

# Transparency Report 2024

EY Australia



# Contents

Message from EY leaders .....	3
EY Australia 2024 highlights .....	5
About us .....	8
Legal structure, ownership and governance.....	8
Network arrangements .....	9
Creating long-term value for society .....	10
Accountability, quality and our commitment to ethical practice.....	13
Infrastructure supporting quality .....	16
EY Australia quality infrastructure.....	20
System of quality management.....	25
Components of our System of Quality Management .....	29
System of Quality Management risk assessment process.....	29
Governance and leadership .....	29
Relevant ethical and legal requirements.....	31
Client and engagement acceptance and continuance .....	33
Engagement performance .....	34
Resources .....	37
EY Australia talent and wellbeing focus.....	42
Information and communication.....	44
System of Quality Management monitoring and remediation .....	44
Independence practices .....	49
Continuing education for our high performing teams.....	54
Revenue and remuneration.....	58
Financial information.....	58
Partner remuneration.....	58
Appendix 1: List of PIE audit clients.....	61
EY Australia PIE audit clients.....	61
Appendix 2: Approved EY member firms.....	68



## Message from EY leaders



**David Larocca**  
EY Regional Managing  
Partner and CEO, Oceania

### About this report

We value regular dialogue and being transparent to our stakeholders on how we continuously improve audit quality, manage risk and maintain our independence as auditors. This 2024 Transparency Report of Ernst & Young (EY Australia) is one of the ways in which we update our stakeholders on what we are doing in each of these areas.

We embrace the transparency objectives of Australia's *Corporations Act* and the European Union's Regulation 537/2014 (Regulation), which require Australian statutory auditors of public interest entities (PIEs) to publish annual transparency reports. The EY Australia Transparency Report 2024 complies with Australia's *Corporations Act* and the Regulation and covers the fiscal year ended 30 June 2024 as well as any more recent relevant events.

### Our commitment to audit quality

Our Assurance practice plays a critical role in protecting the public's trust and confidence in capital markets, which in turn drives investment and economic growth. Providing high-quality audit and assurance services is our core objective and an important way of fulfilling the EY purpose of building a better working world.

This report also offers insights into how we've invested in quality and our distinctive EY culture, how we're committed to continuous improvement, and how we're preparing for the future to consistently provide high-quality, independent and objective audit and assurance services.

The execution of high-quality audits is a top priority for EY Australia and starts with independence, objectivity and integrity. It involves professional scepticism, compliance with professional standards and due professional care. EY Australia leaders thoroughly evaluate the points raised during internal and external inspections to identify areas where audit quality can be improved.

Developing responsive actions to inspection findings is a key aspect of the System of Quality Management as well as holding EY people accountable through the EY accountability frameworks. Some specific responses related to audit execution include the introduction of a new guided workflow for audit teams to execute risk assessment processes and further deployment of centres of excellence on certain auditing topics.

EY Australia's annual evaluation conclusion as of 30 June 2024 was that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved. You can find more detail on this in the System of Quality Management section of this report.

All in is the new EY global strategy and ambition to shape the future with confidence and drive purposeful growth, together. The global strategy will create new value for EY stakeholders and cement the position of EY as a leader in professional services. You can learn more about this global strategy and the multi-year EY audit transformation journey in the Infrastructure supporting quality section. In this section, you will also learn how we continue to transform the way EY Australia teams provide audits to meet changing business needs and stakeholder expectations. At the heart of this transformation is driving consistency in how the EY audit methodology is applied, how we manage audits and how we use innovative technology. To achieve this, EY has committed an investment of more than US\$1 billion in a next-generation Assurance platform which aims to reinforce trust, transparency and transformation.



**Ryan Fisk**  
EY Regional Assurance  
Managing Partner, Oceania



EY purpose: building a better working world

The EY organisation is committed to doing its part in building a better working world.

The high-quality audits provided by EY people help build trust and confidence in business and the capital markets. EY auditors serve the public interest by providing high-quality, analytics-driven audits with independence, integrity, objectivity and professional scepticism. In so doing, the EY organisation helps create sustainable, long-term value for stakeholders.

## Quality driven by EY people and culture

Quality is not only driven by technical aspects, but also by actions and behaviours. EY seeks to uphold a culture of integrity and accountability, where everyone is responsible for aiming to achieve the highest standards. The culture of EY is supported by the values of the EY people who:

- ▶ Demonstrate integrity, respect, teaming, and inclusiveness
- ▶ Act with energy, enthusiasm, and courage to lead
- ▶ Build relationships based on doing the right thing

This starts with a strong tone at the top. In the Governance and leadership section, you can learn more about the EY culture of integrity and principles set out in the EY Global Code of Conduct.

We have a steadfast commitment to creating an environment in which EY Australia people can thrive. This includes recruiting, training and retaining talented individuals, but also building future-focused skills and experiences. You can learn more about the investments in EY people's well-being and development in the Resources section. In this report we refer to results from the March 2024 People Pulse Survey and 2024 Quality Survey, which are both globally distributed. The Quality Survey informs us about EY people's perceptions of the culture of quality, including the tone at the top, and in relation to providing day-to-day activities. The People Pulse Survey provides insights about EY people's experience and potential areas of future investment to enhance their experience and work environment.

EY Australia commissioned Elizabeth Broderick & Co to lead an independent and comprehensive examination of workplace culture, with a specific focus on the wellbeing of our people and how we can better support them. We released the report publicly in July 2023 and continue to be transparent to our stakeholders on our progress against each of the recommendations from the report.

## Government reviews and inquiries into the Audit, Assurance and Consultancy Industry

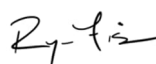
Throughout this fiscal year, we constructively engaged with the Parliamentary inquiries and the Treasury review processes that closely examined the regulatory landscape of the auditing, accounting, and consulting industry. EY Australia welcomes and recognises the importance of the Government's reform package, which was announced in August 2023, aimed at strengthening the existing regulatory framework to ensure it is fit for purpose. These are critical steps to rebuilding public trust and confidence in our profession.

In our responses to the Parliamentary Joint Committee on Corporations and Financial Services inquiry and the Treasury consultation paper, we put forward a series of recommendations which, in our view, would address key concerns that have been raised through various public forums around governance, accountability, public interest obligations, and transparency of professional services firms. We will continue to actively contribute to this reform journey and look forward to participating in the Treasury's next round of public consultation on potential policy options.

We encourage all EY stakeholders – including clients and their investors, audit committee members and regulators – to continue to engage with us on our strategy as well as any of the matters covered in this report.



David Larocca  
EY Regional Managing Partner and  
CEO, Oceania



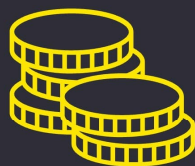
Ryan Fisk  
EY Regional Assurance Managing  
Partner, Oceania

# EY Australia 2024 highlights

## Our strategy and investment

From 1 July 2024, **"All in"** is the EY global strategy and ambition to shape the future with confidence and drive purposeful growth, together.

More than **US\$1bn investment**



in next-generation Assurance technology as part of its continued commitment to providing high-quality audits .

This investment reflects the EY commitment **to building trust and confidence** in the capital markets.



of EY Australia listed audit clients use **EY Canvas Client Portal** - a secure gateway linked to EY Canvas for providing audit evidence



of EY Australia PIEs including listed clients audits deploy **EY Smart Automation** tools



of EY Australia listed clients audit engagements with >1,000 hours deploy **EY Helix** Analysers for risk assessment, obtaining audit evidence and providing client insights

## Our results and investments

Revenue from audits services to clients **AUD0.53bn** (FY23: AUD 0.50bn) **6%** ↑

Total EY Australia revenue in FY24 **AUD2.81bn** (FY23: AUD 2.97bn) **5%** ↓

## Quality and exceptional talent

### Internal audit quality review



(FY23: 98%)

of the engagements inspected were rated as having no material findings or deficiencies.

Engagements reviewed and rated as having no or only minor deficiencies.

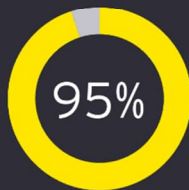


(FY23: 84%)

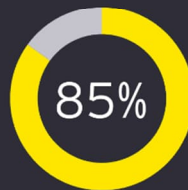
*The consistency of our internal inspection results is a testament of our people's commitment to delivery high-quality audits and building the most trusted Assurance practice.*



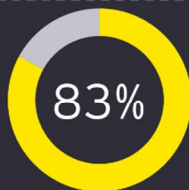
### What EY Australia Assurance Professionals said in the 2024 Quality Survey



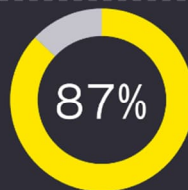
Tone at the top set by leadership demonstrates commitment to quality



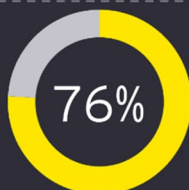
EY's culture of collaboration encourages me to seek advice and support



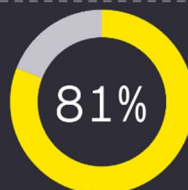
EY recognises and values commitment to quality



Relevant learning is encouraged as part of my career development to enable me to perform quality audits and other assurance services



Receive timely on the job coaching and feedback



Receive sufficient training and development to enable me to deliver quality audits and other assurance services

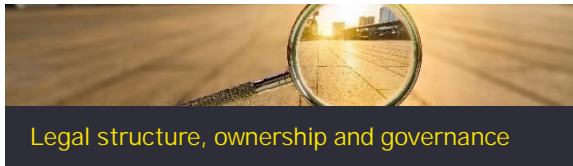
### Learning

**46 learning hours** completed in 2024 on average by partners and staff (FY23: 48)



## About us

# About us



EY Australia is a partnership and is a member firm of Ernst & Young Global Limited (EYG), a UK company limited by guarantee. In this report, we refer to ourselves as “EY Australia”, “we”, “us” or “our”. EY refers collectively to the global organisation of the member firms of EYG.

EY member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEA). The Areas comprise multiple Regions. Regions are groupings of member firms along geographical lines with the exception of the Financial Services Organisation (FSO) Regions, which comprise the financial services activities of the relevant member firms within an Area.

EY Australia is part of the Asia-Pacific Area and a member of Ernst & Young Asia-Pacific Limited (EY Asia-Pacific Limited). Within the Asia-Pacific Area, there are six Regions. EY Australia is part of the Oceania and the FSO Region. EY Australia operates across seven offices in Australia and had 729 partners as at 30 June 2024. The principal governing bodies for the Oceania Region and EY Australia are:

## Oceania Executive Leadership Team

The Oceania Executive Leadership Team has the authority and accountability for strategy and execution. It comprises the Regional Managing Partner and CEO; Deputy CEO and People and

Culture Leader; Oceania Markets Leader; the New Zealand Country Managing Partner; service-line leaders for Assurance, Consulting, Strategy and Transactions Services, Tax and Law and Financial Services; Risk Management & Independence Leader; and the Chief Operating Officer.

## Regional Partner Forum

Each Region elects a Regional Partner Forum (RPF) whose representatives advise and act as a sounding-board to regional leadership. The partner elected as Presiding Partner of the RPF also serves as the regional representative on the Global Governance Council (see page 9).

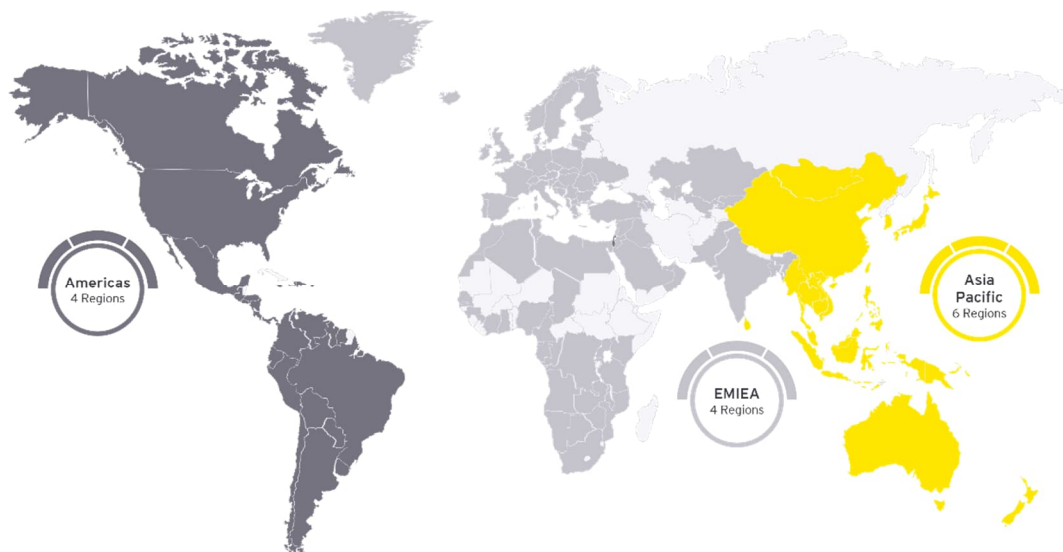
## Asia-Pacific Area

EY Asia-Pacific Limited, a Hong Kong company limited by guarantee, is the coordinating entity for the EY member firms in the Asia-Pacific Area. EY Asia-Pacific Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EY Asia-Pacific Limited is a member firm of EYG, has no financial operations and does not provide any professional services.

