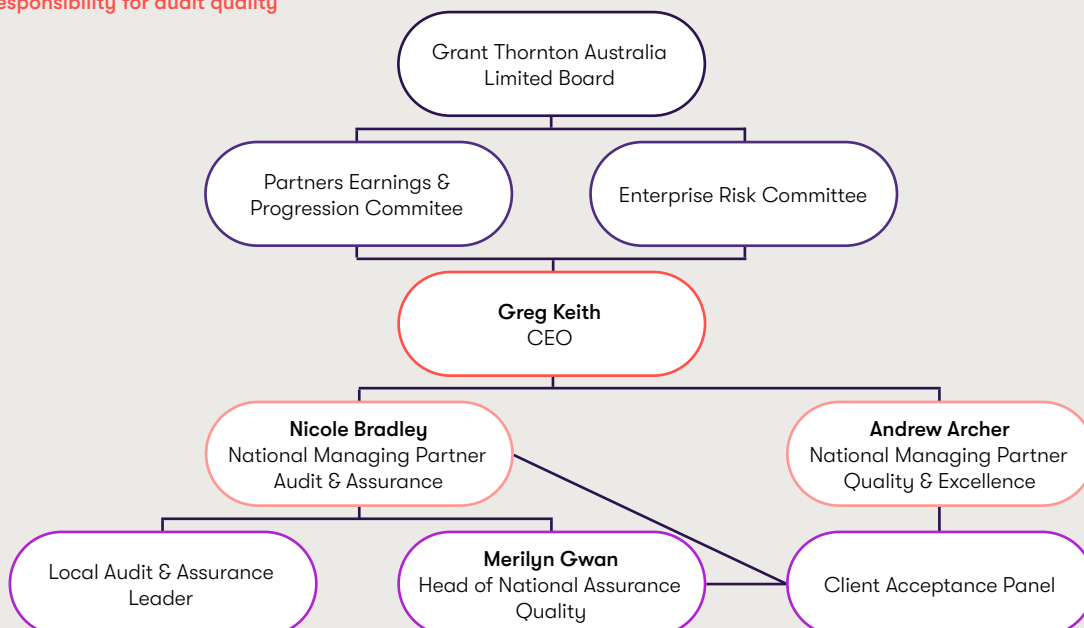
Our Independent Chair guides the policy and strategy to protect the firm's values at a Board level. The Board maintains four standing subcommittees:

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

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. Details of our Board members can be found in our statutory audited financial report.

Leadership responsibility for audit quality



Public Interest Entities

The following is a list of Public Interest Entities where we performed statutory audits in the financial year 30 June 2023

3D Metalforge Limited	Cairns Bank Limited	Fox Resources Limited
3D OIL Ltd	Cannindah Resources Ltd	Genetic Technologies Ltd
ACA Health Benefits Fund Limited	Carnaby Resources Limited	Genusplus Group Ltd
Acrow Formwork and Construction Services Ltd	Catalano Seafood Ltd	GTN Ltd
Adore Beauty Group Ltd	Centrex Metals Limited	Havilah Resources Ltd
Adrad Holdings Limited	Cettire Ltd	HHY Fund
Adslot Ltd	Chimeric Therapeutics Ltd	Hydrix Ltd
Aerometrex Ltd	Clarity Pharmaceuticals Ltd	IDT Australia Limited
Alexium International Group Ltd	Clean Seas Seafood Ltd	Immuron Ltd
Amplia Therapeutics Ltd	Clean TeQ Water Ltd	Imugene Ltd
Anatara Lifesciences Ltd	Clearvue Technologies Ltd	incoln Minerals Ltd
Apiam Animal Health Ltd	Clinuvel Pharmaceuticals Ltd	Infinite Green Energy Limited
Archer Materials Ltd	Consolidated Financial Holdings Ltd	Inoviq Ltd
Argo Exploration Ltd	Core Lithium Ltd	Investigator Resources Ltd
Ariadne Australia Ltd	Count Limited (previously Countplus Ltd)	Invion Ltd
Arrow Primary Infrastructure Fund	DC Two Ltd	iTech Minerals Limited
ASCF Premium Capital Fund	Domacom Ltd	Jaxsta Ltd
Asset Resolution Ltd	DUG Technology Ltd	JCurve Solutions Ltd
Audeara Limited	Duxton Farms Limited	Jupiter Mines Ltd
Aurora Global Income Trust	Embark Early Education Limited	Kalamazoo Resources Ltd
Austco Healthcare Ltd	Egegex Ltd	Kiland Ltd
Australian Rare Earths Limited	Energy TechnologiesLtd	Koonenberry Gold Limited
Avecho Biotechnology Ltd	Engeneic Pty Ltd	Laboratories Credit Union Ltd
Avenue Bank Limited	EntX Limited	Latam Auto Limited
Balmain Discrete Mortgage Income Trusts	EP&T Global Limited	Latrobe Health Services Ltd
Baptist Financial Services Australia Ltd	EV Resources Ltd	LCL Resources Limited
Bass Oil Ltd	EVZ Ltd	Locafy Limited
Besra Gold Inc.	FBR Ltd	Mallee Resources Limited
BetTube Corporation Limited	Felix Group Holdings Ltd	Marinya Pooled Superannuation Trust
BioDiem Limited	Fenix Resources Ltd	Mason Stevens Super
Bluglass Ltd	Firebird Metals Limited	Maximus Resources Ltd
Boom Logistics Limited	First Option Bank Ltd	Meeka Metals Limited
BTC Health Ltd	Foresta Group Holdings Limited	Mercantile Investment Company Ltd