## Area Operating Executive

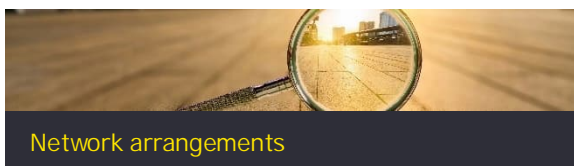
The Area Operating Executive oversees the execution of the global EY strategy in the Asia-Pacific area. It is led by the Area Managing Partner and comprises the Deputy Area Managing Partner; the Area leaders for Talent, Risk Management, Strategy Execution and Accounts, the Area service-line leaders for Assurance, Consulting, Strategy and Transactions Services and Tax and Law, and the Regional Managing Partners of the Area's six Regions.

## EY Areas and Regions\*



\*Figures are as of 1 July 2024





## Network arrangements

EY is a global leader in assurance, tax and law, strategy and transactions, and consulting services. Worldwide, nearly 400,000 EY people in over 145 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional scepticism. In today's global market, the seamless integrated EY approach is particularly important in providing high-quality multinational audits, which can span nearly every country in the world.

This seamless integrated approach supports EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

EYG coordinates the various activities of the EY member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by EY member firms worldwide. Each EY member firm is a legally distinct entity. Their obligations and responsibilities as members of EYG are governed by the regulations of EYG and various other agreements.

The structure and principal bodies of the global organisation during the fiscal year ended 30 June 2024 described below, reflect the principle that EY, as a global organisation, has a common shared strategy.

At the same time, the EY network operates on a regional level within the Areas. This operating model allows for greater focus on stakeholders in the Regions, permitting member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.



## Global Governance Council

The Global Governance Council (GGC) is a key governance body of EYG. It comprises one or more representative(s) from each Region, other representatives from any member firm and independent non-executives (INEs). The regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with the ability to be reappointed for one additional three-year term. Since 1 July 2024, though, the GGC representatives of EY US are members of its elected Governing Board. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the

recommendation of the Global Executive (GE), certain matters that could affect EY.



## Independent Non-Executives

Up to six global Independent Non-Executives (INEs) are appointed from outside EY. The global INEs are senior leaders, either from the public or the private sector, and reflect diverse geographic and professional backgrounds. They bring to the global organisation, and the GGC, the significant benefit of their varied perspectives and depth of knowledge.

The global INEs also form most of the Public Interest Sub-Committee of the GGC. The role of the Public Interest Sub-Committee includes public interest aspects of decision-making and dialogue with stakeholders, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions. The global INEs are nominated by a dedicated committee, approved by the GE and ratified by the GGC.



## Global Executive (GE)

The Global Executive (GE) brings together EY leadership functions, service lines and geographies. It is chaired by the Chair and CEO of EYG and includes its Global Managing Partners of Client Service, Business Enablement, Growth & Innovation and Business Administration & Risk; the Area Managing Partners; the global functional leader for Talent; the leaders of the global service lines – Assurance, Consulting, Strategy and Transactions, and Tax.

The GE also includes the Global Vice Chair – Markets, the Global Vice Chair – Strategy, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets.

The GE and the GGC approve nominations for the Chairman and CEO of EYG then ratify appointments of the Global Managing Partners. The GE also ratifies appointments of Global Vice Chairs who are members of the GE. The GGC ratifies the appointments of any Global Vice Chair who serves as a member of the GE.

The GE's responsibilities include the promotion of global objectives and the development, approval and, where relevant, implementation of:

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within EY member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, and reward and retirement of partners
- ▶ Quality improvement and protection programs
- ▶ Proposals regarding regulatory matters and public policy

- Policies and guidance relating to member firms' service of international clients, business development, and markets and branding
- EY development funds and investment priorities
- EYG's annual financial reports and budgets
- GGC recommendations on certain matters.

The GE is also updated regularly on priorities related to the System of Quality Management and on issues that may require their attention.

The GE also has the power to mediate and adjudicate disputes between EY member firms.



#### Global Practice Group

The Global Practice Group (GPG) brings together the members of the GE, GE committees, Regional leaders, and sector leaders. The GPG seeks to promote a common understanding of EY strategic objectives and helps drive consistency of execution across the organisation. Our EY Regional Managing Partner and CEO, Oceania is a member of the GPG.



#### EY member firms

Under the regulations of EYG, EY member firms commit themselves to pursue EY objectives, such as the provision of high-quality services worldwide. To that end, the member firms undertake the implementation of global strategies and plans, then work to maintain the prescribed scope of service capability. They are required to comply with common standards, methodologies and policies, including those regarding audit methodology, System of Quality Management, risk management, independence, knowledge sharing, talent and technology.

Above all, EY member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, as well as all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 30).

Besides agreeing to comply with the regulations of EYG, EY member firms enter into several other agreements covering aspects of their membership in the EY organisation, such as the right and obligation to use the EY name and share knowledge among EY member firms.

EY member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, risk management, audit methodology and talent. EY member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organisation.



#### Creating long-term value for society

EY, as an organisation, is effecting change at scale by building alliances, forging collaboration and rallying everyone and every part of the business to take part. EY continues to focus on creating, protecting and measuring long-term value for EY people, EY clients, and society. It is by integrating all of these dimensions that EY fulfils its purpose of *Building a better working world*.

From advising governments on how to build more sustainable and inclusive economies, to encouraging businesses to focus and report on their creation of long-term value for all stakeholders, EY services already play a vital role in this. However, more can and must be done as all stakeholders define their roles in this journey.

As a proud participant in the United Nations Global Compact (UNGC) since 2009, EY is committed to integrating the UNGC Ten Principles and the UN Sustainable Development Goals (SDGs) into EY strategy, culture and operations.

Among other things, this commitment to creating long-term value is reflected in:



#### Global Corporate Responsibility and Sustainability governance

The GE has established a Corporate Responsibility Governance Council (CRGC) as one of its committees. The CRGC includes seven members of the GE and represents a cross-section of EY senior leaders across geographies. The CRGC has oversight of the EY Global Corporate Responsibility function, which operationalises the EY Ripples program (an EY corporate responsibility program, which is anchored in a long-term goal for the EY network of member firms to positively impact 1 billion lives globally by 2030 through: supporting the next-generation workforce; working with impact entrepreneurs; and accelerating environmental sustainability), drives greater transparency by coordinating non-financial reporting and progresses leading practices toward other sustainability programs. The EY Global Corporate Responsibility function is led by the EY Global Corporate Responsibility Leader, who reports to a GE member and sits on the EY Global Sustainability Executive.

The EY Global Sustainability Executive includes leaders across EY service lines, sectors, industry, and geographies, who are responsible for setting the strategy around EY value-led sustainability offerings which are provided by member firms to EY clients. It is chaired by the EY Global Vice Chair – Sustainability, with representatives from across the global EY organisation including the EY Global Climate Change and Sustainability Services Leader.



## EY People and Sustainability

Through firmwide training, engagement, and investment in technology tools, EY infuses sustainability across all areas of the business. Opportunities to engage, learn and develop are core to EY's talent proposition and vital to EY's ability to develop and evolve EY services to emerging issues in ESG. EY's goal is to build expertise and sustainability fluency, while engaging and enabling EY people.



## The EY decarbonisation ambition

Globally, EY remains on track to deliver on the existing decarbonisation targets set in 2021. EY global organisation plans to reduce absolute emissions by 40% across Scopes 1, 2 and 3 by FY25, against an FY19 baseline, consistent with EY's 1.5C Science Based Target. [A seven-point plan](#) outlined how globally EY would focus action by:

- ▶ Reducing business travel emissions, with a target to achieve a 35% reduction by FY25 against the FY19 baseline
- ▶ Reducing overall office electricity usage, and procuring 100% renewable energy for remaining needs, earning RE100 membership by FY25
- ▶ Structuring electricity Power Purchase Agreements (PPAs) to introduce more renewable electricity than EY consumes into national grids
- ▶ Using nature-based solutions and carbon-reduction technologies to remove from the atmosphere or offset more carbon than emitted, every year
- ▶ Providing engagement project teams with tools that enable them to calculate, then work to reduce, the amount of carbon emitted in carrying out their work for the client
- ▶ Requiring 75% of EY suppliers, by spend, to set science-based targets by no later than FY25
- ▶ Investing in EY services and solutions that help clients decarbonise their businesses and provide solutions to other sustainability challenges and opportunities.

EY's refreshed environmental strategy will expand the existing decarbonisation targets to meet evolving market expectations and science-based standards. EY remains committed to a "net zero" target and are currently working on the next phase of EY's science-based decarbonisation plan.

Read more on our long-term ambitions and actions in [EY Value Realised Scorecard: Oceania](#). It is our intention that this Value Realised Scorecard: Oceania will be the baseline for future discussions with our stakeholders as we seek to understand and address their needs and expectations of us.



## Working with clients on sustainability

EY combines deep sustainability and sector knowledge at a global scale, with regional and geographically relevant teams. Increasingly EY's work is examining the systems level change needed to help enable EY clients to create grounded plans for the near and long term.

Helping EY clients set ambitious goals and rigorously plan, invest and track their delivery is where EY can have the greatest impact on the transformation needed to respond to the climate and nature crises. EY's sustainability services are provided to clients both through dedicated teams for core ESG and sustainability challenges and through the entire range of traditional EY services.

EY's work also includes informing and supporting stakeholders in the development of standards including supporting the ISSB, European Financial Reporting Advisory Group (EFRAG), Taskforce on Nature-related Financial Disclosures (TNFD) and Taskforce on Climate-related Financial Disclosures.

As the regulatory reporting landscape evolves, EY is also preparing for sustainability reporting requirements such as those required by section 292A of the *Corporations Act 2001*, the Australian Sustainability Reporting Standards (ASRS) finalised by the Australian Accounting Standards Board (AASB), the EU Corporate Sustainability Reporting Directive (CSRD) and the standards of International Sustainability Standards Board (ISSB).



Accountability,  
quality and our  
commitment to  
ethical practice



# Accountability, quality and our commitment to ethical practice

EY Australia is committed to delivering exceptional quality services and always maintaining professional integrity. Our heritage in auditing and EY Australia's strict application of the existing independence regulatory framework means that EY Australia holds our people to high ethical standards – regardless of whether they are auditors, tax professionals or consultants.

The fundamental principles contained in the EY Global Code of Conduct form a key component of our strategy, performance management systems, client service mindset, policies, training and internal communications. These fundamental principles:

- ▶ Govern implementation of the relevant professional standards that EY Australia is required to abide by and assist our compliance with regulatory and relevant legislative requirements (See page 30)
- ▶ Provide a System of Quality Management framework, compliant with ASQM 1, for the establishment and review of Quality objectives (See page 29)
- ▶ Support the effectiveness and continuous improvement of the System of Quality Management; and
- ▶ Satisfy client and stakeholder expectations.



## Governance and accountability

EY Australia is committed to improving accountability and transparency across the professional services industry.

We support the inquiry by the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) on Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry. We recognise the important role of the Committee within the Government's reform agenda, a role that we believe is a critical step in rebuilding the public trust and confidence in our profession. We also recognise our role in restoring trust in the profession and EY Australia's submission to the inquiry contains a comprehensive suite of recommendations to assist the whole of Government response under development by Treasury.

We are supportive of greater regulation of professional services providers and initiatives to increase transparency and accountability in professional services, including advocating for an industry-wide approach to financial reporting and

professional conduct matters, as described in our submission to the Committee's inquiry.

We remain focused on enhancing audit quality and upholding our independence, informed by several factors, including our evaluation of our System of Quality Management that includes our external and internal inspection results. Continuous and sustainable improvement of audit quality requires us to challenge approaches to audit execution, and we concentrate on this by evaluating our monitoring results, including inspection findings, and taking responsive actions. We support greater oversight through a single regulator to oversee and coordinate the regulatory framework for partnerships such as EY Australia, and indeed all professional services providers, regardless of their structure. We look forward to receiving the committee's report.



## Handling confidential information

The EY Global Data Protection and Confidentiality Policy sets out the principles to be applied to the collection, use and protection of all information that EY Australia has responsibility for, including personal data relating to current, past and prospective personnel, clients, suppliers and business associates, as well as other information considered confidential to clients, third parties or the EY organisation (see page 32).

EY Australia has a policy addressing specific Australian data privacy requirements and business needs. EY Australia does not just adapt processes due to changes in legislation, we also act proactively based on occurrences in the markets in which we operate.

We continue to actively engage with our stakeholders, including government, regulators, professional bodies and our clients to reinforce our commitment to providing robust, accurate advice in line with our Code of Conduct, including our adherence to confidentiality.



## Our Assurance practice

Our Assurance practice focuses on building talent, technology and other resources with the breadth and depth of technical skills as well as industry expertise necessary to deliver high-quality audits and non-financial statement assurance the market demands. A multi-disciplinary firm with on demand access to in-

house subject matter professionals is crucial to upholding high audit quality.

We are committed to providing exceptional client service objectively and ethically on every audit. We are guided by the EY Global Independence Policy (see page 49) which contains robust independence requirements predicated on the International Ethics Standards Board for Accountants' International Code for Professional Accountants (Including International Independence Standards) (the IESBA Code) and supplemented by more stringent requirements in the Code of Ethics issued by our local Accounting Professional & Ethical Standards Board (APESB Code). The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. EY Australia ensures that our audit teams and other specialists across functions are all bound by the same standards of quality, independence and ethics, share common professional values, and are intertwined in a culture and brand built on a reputation for high-quality audits. Specialists participating in audits are subject to the heightened independence rules applicable to audit team members.

Specialist skills are particularly needed to effectively audit complex IT environments and related risks as well as accounting estimates such as intangible asset valuations, rehabilitation estimates, insurance liabilities, property valuations, plant and equipment valuations, business valuations, and other complex fair-value asset and liability estimates. In addition to these skills, knowledge of intricate multi-jurisdictional tax regimes, climate change and sustainability, complex modelling, tax reform, executive remuneration valuation protocols, data analysis, artificial intelligence, cyber, robotics, blockchain and other emerging disciplines are all integral to the delivery of a high-quality audit as the business environment becomes increasingly complex.

Multi-disciplinary does not mean that we provide all our services to our audit clients. There are significant restrictions on non-audit services that can be provided to audit clients (see page 51). This ensures our auditors are focused on delivering high-quality audits and that the decisions they make in the conduct of their audits are not influenced by other commercial outcomes the firm may experience in either Assurance or any of its other service lines. Our policies include:

- ▶ The principal element of partner performance incorporates outcomes from audit inspection programmes (both internal and external), with financial penalties for poor-quality outcomes and independence breaches or non-compliance
- ▶ Assessment of audit partners' performance and their remuneration excludes any consideration of selling non-audit services to audit clients

- ▶ Risk-management and audit-quality responsibilities reside within a professional practice group that is separate from the operational leadership of EY Australia.



## Infrastructure supporting quality

# Infrastructure supporting quality



## Strategy

From 1 July 2024, “All in” is the EY global strategy and ambition to shape the future with confidence and drive purposeful growth, together. The world’s organisations and EY clients face more complex and inter-connected issues than ever before, and through All in, EY is helping EY stakeholders anticipate and navigate these challenges and opportunities – so they can shape the world, not be shaped by it. The global strategy will create new value for EY stakeholders and cement the EY organisation’s position as a leader in professional services. Meanwhile, the EY purpose of building a better working world continues to inspire EY people to use EY knowledge, skills and experiences to support the communities in which they live and work.

EY Assurance has also embarked on a multi-year journey of bold changes across audit teams, processes and technology. Through this transformation, EY continues to harness the inherent strengths of its EY member firms’ greatest asset in providing exceptional client service and building trust – EY people. By enhancing their skills and experiences, while also transforming the way EY teams work (guided by intuitive methodology and tailored enablement and putting data and technology at the centre of the assurance services they provide), they better deliver on the EY purpose of building a better working world.

There is EY investment of more than US\$1b in next-generation Assurance technology as part of its continued commitment to providing high-quality audits. This investment is building on the strength of the existing leading-edge audit technology suite while also harnessing next-generation data-access capabilities and advanced analytics, AI at scale and an elevated user experience. Through a data-driven approach, enabled by the transformation and integration of digital technology capabilities, EY teams will continue to provide high-quality audits with independence, integrity, objectivity and professional scepticism. EY provides its partners and staff with guidelines and considerations for the responsible use of generative AI technology to support the delivery of Assurance services.

AI at scale and other intelligent capabilities will help to drive quality by standardising processes and leveraging data to provide risk guidance and relevant recommendations to EY teams. EY member firms remain future-focused as they transform, including ever-more sophisticated data analytics and efficiently delivering greater insight in support of the high-quality audits that are valued by the entities that EY member firms audit and the capital markets. By applying leading-edge technologies, EY Assurance services teams will contribute meaningfully to the overall EY purpose of building a better working world.



## Global Assurance Quality Network

The Global Assurance Quality Network (the Network) and the Global Professional Practice Group (GPPG) work in tandem to support the delivery of quality audits. Supporting these two functions, additional quality focus is driven by:

- ▶ The Global System of Quality Management network
- ▶ Quality leaders within the non-Assurance service lines.

The Network is a group of senior Assurance leaders around the world who support EY member firm engagement teams and practice leaders in the execution of high-quality audits.

The Network is instrumental in serving as:

- ▶ Experienced change agents who effectively communicate changes coming and the rationale behind the changes, and positively influence behaviours
- ▶ Dedicated methodology leaders who can guide engagement teams in their execution of audit strategies and answer technical questions
- ▶ Risk management leaders who can oversee audit portfolios and remain alert to signs of execution or client risk, and positively intervene when necessary
- ▶ Operational drivers who can enforce policies and support the System of Quality Management through activities such as monitoring adherences to pacing milestones, monitoring the level of executive involvement and assessing partner workloads, and eliminating optionality to drive global consistency.



The Global Assurance Quality Network drives a focus on audit quality through:



#### Monitoring Audit Quality Indicators (AQIs)

In addition to understanding the overall System of Quality Management annual results, Assurance leadership monitors the execution of the EY strategy and quality priorities through a combination of metrics or AQIs. While no single reportable metric or set of metrics can be viewed as a sole indicator of audit quality, a set of metrics can be used to give an indication of audit quality.

Supported by strong global integration of tools, practices and policies, country specific data is accumulated monthly on a variety of topics. The AQIs include both leading and lagging quality-related indicators and include metrics related to inspection results, audit pacing/execution and resource demands/workforce planning. Each AQI is measured against established geographically specific and global targets, with outliers requiring an evaluation and remediation plan. The AQIs are also aligned to the EY accountability framework to reinforce priorities for the country leadership network and are subject to an annual review to help ensure they remain relevant and responsive to quality initiatives.

Examples of EY AQIs include:

- ▶ Internal and external inspection results
- ▶ Adherence to engagement pacing milestones and executive involvement
- ▶ Actual vs. planned headcount
- ▶ Completeness of longer-term workforce planning/audit scheduling.

The global AQI dashboard helps to inform the leadership at all levels of the EY organisation about whether actions are having the intended effect, and provides an early warning where intervention is warranted, helping improve audit quality.



#### Monitoring adherence to pacing milestones

Effective project management helps audit teams to stay focused on the risks that matter most across the audit cycle, better balancing the workload by allocating the right amount of time to complete the right tasks and involving executives in a timely way.

Milestones set completion due dates for important phases of the audit, and when used effectively, milestones help to avoid time compression during the peak busy season. A well-paced, well-organised audit can result in a less stressful work environment. Teams that work collaboratively to set a manageable pace for the audit by tackling issues and clearing review notes in real time report higher morale overall, as well as a sense of personal ownership and accomplishment for the individual auditor.

Additionally, project management encourages auditors to be more thoughtful and intentional at every stage of the audit, accelerating learning and development as well as creating a more meaningful experience along the way. The focus on project management in the global audit platform, EY Canvas, is powered by the Milestones program. Facilitated through dashboards in EY Canvas and the EY Canvas Reporting Hub, milestones breaks the audit cycle down into specific tasks, with dates and steps designed to help achieve timely completion, and appropriate supervision and review. Adherence to milestones is monitored via AQIs, and the intervention with audit teams when milestones are not achieved is an element of the System of Quality Management of EY.



#### Usage of EY Canvas Client Portal requests

EY Canvas allows EY teams to send clients requests for documents used to support the audit. Clients work on the requests, upload documents and respond by using EY Canvas Client Portal. Clients can see requests that have been assigned to them or to the group(s) of which they are a member (e.g. accounting, payroll or internal audit). EY Canvas Client Portal also has several features available to assist them with project management.



95% of EY Australia listed clients use EY Canvas Client Portal



#### Designing and providing in-flight coaching

The coaching is principally directed at those areas where there have been more pervasive inspection findings globally as well as those areas impacted by new or revised auditing standards. 26 EY Australia audit engagements with years ending between 1 July 2023 and 30 June 2024 participated in the global coaching programme.

Coaching can be directed at audit teams utilising new technology and automated tools and techniques to evaluate the proficiency with which the engagement teams are utilising the technology. In the 2024 Quality Survey, 76% of EY Australia assurance professionals said they receive timely on-the-job coaching and feedback.

Observations from these coaching engagements are discussed with the audit teams and for items identified of more significance, local representatives from the Global Assurance Quality Network assist engagement teams in addressing the observations prior to the issuance of the auditor's report.



#### Designing and deploying enablement for new technology

Working with technology product owners and the GPPG, the Global Assurance Quality Network designs and deploys enablement to assist audit teams in utilising the automated tools and techniques as designed. This enablement is deployed to engagement teams and supported in local practices by the respective representatives of the quality network.

The enablement is designed to be intuitive and easily consumable (e.g. short videos) while bridging the technology with methodology, thus explaining the audit rationale behind the technology. Through the Global Assurance Quality Network's working relationship with the technology leadership team and the GPPG, the mandatory usage of certain automated tools and techniques is agreed on prior to release.



#### Designing and deploying enablement to address new or revised auditing standards and methodology enhancements

Working with the GPPG and other stakeholders, the Global Assurance Quality Network works to develop and deploy enablement to support the adoption of new or revised auditing standards as well as

enhancements made to EY's global audit methodology.

Over the past year, significant focus was placed on implementing ASA 600 (Revised) *Audits of Group Financial Statements (Including the Work of Component Auditors)* and changes made to EY's engagement risk assessment process. For these initiatives, specific classroom learning was developed and deployed, and enhanced functionality was built into EY Canvas to facilitate a guided workflow for executing engagement risk assessment and local methodology networks activated to support engagement teams on the ground.



#### Professional Practice

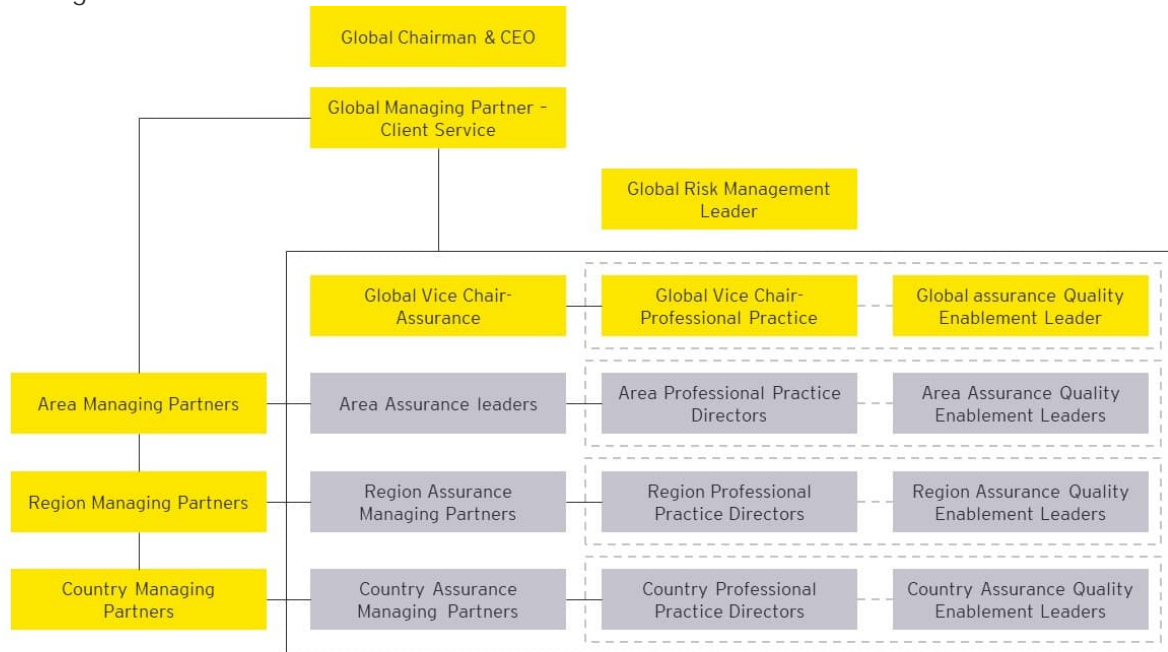
The GPPG is a worldwide network of dedicated technical subject-matter professionals in corporate reporting and assurance standards who consult on accounting, auditing and financial and non-financial reporting matters. They also perform various quality management oversight and monitoring roles, and risk management activities.

The GPPG develops accounting and auditing guidance, learning and quality oversight policies used by the EY network, and the tools and enablement used by EY audit professionals to execute audits consistently and effectively.

The Global Vice Chair of Professional Practice, referred to as the Global Professional Practice Director (Global PPD), is overseen by the Global Vice Chair of Assurance and works to establish global audit quality control policies and procedures. Each of the Area PPDs as well as the Global Delivery Service PPD is overseen by the Global PPD and the related Area Assurance Leader. This helps provide greater assurance to the objectivity of audit quality and consultation processes.

The Regional Professional Practice Director, Oceania (Oceania PPD) is responsible for the professional practice function in EY Australia and is accountable to the Asia-Pacific Area PPD.

## Assurance governance\*



\*Illustrative to show global alignment, actual reporting lines may vary based on legal, regulatory and structural considerations

The Global PPD oversees the development of EY Global Audit Methodology (GAM) and related audit policies and technologies so that they are consistent with relevant professional standards and regulatory requirements. The GPPG also oversees the development of the guidance, training and monitoring programs, and processes used by audit professionals to execute audits consistently and effectively. Additionally, the GPPG develops accounting and auditing guidance to respond to event-specific issues such as geopolitical conflicts and economic volatility.

The Global, Area, Regional and Country PPDs, together with other professionals who work with them in each member firm are readily accessible for consultation with audit teams.

Additional resources often augment the GPPG, including professionals focused on:

- ▶ Internal-control reporting and related aspects of the EY Global Audit Methodology
- ▶ Accounting, auditing and risk issues for specific topics, industries and sectors
- ▶ General engagement matters and how to work effectively with those charged with governance.