Metgasco Ltd	Sovereign Insurance Australia Pty Ltd
Micro-X Ltd	Spartan Resources Limited
Mighty Kingdom Limited	Stelar Metals Limited
MMA Offshore Limited	Step One Clothing Limited
NGE Capital Ltd	Strategic Energy Resources Ltd
Nightingale Intelligent Systems, Inc	Summerland Financial Services Limited
North Stawell Minerals Ltd	Synertec Corporation Ltd
Northam Resources Limited	Tambla Ltd
Octanex Ltd	Tasmea Limited
Oliver's Real Food Limited	Teachers Mutual Bank Limited
Optiscan Imaging Ltd	Terramin Australia Limited
Orexplora Technologies Limited	Thundering Herd Funds Management Pty Ltd
Osteopore Ltd	Torica Return Absolute Income Fund
P&N Bank Limited	Total Brain Ltd
Peako Ltd	TPC Consolidated Ltd
Pengana Capital Group Ltd	Traffic Technologies Limited
Pental Ltd	United Overseas Australia Ltd
Peoplecare Health Ltd	Unity Bank Ltd
Petratherm Ltd	Verbrec Limited
PhosCo Ltd	VGW Holdings Limited
Plenti Group Ltd	Vintage Energy Ltd
PNX Metals Ltd	Vita Group Ltd
Praemium Ltd	Webcentral Group Ltd
Prophecy International Holdings Ltd	Woolworths Team Bank Limited
Pureprofile Ltd	Wrkr Limited
QPCU Limited	X2M Connect Limited
Radiopharm Theranostics Limited	Yellow Brick Road Holdings Ltd
Rectifier Technologies Ltd	Yojee Ltd
Reef Casino Trust	
Resolution Minerals Limited	
Rhinomed Ltd	
RMA Global Limited	
RNY Property Trust	
Ryder Capital Ltd	
Saferoads Holdings Ltd	
Sandon Capital Investments Ltd	
Screenaway Holdings Limited	
SelfWealth Limited	
Senetas Corporation Limited	
Sensera Ltd	
SensOre Ltd	
Silk Laser Australia Limited	
Smart Parking Limited	
Southern Gold Limited	



About Grant Thornton

At Grant Thornton, care is just as important as capability because we believe that client experience is as important as the outcome. We strive to provide a strikingly different experience – one that’s more personal, proactive, authentic and agile. To achieve that, we focus on investing in and building our relationship with our clients.

Grant Thornton Australia is a member firm of the Grant Thornton global network – one of the world’s leading independently-owned and managed accounting and consulting firms. With over 1,500+ people across five states, we have the scale to meet changing needs – while retaining the agility required to keep our clients one step ahead.

More than 68,000 Grant Thornton people globally are focused on making a difference to clients, colleagues and the communities in which we live and work. Through this membership, we access global resources and methodologies that enable us to deliver consistently high-quality outcomes for owners and key executives.

[Find out more →](#)

Australia	Global
PEOPLE 1,500+	PEOPLE 68,000+
REVENUE (AUD) AT 30/06/23 \$339m	REVENUE (USD) AT 30/09/21 \$7.2b
PARTNERS* 176	MARKETS 147
OFFICES 6	OFFICES 750+

* Note that this number represents total number of partners, other references in this document are referring to Full Time Equivalent Partners (FTE).

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The terms we use

Language is a powerful tool. No single set of definitions can describe how every person experiences life, or how they define themselves. We acknowledge the diversity of self-identity and intersectionality, particularly within gender, culture, sexual orientation, disability and First Nations language groups. It is always our intention to be inclusive and respectful and we acknowledge that not everyone will identify with the terms we have chosen.



Grant Thornton

[grantthornton.com.au](https://www.grantthornton.com.au)

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