Further, the Country PPD has operational responsibility for monitoring the System of Quality Management of the member firm. This includes concurring with or proposing changes to the recommended System of Quality Management annual evaluation conclusion. The System of Quality Management monitoring process is coordinated and monitored by representatives of the GPPG.



## Risk Management

Risk Management (RM) coordinates organisation-wide activities designed to help EY people meet global and local compliance responsibilities and support client-facing teams in providing quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality is placed with the EY member firms and their service lines.

Among other things, the Global Risk Management Leader helps oversee the identification and management of these risks, as well as other risks across the organisation as part of the broader Enterprise Risk Management (ERM) framework. The ERM priorities are communicated to EY member firms.

The Global Risk Management Leader is responsible for establishing a consistent risk management framework around the globe and enabling the EY member firms to manage risk across the EY organisation.

These priorities cascade to member firms through the ERM programme.

For EY Australia, the Regional Risk Management & Independence Leader, Oceania is responsible for leading risk management initiatives (supported by other staff and professionals), including coordinating with the service lines on such matters.

When events that present risks occur, Global Risk Management, in coordination with other Global functions, actively seeks input from EY member firms on business continuity standpoints. This after-action review process allows EY to evolve planning around its crisis response and management of crises at the EY member firm and global levels. Such reviews provide a higher degree of proactiveness especially in identifying emerging risks before they cause significant impact, and the prioritisation of risks by each member firm. For example, this allows the EY Global Security team and Region Security Manager network to work directly with their respective member firm crisis management teams in preparing for the most likely threats by incorporating training and advanced stages of readiness to its crisis management networks.

Additionally, Global Risk Management continues to focus on business resiliency in business continuity planning efforts in the EY organisation. A key component of this approach is the recognition that many crises do not just “happen” - there are usually indicators of escalating factors as a crisis unfolds. This approach allows EY member firms to begin managing risks while continuing to carry on “business as usual” at the very early stages of a potential business impact situation. The creation of “escalation matrices” around several ongoing and high-chance geopolitical events allow EY member firm and Region Risk Management crisis management teams to respond more rapidly and more effectively as events escalate. Additionally, these escalation matrices and subsequent action item checklists go beyond traditional workforce life and safety issues by delving into factors that could impact a member firm's ability to effectively conduct business.

These changes are allowing EY member firms to navigate significant crises more effectively via a prepared holistic approach.

The Global Data Protection and Confidentiality Policy (see page 32) sets out requirements when handling sensitive and restricted information, including personal data. EY member firms have a continuing responsibility to communicate local changes in law or regulation, reflecting the ever-changing landscape of restrictions on the use of data. The Global Data Protection and Confidentiality Policy was developed in accordance with applicable law, regulatory frameworks (such as the GDPR), and relevant professional standards. The policy provides clarity for EY member firms and their employees and connects to related policies and guidance on information security, records retention, social media utilisation, and other data protection-related topics. The global policy on Personal Data Protection requires all EY member firms to respect and protect personal

information, in accordance with local law and professional standards, and is consistent with the EU General Data Protection Regulation (GDPR).



## Cybersecurity

Managing the risk of major and complex cyber-attacks is a part of conducting business for all organisations. While no systems are immune from the threat of cyber-attacks, EY Australia is vigilant in the steps it takes to secure and protect client data.

The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimise cybersecurity risks around the globe. EY information security and data protection programs, consistent with industry practices and applicable legal requirements, are designed to protect and defend against unauthorised access to systems and data. There is a dedicated team of cybersecurity specialists, who constantly monitor EY systems and respond to cyber-attacks globally.

Beyond technical and process controls, all EY people are required to annually affirm in writing their understanding of the principles contained in the EY Global Code of Conduct and their commitment to abide by them. There are also required security awareness learning activities. Various policies outline the due care that must be taken with technology and data, including, but not limited to, the Global Information Security Policy, and the Global Acceptable Use of Technology Policy. EY cybersecurity policies and processes recognise the importance of timely communication.

EY people receive regular and periodic communications reminding them of their responsibilities outlined in these policies and of general security awareness practices.



## EY Australia quality infrastructure



## Oceania Audit Quality Governance Committee

The Audit Quality Governance Committee (‘AQGC’) was established across the EY member firms in Oceania to have oversight on matters relating to audit quality and to drive our efforts in the Region on quality initiatives. The AQGC is chaired by the Oceania PPD and includes members of the Oceania Executive Leadership team including the Regional



Managing Partner and CEO; the Regional Assurance Managing Partner; Regional Financial Services Assurance Leader; Regional Quality Enablement Leader (QEL); Country SQM Operational Leader and Oceania Audit Inspection Leader. The Regional Risk Management & Independence leader and Digital Leader are consulted on specific matters based on the AQGC priorities. The AQGC, which meets at a minimum twice a year, has the following key responsibilities:

- ▶ Accountability of audit partners for audit quality and considering appropriate “Tone at the Top” messaging
- ▶ Approving the annual framework for quality and effective risk management performance evaluation for audit partners
- ▶ Monitoring progress on parameters used by EY Global to determine the regional audit quality rating and
- ▶ Review quality deficiencies and assess any disciplinary actions required on partners and staff, if required, and any actions taken by external regulators.



#### Oceania Audit & Accounting Policy Committee

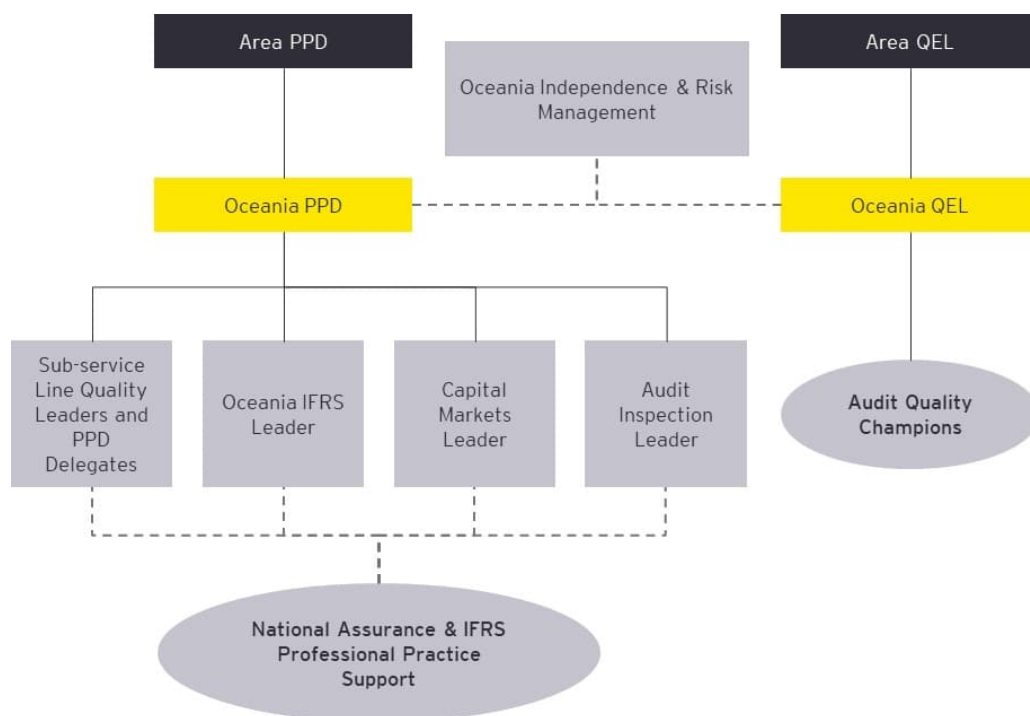
The Oceania Audit & Accounting Policy Committee (AAPC) is chaired by the Oceania PPD and comprises of Oceania QEL, the Oceania IFRS leader, the Oceania Risk Management & Independence Leader, and representatives from the Office of the Oceania General Counsel (GCO). Asia-Pacific Area PPD will be consulted on any proposed policies less restrictive in application compared to the Global policy. The AAPC, meets at a minimum twice a year and ad-hoc as necessary, and are focused on:

- ▶ Ensuring compliance with professional standards
- ▶ Deploying EY GAM and global policies for the Region in consideration of local regulations
- ▶ Developing specific Oceania accounting and audit policies and guidance
- ▶ Monitoring the results of external and internal audit-quality reviews, and
- ▶ Monitoring risk management procedures required for audit engagements responsive to the client acceptance and continuance policy.



#### EY Australia audit-quality infrastructure

The following chart summarises the professional practice and quality infrastructure that support the EY Australia assurance practice.



## Meet our EY Australia leadership responsible for audit quality

EY Australia's leadership is responsible for setting the right tone at the top and demonstrating our commitment to building a better working world through behaviour and actions. While the tone at the top is vital, our people also understand that quality and professional responsibility starts with them and that within their teams and communities, they are leaders too. Our shared values, which inspire our people and guide them to do the right thing, alongside our commitment to quality are embedded in who we are and in everything we do.

Assurance Leadership is responsible for overall compliance with the System of Quality Management for the Assurance service line in the Region.

### David Larocca



Regional Managing Partner and CEO, Oceania

David is an inclusive and consultative leader and is passionate about diversity and inclusion, workplace culture and leading clients through change. David continues to serve our clients, drawing on more than 25 years' experience as a lead advisor in the infrastructure sector where he has advised public and private clients on infrastructure transactions in Australia, Asia and Europe.

He joined EY Australia in 2003 as one of the founding members of the Oceania Infrastructure Advisory team which is now a 200-strong market-leading team. While at EY Australia, David has led teams advising clients on some of Australia's largest infrastructure projects and asset recycling programs. David has a Bachelor of Economics degree and Graduate Diploma of Applied Finance and Investment, has served as a member of the Infrastructure Partnerships Australia (IPA) Advisory Board, is a member of the Champions of Change Coalition, is a CEO mentor for Kilfinan Australia and supports a number of charities and not-for-profits.

### Ryan Fisk



Regional Assurance Managing Partner, Oceania

Ryan has over 25 years' experience working with large listed organisations across the resources, energy and health care sectors. Ryan specialises in assurance and accounting advisory services and brings extensive experience working with clients on acquisitions, divestments, debt transactions and initial public offerings. Ryan has significant international experience, as the lead audit partner on clients listed on multiple overseas exchanges and leading the audits of Australian clients with operations across the globe.

As the Managing Partner for Assurance in Oceania he is responsible for leading the Assurance business across the region. He is also a member of the Oceania executive leadership team. Ryan has held other leadership roles in the Oceania Region including the Assurance leader for the Energy Market Segment.

Ryan holds a Bachelor of Economics and is a Chartered Accountant. He is also a Fellow of the Financial Services Institute of Australia and a Registered Company Auditor.

### Louise Burns



Regional Financial Services Assurance Leader, Oceania

Louise has close to 20 years' experience in the Financial Services industry in both an external audit and advisory capacity in Asia-Pacific and Europe. Her audit experience includes Australian and European multi-national listed companies, SEC registrants, privately held companies, superannuation entities, capital markets transactions and regulatory and compliance frameworks.

In addition to her client servicing roles, Louise is the Managing Partner of the Financial Services Assurance practice in Oceania. She is a member of the Oceania Financial Services Leadership Board and also the Asia-Pacific Financial Services Leadership team. Louise is also a member of the global EY IFRS 17 Board supporting the adoption of IFRS 17: *Insurance Contracts*.

She holds Bachelors degrees in Commerce and in Business, is a member of Chartered Accountants Australia and New Zealand and is a Registered Company Auditor.

### Joanne Lonergan



Regional Professional Practice Director, Oceania

Joanne has over 35 years of audit experience, including signing partner and engagement quality reviewer experience for many large and complex listed and private company clients.

As Oceania Professional Practice Director, Joanne has a central role in monitoring and enhancing the quality of the EY Australia audit practice and in managing the associated risks for the Assurance practice. This includes developing Assurance policies, procedures and methodologies, maintaining effective relationships with standard setters, regulators and establishing and overseeing the consultation protocols our member firm audit partners are subject to. She also leads policies, guidance and quality related initiatives on the emerging sustainability reporting standards. Joanne is also a member of the Australian Auditing & Assurance Standards Board and spent six years on the Audit Advisory Committee for Chartered Accountants Australia and New Zealand.

She holds a Bachelor of Commerce Degree, is an associate member of Chartered Accountants Australia and New Zealand and is a Registered Company Auditor.

### Darren Handley-Greaves



Regional Quality Enablement Leader, Oceania

Darren joined EY Australia in 1999, has been a partner for over 15 years and has worked with some of the most significant financial services clients in both the wealth and asset management, and insurance sectors.

Darren qualified with the Institute of Chartered Accountants of England & Wales, is a member of Chartered Accountants Australia and New Zealand and is a Registered Company auditor.

In his role as the QEL, Darren identifies and implements audit quality initiatives and monitors emerging quality matters in the Region. The responsibilities include coaching teams, monitoring in flight audit engagements and providing additional quality support to audit teams where needed.

### Leigh Walker



Regional Risk Management and Independence Leader, Oceania

Leigh is responsible for enterprise-wide risk management for the Oceania Region. Leigh is also the Regional Independence Leader.

As the Regional Risk Management & Independence Leader, Oceania, Leigh drives Risk Management's ambition to enable responsible growth by identifying current and emerging regional risks, ensuring quality and risk management systems run effectively, overseeing Ethics and Global Code of Conduct, and ensuring risks associated with new services, systems, acquisitions, alliances and tools are addressed.

Leigh works with global client service partners, client and engagement teams, on a variety of risk and independence matters from acceptance to service delivery and through to reporting. Leigh is responsible for oversight of Independence across the Oceania Region, including consultations, independence processes and compliance, and regulatory inspections. Leigh is a Chartered Accountant and a member of the Institute of Chartered Accountants of Scotland and Chartered Accountants Australia and New Zealand.



## System of quality management



# System of quality management

In 2023, EY Australia finalised the implementation of Auditing Standard ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and other Financial Information, or Other Assurance or Related Services Engagements (ASQM 1)* which also conforms with the International Standard on Quality Management 1 (ISQM 1) for the first time. ASQM 1 facilitated the implementation of a formalised System of Quality Management from the prior system of quality controls.

This year, a Global System of Quality Management Operational Leader and Global System of Quality Management Monitoring and Analysis Leader were appointed, capitalising on the implementation of ISQM 1 to help EY member firms improve quality. The Global System of Quality Management Operational Leader is focused on further developing a robust and consistent System of Quality Management for all EY member firms to adopt with the ability for EY member firms to customise based on local considerations. The Global System of Quality Management Monitoring and Analysis Leader is focused on understanding themes and learnings from monitoring activities to help EY member firms proactively monitor risks and continuously improve their System of Quality Management and audit quality.

In the context of ASQM 1 and the annual evaluation of our System of Quality Management, EY Australia refers to the following EY member firms performing audits or reviews of financial statements, or other assurance or related services engagements:

- ▶ Ernst & Young
- ▶ Ernst & Young Strategy and Transactions Limited.



System of Quality Management annual evaluation conclusion as of 30 June 2024

The annual evaluation conclusion for EY Australia as of 30 June 2024 is that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved.



Our role as auditors

Stakeholders need confidence in the capital markets to make important decisions that drive economic growth. Auditors play a critical role in building this confidence through their ability to validate and

interpret data objectively and independently, providing the appropriate level of challenge. In this way, audit quality plays a crucial role in creating long-term value for all stakeholders.

We recognise that in an environment characterised by continuing globalisation, the rapid movement of capital and the impact of technology changes, the quality of our audit services has never been more important. EY Australia's reputation for providing high-quality professional audit services independently and objectively is fundamental to our success as independent auditors. We continue to invest in our System of Quality Management and to promote enhanced objectivity, independence, and professional scepticism. These are fundamental to the execution of high-quality audits. Designing, implementing and operating an effective System of Quality Management is essential to these efforts.

At EY Australia, our role as auditors is to provide assurance on the fair presentation of the financial statements of the companies we audit. We bring together qualified teams to provide audit services, drawing on our broad experience across industry sectors and services. We continually strive to improve quality and risk management processes, so that the quality of our service is at a consistently high level.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient way to provide audit services. EY continues to look for ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

We work to understand where our audit quality may not be up to our own expectations and those of stakeholders including independent audit regulators. We seek to learn from external inspections, internal inspections and other monitoring activities, and to identify the root causes of adverse quality occurrences to continually enable us to improve audit quality.



Designing, implementing and operating a System of Quality Management

ASQM 1 requires a proactive and risk-based approach to managing quality by requiring member firms to design, implement and operate a System of Quality Management. ASQM 1 also requires evaluating, at least annually, the System of Quality Management.

ASQM 1 includes robust requirements for the governance, leadership and culture of professional accountancy firms, and requires a risk assessment process to focus the firm's attention on mitigating risks that may have an impact on engagement quality. It also requires extensive monitoring of the System of Quality Management to identify deficiencies that require implementation of corrective actions and to provide the basis for evaluating the overall effectiveness of the System of Quality Management.

ASQM 1 outlines an integrated and iterative approach to the System of Quality Management based on the nature and circumstances of the firm and the engagements it performs. It also takes into consideration the changes in the practice and the different operating models of the firms (e.g. use of technology, network and multidisciplinary firms).

The EY approach is to design, implement and operate a System of Quality Management that is consistently applied across the entire network of member firms to promote engagement quality and operating effectiveness. This is especially important in a global economy where many audits are transnational and involve the use of other EYG member firms.

To achieve this purpose, EY member firms have access to certain policies, technologies, strategies and programmes to be used in the design, implementation and operation of the EY member firm's System of Quality Management. The purpose of these resources is to support EY member firms and their people.

For example, the EY approach to the required risk assessment process includes input and feedback from across EY service lines, functions, and geographic areas to develop global baseline minimums, including quality objectives (based on ISQM 1 requirements), quality risks and responses (including System of Quality Management key controls) assumed to be applicable to EY member firms. In addition, global tools have been developed to support the System of Quality Management processes.

EY member firms, including those in Australia, are ultimately responsible for the design, implementation, and operation of their System of Quality Management, and have the responsibility for:

- ▶ Evaluating policies, technologies, strategies, programmes and baseline quality objectives, quality risks and responses provided to them, and
- ▶ Determining if they need to be supplemented by the member firm to be appropriate for use (e.g. if the policy needs to be amended to comply with local laws and regulations or if it is necessary to translate the content into local language).



## System of Quality Management roles

To enable the design, implementation, and operation of EY Australia's System of Quality Management, individuals are assigned to System of Quality Management roles. The individuals in these roles have the appropriate experience, knowledge, influence and authority, and sufficient time to fulfil their System of Quality Management roles and are accountable for fulfilling their responsibilities.

System of Quality Management roles and responsibilities are defined in the Global System of Quality Management policies to drive consistency in the execution of the EY Australia System of Quality Management. For those individuals in EY member firm or regional leadership roles, there are accountability frameworks which outline how they will be held accountable for their System of Quality Management related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

Key roles within the System of Quality Management include:

**Ultimate responsibility and accountability:** The EY Regional Managing Partner and CEO, Oceania is the individual assigned ultimate responsibility and accountability for the System of Quality Management including evaluating and concluding on its effectiveness.

**Operational responsibility for the System of Quality Management:** The EY Regional Assurance Managing Partner, Oceania is the individual assigned operational responsibility for the System of Quality Management. This includes overseeing the remediation process and recommending the System of Quality Management annual evaluation conclusion to the EY Regional Managing Partner and CEO, Oceania. The Regional Assurance Managing Partner, who remains accountable, assigns a Country System of Quality Management Operational Leader to assist him in fulfilling his System of Quality Management-related responsibilities. A System of Quality Management (SQM) Operational Committee has been formed, chaired by the Australia SQM Operational Leader. The purpose of the SQM Operational Committee is to oversee the operational responsibility of the System of Quality Management. The SQM Operational Committee includes the Australian SQM Operational Leader, service line representatives (Assurance, Tax and Law, Consulting and Strategy and Transactions), functions leaders (Independence, Risk Management, Talent, Professional Practice) and representatives from the FSO.

Operational responsibility for compliance with independence requirements: The Regional Risk Management and Independence Leader, Oceania is the individual assigned operational responsibility for compliance with independence requirements.

Operational responsibility for monitoring the System of Quality Management: The Regional Professional Practice Director, Oceania is the individual assigned operational responsibility for monitoring the System of Quality Management. This includes overseeing the monitoring process and concurring with or proposing changes to the recommended System of Quality Management annual evaluation conclusion. The Country Professional Practice Director, who remains accountable, assigns a Country System of Quality Management Monitoring Leader to assist in fulfilling the System of Quality Management-related responsibilities. A System of Quality Management monitoring Committee chaired by the Country Professional Practice Director was established to oversee the monitoring processes and activities of the System of Quality Management. The System of Quality Management monitoring Committee includes the Country System of Quality Management Monitoring Leader, Service Line Quality Leaders (Tax and Law, Consulting and Strategy and Transactions), Regional Quality Enablement Leader, Regional Independence & Risk Management Leader, FSO Professional Practice Director and FSO Quality Enablement Leader.



Effectiveness: Annual evaluation conclusion as of 30 June 2024

The EY Regional Managing Partner and CEO, Oceania, on behalf of EY Australia, is required to evaluate the System of Quality Management on an annual basis, as of 30 June, and conclude on its effectiveness. The evaluation process is executed annually based on the Global System of Quality Management Annual Evaluation policy.

This evaluation is based on whether EY Australia's System of Quality Management provides reasonable assurance that:

- ▶ EY Australia and its people are fulfilling their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and engagements are being conducted in accordance with such standards and requirements
- ▶ Reports being issued by the member firm and Partners in Charge (PICs) are appropriate in the circumstances.

The evaluation of the effectiveness of the System of Quality Management utilises information gathered from monitoring activities performed over a period. The evaluation considers the results of the following:

- ▶ Tests of System of Quality Management key controls
- ▶ Internal and external engagement inspections
- ▶ Other monitoring activities (e.g. tests of EY Australia and its people's compliance with ethical requirements related to independence, evaluation of quality criticisms made by external regulators relevant to the System of Quality Management, issues reported through the Ethics hotline).

Professional judgment is used in evaluating the results of monitoring activities, including in determining whether findings, individually or in combination with other findings, rise to the level of a deficiency. Any deficiencies identified require a root cause analysis to be performed and a quality improvement plan to be developed. Further, deficiencies are evaluated to determine the severity and pervasiveness of the deficiency. If a severe deficiency was identified, a member firm would need to assess whether the effect of the deficiency was corrected, and the actions taken by 30 June 2024 were effective, in determining its System of Quality Management annual evaluation conclusion.



## Components of our system of quality management



# Components of our System of Quality Management

In the following sections, we describe the components of the System of Quality Management, which EY Australia follows:

- ▶ System of Quality Management risk assessment process
- ▶ Governance and leadership
- ▶ Relevant ethical and legal requirements
- ▶ Client and engagement acceptance and continuance
- ▶ Engagement performance
- ▶ Resources
- ▶ Information and communication
- ▶ System of Quality Management monitoring and remediation process



EY Australia has designed and implemented a risk assessment process to establish quality objectives, identify and assess quality risks, and design and implement responses to address the quality risks as required by ASQM 1. The risk assessment process is executed annually based on Global System of Quality Management policies.

To drive consistency while providing EY member firms with an approach that is scalable and adaptable based on the facts and circumstances of the member firm, Global System of Quality Management baseline Quality Objectives, Quality Risks and Responses have been developed by representatives of EY Global Leadership (including Global Assurance Leadership) based on input from functional and service line groups at the Global, Area and Region level. Global System of Quality baselines include:

- ▶ System of Quality Management baseline Quality Objectives
- ▶ System of Quality Management baseline Quality Risks
- ▶ System of Quality Management baseline Responses
- ▶ System of Quality Management baseline Resources (e.g. Global policies or technologies that mitigate an EY System of Quality Management baseline Quality Risk)
- ▶ System of Quality Management baseline Key Controls to be designed and implemented to mitigate an EY System of Quality Management baseline Quality Risk.

Global System of Quality Management baselines are presumed to be applicable to every member firm performing ISQM 1 engagements. EY member firms have the responsibility to evaluate the Global System of Quality Management baselines and determine if the Global System of Quality Management baselines need to be supplemented or adapted by the EY member firm to be appropriate for use (e.g. additional quality risks, customisation of responses).

EY Australia reviewed the Global System of Quality Management baselines and performed the following:

- ▶ Accepted or customised the Global baseline Resources and Key Controls after appropriate analysis of our facts and circumstances
- ▶ Together with the Area SQM Leadership, identified the level of execution of Global baseline Key Controls.
- ▶ Customised accepted Global, Area and Region baseline Key Controls.

The review of the Global System of Quality Management baselines considered the facts and circumstances of EY Australia, including, the nature and operating characteristics of EY Australia, the types of engagements performed and systemic trends from monitoring activities within the System of Quality Management.

In addition to reviewing the Global System of Quality Management baselines, EY Australia determined if additional quality objectives, quality risks or responses were necessary. Based on the review of these baselines additional key controls were designed and implemented.



Tone at the top

EY Australia's leadership is responsible for setting the right tone at the top and demonstrating the EY commitment to building a better working world through behaviour and actions. While the tone at the top is vital, EY people also understand that quality and professional responsibility start with them and that within their teams and communities, they are leaders too. EY shared values, which inspire EY people and guide them to do the right thing, and the EY commitment to quality are embedded in who we are and in everything we do.

The EY culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters. We believe it is important to determine that engagement teams and the entities they audit follow consultation advice, and we emphasise this when necessary.

EY Australia is committed to improving accountability and transparency across the professional services industry.

The consistent stance of EY Australia has been that no client is more important than our professional reputation – the reputation of EY Australia and the reputation of each of our professionals.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies and is embedded in the EY culture of consultation, training programmes and internal communications. Senior management reinforces the importance of performing quality work, complying with professional standards, adhering to EY policies and leading by example. In addition, we assess quality of professional services provided as a key metric in evaluating and rewarding EY professionals.

The EY structure, internal policies and guidance ensure that our audit professionals:

- ▶ Understand the policies and procedures for assurance services
- ▶ Are incentivised to deliver high-quality audits
- ▶ Are not influenced by other commercial outcomes when making decisions in relation to an audit engagement.

EY Australia has measures aimed at enhancing audit partner accountability. These measures include:

- ▶ Mandated areas where partners are required to consult with professional practice (see page 36)
- ▶ Separation of professional practice function from audit operations management functions
- ▶ Independent engagement quality review partner assigned, where required (see page 37)
- ▶ Approvals required from audit partners prior to engaging in any non-audit services for audit clients (see page 51)
- ▶ Approved framework for quality and effective risk management metrics for performance evaluation which holds accountability for poor audit-quality outcomes (see page 58)
- ▶ Financial penalties for partner independence breaches or non-compliance.

Partners cannot be and are not incentivised or remunerated for the sale of non-audit services to audit clients (see page 58).

To measure the quality culture across EY member firms and provide EY Australia with valuable insights into the perceptions of the culture of quality, including tone at the top, collaboration, and workload management and ethical behaviour, a Global Quality Survey was first launched in April 2023. The results of the 2024 Quality Survey were used to identify areas where EY Australia was doing well and where more actions may be required. The 2024 Quality Survey results indicate that 95% of EY Australia assurance professionals recognise that the tone at the top set by leadership demonstrates commitment to quality and 83% of EY Australia assurance professionals believe that EY Australia recognises and values contributions to quality. The recognition of our strong culture of consultation, coaching and continuous quality improvement is also reflected in the results of the Quality Survey. Yet, the results also indicate that more still needs to be done to improve our culture around workload management.



Global Code of Conduct

We promote a culture of integrity among EY professionals as well as those working with EY. The EY Global Code of Conduct provides a clear set of principles that guide our actions and our business conduct and are to be followed by all EY people. The EY Global Code of Conduct is divided into five categories:

- ▶ Working with one another
- ▶ Working with clients and others
- ▶ Acting with professional integrity
- ▶ Maintaining our objectivity and independence
- ▶ Protecting data, information and intellectual capital.

Through our procedures to support compliance with the EY Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all EY people to act responsibly, including reporting misconduct without fear of retaliation. The results of the March 2024 People Pulse Survey indicated that 88% of EY Australia participants within Assurance felt they could meet expectations while maintaining ethics and integrity and believe decisions made by leaders are consistent with the EY values and Code of Conduct.



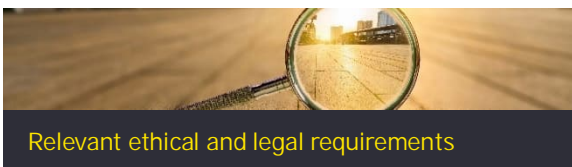
## Accountability frameworks

The global accountability framework is applicable to all EY Partners, Principals, Associate Partners, Executive Directors, Managing Directors and Directors no matter their role, service line or location. There is an Assurance specific framework which supplements the global accountability framework, referenced in this section.

The Assurance accountability frameworks of EY are a set of policies and frameworks that put quality into action and outline how EY Partners, Associate Partners, Directors and leaders will be held accountable for their System of Quality Management related responsibilities as well as other quality focused activities and how the responsibilities link to their performance ratings.

In addition, two incremental accountability frameworks cover individuals in leadership roles at the member firm and regional levels, which are applicable for all service lines and functional leadership roles.

All the accountability frameworks set clear expectations for quality to maintain the confidence that external stakeholders place in EY. The frameworks outline criteria for ensuring an individual's quality rating is appropriately considered in their performance rating. Partner remuneration section (See page 58) includes more discussion on application of the accountability frameworks.



## Relevant ethical and legal requirements

EY Australia complies with applicable laws and regulations, and EY values underpin our commitment to doing the right thing. This important commitment is supported by several policies and procedures, explained in the paragraphs below.



## Independence

Compliance with relevant ethical requirements, including independence, is a key element of the System of Quality Management. It involves determining that we are independent in fact, as well as appearance. The ethical requirements relevant to EY audits and professional services are included in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International

Independence Standards) (the IESBA Code). In EY Australia, we also comply with the Code of Ethics issued by the Australian Accounting Professional & Ethical Standards Board (APESB). Refer to the Independence Practices section for information on policies, tools and processes relating to maintaining independence.



## Non-compliance with laws and regulations

In accordance with the IESBA and APESB Codes, EY has adopted a policy designed to meet its obligations with respect to non-compliance with laws and regulations (NOCLAR). The policy covers obligations with respect to non-compliant activity by clients or EY people, as relevant to their respective business activities.

In addition to the NOCLAR reporting obligations, EY may be required to make certain reports to relevant authorities regarding possible misconduct by clients – actual or suspected. Where such obligations exist, reports are made in accordance with local laws.



## Whistleblowing

EY Australia has a Whistleblowing policy which sets out the principles for making, receiving, investigating and addressing disclosures raised by whistle-blowers. It outlines the appropriate escalation paths, the relevant legislation and the responsibilities and obligations of eligible recipients and the whistle-blower. The Whistleblowing policy is available internally to EY personnel and externally to third parties and clients. The processes outlined in the policy comply with the requirements under the *Corporations Act 2001*. One of the avenues someone seeking to make a whistleblowing disclosure can use is the EY Ethics Hotline.

In 2024, 25 reports (2023: 54 reports) were submitted to the EY Ethics Hotline, none of which were in relation to audit quality (2023: none). The EY Ethics Hotline provides EY people, clients and others outside of the organisation with a means to confidentially report activity that may involve unethical or improper behaviour, and that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. Globally, the hotline is operated by an external organisation that provides confidential and, if desired, anonymous hotline reporting.

When a report comes into the EY Ethics Hotline, either by phone, online or email, it receives prompt attention by the member firm's ethics team. Depending on the content of the report, appropriate individuals from Risk Management, General Counsel's Office, Talent or other functions are also involved in addressing the report.



#### Anti-bribery

The EY Global Anti-bribery Policy provides EY people with direction on certain unethical and illegal activities. It emphasises the obligation to comply with anti-bribery laws and identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been sustained to continue to embed anti-bribery measures across EY.



#### Insider trading

Securities trading is governed by many laws and regulations, and EY people are obliged to comply with applicable laws and regulations regarding insider trading. This means EY people are prohibited from trading in securities while in possession of material non-public information.

The EY Global Insider Trading Policy reaffirms the obligation of EY people not to trade in securities when in possession of insider information, provides detail on what constitutes insider information and identifies with whom EY people should consult if they have questions regarding their responsibilities.



#### Economic and Trade Sanctions

It is important that EY member firms and EY people comply with the ever-changing rules with respect to international Economic and Trade Sanctions. EY monitors Sanctions issued in multiple geographies both prior to business relationships being accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.



#### Data protection and confidentiality

The EY Global Data Protection and Confidentiality Policy sets out principles and minimum standards to be applied to the collection, use and protection of all information that EY has responsibility for, including personal data relating to current, past and

prospective EY professionals, clients, suppliers and business associates, as well as other information considered confidential to clients, third parties or the EY organisation. This policy is consistent with the requirements of the European Union's General Data Protection Regulation (GDPR), and other applicable laws and regulations concerning data protection and privacy in addition to relevant professional standards providing a framework for confidentiality. The EY Binding Corporate Rules are approved by UK and EU regulators, and further provide a legal mechanism facilitating the movement of personal data within the EY network.



#### Rotation and long association

EY supports mandatory audit partner rotation to help reinforce auditor independence. EY Australia complies with the audit partner rotation requirements of the IESBA Code, APES Code, *Corporations Act 2001*, the Australian Prudential Regulatory Authority, as well as the U.S. Securities and Exchange Commission (SEC), where required. EY Australia supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining experience and knowledge of the business. Audit partner rotation, combined with independence requirements and independent audit oversight, helps strengthen independence and objectivity, and is an important safeguard of audit quality.

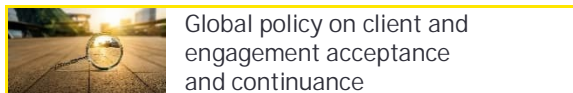
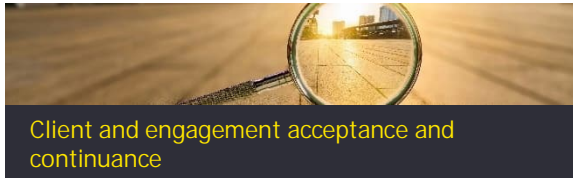
For listed entities in Australia, rotation of the audit partner is mandated by the *Corporations Act 2001*, and our independence policy requires the lead audit engagement partner and the engagement quality reviewer to be rotated after five years, with other audit partners who make key decisions or judgments on matters significant to the audit (together, the key audit partners), to be rotated after seven years. The lead audit engagement partner may remain in place for an additional two years subject to exceptional circumstances if requested by the directors of a listed entity and approved by both the audit committee of the entity and the Oceania Risk Management and Independence Leader and Oceania PPD. Following rotation, the lead audit engagement partner may not resume any role in the engagement until at least five years have elapsed, for the engagement quality reviewer until three years have elapsed and for the other key audit partners, until two years have elapsed (the cooling-off period).

In addition, EY has established a long association safeguards framework. This is consistent with the requirements of the IESBA and APESB Codes and includes consideration of the threats to independence created by the involvement of EY professionals over a



long period of time and a safeguards framework to address such threats.

We employ processes to effectively monitor compliance with internal rotation, and requirements for audit partners and other EY professionals who have had a long association with the audit client.



The EY Global Client and Engagement Acceptance Policy sets out principles for EY member firms to determine whether to accept a new client, a new engagement with an existing client, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people and meeting regulatory requirements. The EY Global Client and Engagement Acceptance Policy is an example of a policy issued by EYG to help ensure the adherence to EY values and to drive consistency in the System of Quality Management.

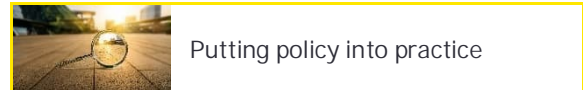
The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions on whether to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify clients or engagements that pose heightened risk or that are inconsistent with EY values
- ▶ Require consultation with designated EY professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements
- ▶ Determine that the intended engagement is within the EY Service Framework and does not involve a prohibited service.

In addition, the EY Global Conflicts of Interest Policy defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions aimed at managing potential conflicts of interest as quickly and efficiently as possible, using appropriate safeguards. Such safeguards may include obtaining client consent to act for another party where a conflict of interest may exist, establishing separate

engagement teams to act for two or more parties, implementing appropriate separations between engagement teams or declining an engagement to avoid an identified conflict.

The EY Global Conflicts of Interest Policy and associated guidance considers the increasing complexity of engagements and client relationships, as well as the need for speed and accuracy in responding to clients. They also align with the latest IESBA Code and APES Code.



We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for coordinating client and engagement acceptance and continuance activities in line with global, service line and EY member firm policies. PACE takes users through the acceptance and continuance requirements and identifies the policies and references to professional standards needed to assess both business opportunities and associated risks. PACE is an example of technological resources made available to EY member firms across the globe intended to drive consistency.

The process for acceptance or continuance of clients and engagements includes consideration of the engagement team's assessment of risk factors across a broad range of categories such as industry, management's attitude, internal controls, audit complexity and related parties.

As part of this process, we consider the risk characteristics of a prospective client or engagement, and the results of due diligence procedures. Before taking on a new client or engagement, we also determine whether we can commit sufficient and appropriate resources to provide quality services, especially in highly technical areas, and if the services the client is requesting are appropriate for us to provide. The approval process is rigorous, and no new audit engagement may be accepted without the approval of the Oceania Professional Practice Director (PPD) or their delegates and the Assurance Managing Partner (AMP) or their delegates, as designated based on risk. As determined by the level of risks deemed present, new audit engagements may also require approval by designated Regional and Area PPD and AMP delegates.

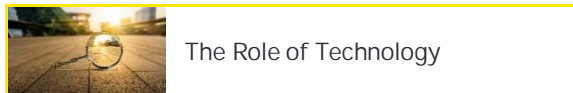
In the annual client and engagement continuance process, we evaluate our services and ability to continue to provide a quality service. The partner in charge, together with our Assurance leadership, annually evaluates the relationship with the entities

we provide audit or assurance services to determine whether continuance is appropriate.

As a result of this evaluation, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit relationships are discontinued. As with the client and engagement acceptance process, our Oceania PPD and Assurance Managing Partner are involved in the continuance process and should agree for the continuance to occur.



There is investment of more than US\$1b in next-generation Assurance technology as part of the continued EY commitment to EY member firms providing high-quality audits. This investment reflects the EY commitment to building trust and confidence in the capital markets, and in economies the world over.



The EY investment in technology is building on the strength of the existing leading-edge audit technology suite – integrating advanced technologies under one seamless platform while driving transformation by harnessing:

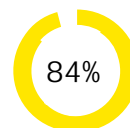
- ▶ Next-generation data-access capabilities and advanced analytics
- ▶ AI at scale
- ▶ An elevated user experience.

In 2024, the global EY organisation released a further 25 new Assurance technology capabilities, supported by an expanded alliance with Microsoft, bringing the total to 45 releases during the first half of this four-year program. These releases are deployed across EY and include globally scaled artificial intelligence (AI). These AI-enabled capabilities – leveraging publicly available and EY-generated data – are directly, seamlessly integrated with EY Canvas to support EY Assurance professionals in assessing risk. EY is also introducing new AI-enabled capabilities in predictive analytics; content search and summarization; and document intelligence, including financial statement tie-out procedures.

#### Spotlight on driving quality through technology

##### *Next-generation data-access capabilities and advanced analytics*

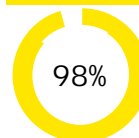
Advanced data capabilities help to drive quality by supporting the analysis of entire data populations – supporting data-driven auditing that is embedded into methodology. The EY Helix global analytics suite (EY Helix) already supports the use of mature analytics throughout the audit – allowing EY teams to drill down on the right data at the right time and better understand the audited company and its risk landscape. By further integrating advanced analytics directly into the workflow of EY Canvas, EY sets a strong foundation to expand the use of AI at scale and significantly elevates user experience. Enhancing data capture and analysis capabilities helps to provide further confidence in a high-quality audit by widening the range of data used to obtain audit evidence, including both disaggregated and nonfinancial data.



84% of EY Australia listed audit client engagements with greater than 1,000 audit hours use EY Helix Analysers

##### *AI at scale*

AI at scale and other intelligent capabilities help to drive quality by standardising processes and leveraging data to provide risk guidance and relevant recommendations to EY teams. Existing smart automation capabilities, such as EY Intelligent Checklists and EY Financial Statement Tie-out, automate and enhance routine audit activities, which helps efforts to be refocused on higher-risk areas. Looking ahead, guided workflow and other enhancements will take this to the next level, using the knowledge and learnings of other EY teams to support deeper risk focus and continued confidence in a high-quality audit.



98% of our audit teams on EY Australia PIE clients use EY Smart Automation tools

##### *An elevated user experience*

A leading-class experience helps to drive quality by facilitating highly integrated and consistently executed audits worldwide. EY Canvas sits at the centre of the audit experience today, supporting effective coordination, consistent documentation and easier collaboration between EY teams and companies around the world. Integrating a guided

workflow, data and knowledge under a single platform empowers EY teams to access all the capabilities involved in providing high-quality audits while also empowering company users with new features to better understand the status of the audit.

#### Quality at the core of technology development

The efforts of EY to provide this next-generation Assurance technology platform are consolidated under a global transformation program. This program includes standardised protocols that are adhered to with regard to technology concept creation, development and deployment. Multiple stakeholders are involved in this effort, including global and Area representatives from Professional Practice, the Global Assurance Quality Network and EY Technology.

New Assurance technology concepts are presented to a global committee of these stakeholders for evaluation based on several benefit criteria including quality, value for EY professionals and value for EY clients. If the committee believes that a concept lacks sufficient attributes under these and other criteria, the concept is rejected or adjustments are made, and the concept is re-presented to the committee.

Robust testing throughout the development cycle, including with end users, is a prerequisite for the release of any audit technology. The Assurance technology is then presented for release to global Assurance service line leadership once this extensive testing, including piloting, is completed, feedback is evaluated and incorporated, and the necessary certification is complete.

#### Technology-enabled methodology

Companies are leveraging technology to develop new systems and processes for business management, as well as analysing more data to inform business decisions. This trend is facilitating a more data analysis-driven and risk-based approach to the audit, which means that full populations of data can be analysed and focuses the auditor's attention on the complete transaction flow and process.

The embedded data-driven approach of the EY Global Audit Methodology enhances the auditor's preliminary risk assessment and helps enable the auditor to challenge those conclusions throughout the various phases of the audit. The auditor can reassess risk based on what is identified in the data, which creates an audit flow that is iterative in nature.

#### Addressing the risk of technology over-reliance

EY has procedures, policies, and enablement in place to encourage the responsible use of audit tools and technology, including AI-enabled technologies, and to mitigate the risk of over-reliance by the audit professional. In addition, the EY Global Audit Methodology emphasises applying appropriate professional scepticism in the execution of audit procedures. The design of EY audit tools and technology, including AI-enabled technology, is intended to provide support for the audit team's procedures to address risks of material misstatement, but not replace the important role of the professional in applying their experience and judgment to reach a conclusion.



#### Emerging risks

Both traditional and emerging risks can have an impact on financial statements, and the auditor's approach should continuously evolve to address both types of risks. Emerging risks include changing macroeconomic and geopolitical conditions, evolving client use of technology (such as AI), cybersecurity risks, climate risks and event-specific client developments. Globally, The Risk Centre of Excellence continues to develop tools to enhance the ability to monitor and address emerging risks in the audit portfolio. Audit teams may also involve specialists to address areas of emerging risk, including specialists in ESG, cybersecurity or AI.



#### Identify and assess fraud risk

As organisations become increasingly complex and more digital dependent, there is a need to enhance the auditor's efforts to identify and respond to risks of material misstatement due to fraud, as well as the auditor's response to identified or suspected fraud.

EY sees new opportunities to leverage data to identify and respond to the risk of fraudulent financial reporting. For example, auditors increasingly use data analytics to identify unusual transactions and their patterns that could indicate a heightened risk of fraud. There are EY tools and processes being developed that help EY teams identify and respond to the risk of fraud. These include:

- Document Authenticity Tool, which tests for alterations to selected electronic documents using a variety of techniques and helps to identify when a document provided as audit

evidence may have been altered, tampered with or modified.

- ▶ Journal Entry Fraud Risk Analyser (JEFRA), which tests each journal entry selected for characteristics associated with an elevated risk of management override and identifies entries for incremental consideration.
- ▶ Short seller report alert process, which monitors and distributes reports globally to audit teams and leadership.
- ▶ Adverse media searches, which identify articles indicative of fraud or non-compliance risk. Selected articles are distributed internally for further consideration.
- ▶ Enhanced forensics metrics, which use data to identify indicators of elevated risk of fraud based on application of machine learning techniques to historical financial statement data sets, providing audit teams with the ability to enhance their assessment of fraud risks through specific account-level focus.



#### Reviews of audit work

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed and the requirements for documenting the work performed and conclusions reached. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for technical accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine the adequacy of the audit work as a whole and the related accounting and financial statement presentation. Where appropriate, and based on risk, a tax professional reviews the significant tax and other relevant working papers. For listed and other public interest entities (PIEs) and certain other companies, an engagement quality reviewer (described below in the Engagement quality reviews section) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the audited entity and the auditor's report.

The nature, timing and extent of the reviews of audit work depend on many factors, including:

- ▶ Risk, materiality, subjectivity and complexity of the subject matter
- ▶ Ability and experience of audit engagement team members preparing the audit documentation
- ▶ Level of the reviewer's direct participation in the audit work
- ▶ Extent of consultation employed

EY policies also describe the critically important role of the PIC in managing and achieving quality on the

audit and reinforcing the importance of quality to all members of the audit team, including component auditors.



#### Consultation requirements

EY consultation policies are built upon a culture of collaboration, whereby EY audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. In the 2024 Quality Survey, 85% of respondents within EY Australia's assurance practice said the EY culture of collaboration encourages them to seek advice and support.

As the environment in which EY member firms work has become more complex and connected around the globe, the EY culture of consultation has become even more important to help EY member firms reach the appropriate conclusions for entities that they audit on a timely basis. Consultation requirements and related policies are designed to involve the right resources, so that audit teams reach appropriate conclusions.

The EY culture of consultation enables audit engagement teams to deliver seamless, consistent and high-quality services that meet the needs of audited entities, their governance bodies and all stakeholders.

For complex and sensitive matters, there is a formal process requiring consultation outside of the audit engagement team with other EY professionals who have more relevant experience, primarily Professional Practice and Independence professionals. In the interests of objectivity and professional scepticism, EY policies require members of Professional Practice, Independence and certain others to recuse themselves from the consultation if they currently serve, or have recently served, the entity to which the consultation relates. In these circumstances, other appropriately qualified individuals would be assigned.

EY policies also require that all consultations are documented, including written concurrence from the person or persons consulted, to demonstrate their understanding of the matter and its resolution.





## Engagement quality reviews

EY engagement quality review policies, which are in accordance with ISQM 2, *Engagement Quality Reviews*, address the audits that are subject to engagement quality reviews and the qualifications of engagement quality reviewers, with training and enablement supporting the execution of the engagement quality review. Engagement quality reviewers are experienced EY professionals with significant subject-matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgments the engagement team made, and the conclusions reached thereon. The performance of an engagement quality review, however, does not reduce the responsibilities of the PIC for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance documentation of engagement quality reviews provide specific guidelines on the nature, timing and extent of the procedures to be performed, and the required documentation evidencing their completion. In all circumstances, the engagement quality review is completed before the auditor's report is dated.

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies, all public interest entities and those considered to need close monitoring. The Regional Assurance Managing Partner and Oceania PPD approve the assignment of the engagement quality reviewer to each listed and other public interest entity.



## Engagement team resolution process for differences of professional opinion

EY has a culture that encourages and expects EY people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to an engagement. Policies and procedures are designed to empower members of an audit engagement team to raise any disagreements relating to significant accounting, auditing or reporting matters.

The nature of the EY culture is made clear to people as they join an EY member firm, and we continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard and seek out the views of others.

Differences of professional opinion that arise during an audit are generally resolved at the audit engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, EY policies require that they refer it to the next level of authority until an agreement is reached or a final decision is made, including consultation with Professional Practice if required.

Furthermore, if the engagement quality reviewer makes recommendations that the PIC does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved.

Differences of professional opinion that are resolved through consultation with Professional Practice are appropriately documented.



## Records retention

The Records and Information Retention and Disposition Global Policy supports and builds upon provisions within the EY Global Code of Conduct regarding acting with professional integrity in terms of documenting work and respecting intellectual capital. This policy and the Global Retention Schedule (GRS) establish records and information management (RIM) requirements for the management of records and information and documents ("records and information") throughout their life cycle including the requirement to securely discard or delete records for which the retention period has expired, unless special and acceptable circumstances apply. This policy, the GRS and RIM requirements are in accordance with applicable professional standards and are based on regulatory, legal, and business requirements and obligations, and they apply to all engagements and EY people and address Australian legal requirements, applicable to the creation and maintenance of working papers, relevant to the work performed.



## Resources

There is continued EY investment in resources. Resources defined by ISQM1 includes intellectual, technological and human resources.



## Audit methodology

The EY Global Audit Methodology (EY GAM) provides a global framework for providing high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements, regardless of the size. EY GAM also requires compliance with relevant ethical requirements, including independence from the audited entity. Making risk assessments; reconsidering and modifying them as appropriate; and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to EY GAM. The methodology also emphasises applying appropriate professional scepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in EY Australia to comply with the local Australian auditing standards and regulatory or statutory requirements. EY GAM is one example of an intellectual resource made available to EY member firms to drive consistency in the execution of audit engagements.

When relevant data is available and extracted from the entity into EY Helix global analytics suite, the embedded data-driven approach of EY GAM focuses on simplifying tasks and improving connection from one audit procedure to the next by leveraging full populations of entity data. The ability to analyse disaggregated data using EY Helix enhances audit teams' understanding of the entity's business and helps teams focus on the identification of entity-specific risks, key transactions and trends and anomalies that may be indicators of misstatement or fraud. Audit procedures, including risk assessment and substantive procedures start with a data-first mindset, by analysing relevant financial and non-financial data and supplementing this with traditional audit techniques such as inquiries, observations and inspection.

Using EY Atlas, an EY auditor is presented with EY GAM, organised by topic, and is designed to focus the audit strategy on the financial statement risks, as well as the design and execution of the appropriate audit response to those risks. EY GAM consists of two key components: requirements and guidance and supporting forms and examples. The requirements and guidance reflect both auditing standards and EY policies. Examples in EY GAM supplement the requirements and guidance with leading practice illustrations.

EY GAM specifically distinguishes the requirements and guidance that apply to audits of listed entities and public interest entities.

EY continues to develop the methodology to address changes and revisions in auditing and other professional standards and changes within entities' financial reporting processes, and to enhance guidance related to matters that are important to entities' stakeholders, such as climate-related risks, cybersecurity risk and the entity's use of emerging technologies within their operations or financial reporting processes (e.g. automation, AI, blockchain). EY audit engagement teams are provided methodology, guidance and resources to identify and respond to unique risks arising from macroeconomic and geopolitical conditions, climate-related matters, cybersecurity risk and technology disruption.

Other enhancements have been made to address implementation experiences and external and internal inspection results.

Recently, EY GAM was updated for the requirements of ASA 600 (Revised) *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)* and revisions to the International Ethics Standards Board of Accountants' Code of Ethics to address independence considerations in a group audit. A suite of enablement to implement the revised requirements was issued.

In addition, current and emerging developments are monitored, and timely audit planning and execution communications are issued. These communications emphasise areas noted during inspections as well as other key topics of interest to local audit regulators and the International Forum of Independent Audit Regulators (IFIAR).



## Non-financial reporting

EY member firms provide assurance services on a wide range of non-financial information and reporting-related information. The EY Sustainability Assurance Methodology (EY SAM) provides a global framework for the application of a consistent approach to all assurance engagements on sustainability information (ESG). EY SAM provides for the delivery of high-quality assurance services through the consistent application of thought processes, judgments and procedures in all engagements, regardless of the level of assurance required. EY SAM is also adaptable to the nature of both the ESG reporting, and the criteria applied by the reporting entity in producing that report.

The methodology emphasises applying appropriate professional scepticism in the execution of procedures inclusive of the changing landscape in ESG reporting and criteria. EY SAM is based on the International Standards on Assurance Engagements

(ISAEs) and is supplemented in Australia to comply with local assurance standards and regulatory or statutory requirements.

As part of our and other EY member firms' obligation for high-quality assurance services related to non-financial reporting, EY has developed guidance, training and monitoring programmes and processes used by EY member firm professionals to execute such services consistently and effectively. This includes the EY Climate Change and Sustainability Services – a dedicated team of sustainability professionals.

Guidance has also been developed for audit teams to assess the impact of climate risk on financial reporting under International Financial Reporting Standards (IFRS) or other financial reporting frameworks. The Global, Area, Regional and Country PPDs, EY quality functions and IFRS desks, together with other finance and sustainability professionals, who work with teams in each member firm, are knowledgeable about the changing regulatory non-financial reporting landscape, EY people, clients and processes. They are readily accessible to support Assurance engagement teams.

There is continued EY investment in resources (human, intellectual and technological) for assurance engagements on sustainability reporting prepared in compliance with IFRS Sustainability Disclosure Standards, the European Sustainability Reporting Standards (ESRS) or the Australian Sustainability Reporting Standards (ASRS).

Additionally, the improved EY quality management-related processes aim to address such aspects as the engagement acceptance process, training and accreditation requirements, and resource assignments specifically related to assurance services over non-financial reporting matters.

EY provides input to a number of public and private initiatives to improve the quality, comparability and consistency of non-financial reporting, including climate risk. These activities take place at a global, regional and national level.



#### Certification of technology

The EY organisation has a robust certification process to help ensure technology used in audit engagements is fit-for-purpose (i.e. that the solution meets its objectives, is appropriate for use in the audit circumstances and that EY people have the appropriate competencies to use the solution).

Certification addresses a range of aspects, including that the solution has a clear audit evidence objective, has been appropriately tested, that methodology,

enablement and learning are available to support its application and relevant legal and regulatory requirements have been managed (e.g. data privacy).



#### Diversity, equity and inclusiveness

The EY organisation has a long-standing commitment to diversity, equity, and inclusiveness (DE&I). This commitment to building high-performing, diverse, equitable and inclusive teams is especially important in audit, where diverse perspectives drive professional scepticism and critical thinking. Inclusive and accessible working environments that foster improved decision-making, stimulate innovation and increase organisational agility.

The Global Executive has made a visible commitment to EY people and to the market to accelerate DE&I at EY through signing the Global Executive Diversity, Equity, and Inclusiveness Statement. Not only does this reinforce that DE&I is a key business lever, but it also helps to ensure that EY member firms hold themselves accountable for progress, starting with the tone at the top. To enable accountability across the EY organisation, the Global DE&I Tracker tracks progress across established diversity and inclusiveness metrics and reporting across the organisation globally and in regions.

EY Global Assurance have a DE&I baseline expectations model for the audit practice which aims to set expectations and accelerate progress. It consists of ideas and initiatives to advance DE&I across people and operational processes. Each Region has completed a self-assessment against the baseline expectations model and committed to an action plan to deliver progress.

Fostering this sense of belonging is critical to helping the EY organisation attract the most talented individuals and helping EY professionals stay motivated and engaged. In the March 2024 employee listening survey, 80% of EY Australia assurance professionals said the EY organisation provides a work environment where they feel free to be themselves.

The EY organisation's Global Social Equity Task Force (GSET) has developed cohesive action plans, specifically to address inequity and discrimination, including racism. As a global organisation, EY has an opportunity to address the impact of inequities and injustice and push for progress within EY and beyond. EY commits to advancing social equity and inclusive growth and standing against injustice, bias, discrimination, and racism. A focus on social equity means providing people with the equitable access to resources and opportunities, given different starting points and different needs. It also means removing

barriers to opportunities and experiences, which may lead to unequal outcomes. EY believes businesses have direct influence to address equity gaps and build a better working world, through teaming, leadership and workplace culture, and work allocation, as well as how performance evaluation, advancement and appointment decisions are made.


EY values are guiding principles that shape our culture, behavior and decisions. Our values define who we are:

Our values: who we are

1  
People who demonstrate integrity, respect, teaming and inclusiveness

2  
People with energy, enthusiasm and the courage to lead

3  
People who build relationships based on doing the right thing




Employee value proposition

The EY employee value proposition (EVP) is the promise we make to our employees in return for working at EY Australia. The EY workforce is changing continually, and we are in a dynamic and competitive talent market, where EY people now want different things from their workplace. What we promise in an EVP matters more than ever.

As part of the new EY strategy, the EVP has been updated to reflect that every employee can “shape your future with confidence”. This signals a step change from enabling an exceptional EY experience to providing the opportunities to develop, empower and fuel extraordinary EY people.

EY Australia is committed to investing in our most valuable asset – our people – to help ensure we keep our promise to them. Delivering on the EVP in turn helps us to drive further advances in audit quality, creating real value and insights for entities that are audited by us.



Attracting and recruiting talent

In a world with a decreasing talent pipeline in accounting and audit, where the number of students graduating with a relevant degree continues to drop, competition for talent with the optimal skill set has never been higher. Finding the next generation of high-quality auditors remains a top priority for EY. This is also a top priority for several professional accounting bodies, highlighting this is a factor the


profession as a whole needs to work together to address.

EY retains a strong global network of recruiters and continues to educate and upskill them regarding the key areas of focus for EY businesses, current trends and hot topics in assurance so that they are armed with the information to talk to candidates. EY is also exploring several recruitment innovation platforms and talent attraction initiatives with the purpose of networking with new and diverse audiences that EY didn't have the opportunity to connect with via the traditional channels and innovate in the ways EY communicate with and attract our future talent.

For example, work is being done to develop an audit virtual work experience program, with the support of an external vendor. This program is designed primarily for university and college students who are at early stages of their studies and are looking to explore future career paths. The purpose of this program is to connect with students and showcase the work EY teams do in audit across the globe, in a direct and informal way, with the aim to build a network with our future talent from the early stages in their academic journey. Students taking this virtual job simulation are more likely to apply, have an interview and be successful in securing an opportunity in EY audit teams.

EY has now embedded AI to source and identify talent, enabling candidates to upload their CV and help them find potential opportunities across EY. AI is used to help screen CVs, enabling recruiters to accelerate the review and interview process offering an overall better candidate experience, and better-quality candidates to fill the vacancies faster.

To recruit people who fit with the EY culture, it is important to consider not only technical excellence, but also other attributes – communication skills, high ethical standards and the ability to collaborate in high-performing teams. All joiners are expected to live up to high standards of integrity, and to have strong business acumen and leadership potential.



Retention and focus on wellbeing

Having recruited the talent, retaining it within the organisation is a key contributor in providing high-quality audits. Retention can vary based on external drivers, such as market conditions, but at 78% in June 2024, the global audit retention rate is at a higher level than before the COVID-19 pandemic. Retention rate of auditors in EY Australia in June 2024 is 83%.

An increasingly important talent priority has been wellbeing and improving the day-to-day experience of



EY people. The overarching goal is to embed a wellbeing culture through the commitment of leadership to provide the financial, physical, emotional and social support that enables EY people to be the best they can be. This can manifest in the provision of flexible working arrangements, recognition programs, mental health awareness and wellbeing, learning and development, plus much more.

In practice, this also includes equitably balancing work allocations and breaking down barriers that have previously prevented EY professionals from setting and adhering to healthy boundaries. There is a stronger focus on experience management, scheduling auditors onto engagements, where they can find opportunities to expand their knowledge as part of longer-term career progression.

The better the organisation can support EY people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EY network.



#### Personalised careers with diverse experiences

As the workforce becomes more diverse in terms of background, skill sets, experiences and education, EY member firms are implementing more flexible career paths for all EY professionals.

Offering an agile and flexible career path that includes acceleration for the highest performers is vital in attracting new, diverse talent and in helping to develop and retain the existing workforce.

Recognising, that individuals often have different career expectations, EY people are provided the necessary tools and processes to manage their own progression their way. As evidence, in the 2024 Quality Survey, 87% of EY Australia assurance professionals said that any relevant learning is encouraged as part of their career development to enable them to provide quality audits and other assurance services.



#### Mobility

One of the most powerful experiences EY member firms can offer their people is to work across cultures and borders. We know that people join EY for exceptional and diverse experiences, with 89% of EY member firms' new hires in Assurance being motivated by joining a highly globally integrated organisation.

EY member firms provide a variety of on-demand mobility solutions and programs. The global mobility platform, Mobility4U, provides EY professionals with a single point of entry to undertake opportunities worldwide that provide a developmental experience and facilitate the sharing of specific knowledge and skills. In parallel there is a focus on strategic mobility programs for member firm partners and future leaders, which support key business imperatives.

In addition to geographic mobility, EY member firms are increasingly able to offer virtual mobility experiences. These provide the benefits of working cross-border with new teams and enable EY people to expand their global mindset and networks.



#### Performance management

The EY performance management framework, LEAD, supports EY people's careers, inspires their growth and recognizes the value they bring to EY Australia. Through defined global and local key performance indicators (KPIs), ongoing feedback, counsellor insights and conversations, LEAD helps align individuals with the EY strategy and enables a focus on the future. An individual's dashboard provides a view of their year-to-date feedback and comments about their engagement performance, including feedback related to quality, risk management and technical excellence. At year end, individuals receive an outcome, called a category, based on aggregated feedback, progress against KPIs and contributions to EY via counselor and leader insights. The category serves as one input to compensation and reward programs.

At the centre of the framework are conversations between counselee and counsellor, covering topics such as feedback, career aspirations, creating an inclusive and equitable environment and pursuing learning and new experiences. These conversations help to identify opportunities for further development and to build future-focused skills.

The performance management framework extends to partners, principals, executive directors and directors (PPEDDs) and applies to all EY member firms around the world. It reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and an annual performance review, all tied to PPEDDs' recognition and reward. Documenting partners' goals and performance is the cornerstone of the evaluation process. An EY member firm PPEDDs' goals are required to reflect various global and local priorities across six metrics, the most important one being quality.



## Engagement

Employee engagement is a vital sign of success in building the right culture. EY audit professionals want to feel that their employer cares about their progress and job satisfaction. Understanding the ambitions, concerns and pressures faced by EY people makes it possible to provide a better environment in which they can flourish.

Engagement levels are regularly monitored through a variety of channels, and the March 2024 EY People Pulse Survey showed that 73% of EY Australia assurance professionals had a favourable attitude in terms of engagement.

Listening to the views and concerns of EY people is a key element in increasing engagement. The EY employee listening strategy gives EY people a voice at every step of their EY experience, so that we know what they need and what EY Australia can do to help build exceptional experiences. Understanding the evolving perspectives and experiences of EY people is essential to delivering our EVP.

The People Pulse Survey is run three times per year to gather feedback on key elements that drive engagement and retention. Each survey focuses on different strategic drivers (e.g. Careers, Learning and skills, etc.) and includes other relevant topics.

The EY Team Experience Survey is another critical element of the employee listening strategy, aimed at improving and unifying the day-to-day experience for engagement teams. Eligible team members provide feedback on their experience of an engagement across a variety of questions, rated on a five-point scale. This feedback provides actionable insights and pathways for tangible change at the engagement team level.

Assurance runs an initiative known as “Global Voices” which unites up to 200 high-performing junior assurance professionals from across the world and all sub-service lines. Its purpose is to empower and engage the EY member firms’ workforces by seeking their feedback on a wide range of topics of strategic importance, to broaden leadership perspectives. Leadership teams are increasingly engaged and motivated to understand the group’s perspectives on business-critical challenges like talent retention, technology, innovation and ESG societal impact.



## EY Australia talent and wellbeing focus



### Progress against recommendations of Independent review of workplace culture in the Oceania region

In September 2022, EY Australia commissioned Elizabeth Broderick & Co (EB&Co) to lead an independent and comprehensive examination of Workplace Culture, with a specific focus on the wellbeing of our people and how we can better support them.

Elizabeth Broderick is Australia’s longest serving Sex Discrimination Commissioner and a highly respected expert in reviews of this kind.

The review was a deep examination of workplace culture, work practices and psychological health and safety in Oceania’s two largest member firms, Australia and New Zealand. More than 4,500 people participated in the review via written submissions, group listening sessions, confidential one-on-one interviews or via an online survey.

The report, published in July 2023 ([The Report](#) is available on our website [EY.com](#).), found a significant majority of EY people have a positive experience. They are proud of the organisation’s history and most consider it to be an inclusive workplace where they feel safe and empowered to speak up with ideas, questions or concerns, and that EY leaders have contributed to that environment. However this is not everyone’s experience. Despite a range of initiatives implemented to advance and promote a safe, inclusive and respectful culture, bullying, sexual harassment and racism continue to exist, causing harm to those who experience these behaviours.

The report includes 27 recommendations to help make meaningful improvements to our workplace culture and positively promote the wellbeing of all our people in Oceania. We accepted all 27 recommendations.

The recommendations range from the revision of Key Performance Indicators to strengthen leadership and recognise contributions to improving Diversity, Equity and Inclusion, to reducing overwork and excessive hours through more accurate project scoping, resourcing and costing. The report also recommends five experimental pilot initiatives focused on work pressures. In 2024 EY established an Oceania Implementation Taskforce, including members from our Diversity Networks, our Leadership Advisory Forum and member firm Partners. The taskforce is

overseeing the implementation of all EB&Co's recommendations and the evaluation and reporting of our progress against them. We have made progress on all recommendations, with some in planning stage, some in-flight and others completed.

In 2024 we prioritised the enhancement of workplace safety. Initiatives such as launching the Sonder app for wellbeing and safety, appointing Ombpoint as an independent ombudsman service, redesigning our internal complaints process and refreshing our Bystander intervention training are examples of initiatives we have undertaken.

We continue to be transparent to our stakeholders by publishing the Report and our progress against each of the 27 recommendations from the report. Read [EY Value Realised Scorecard: Oceania](#) for more information on our progress against each of the recommendations.

Leaders have an important part to play in role-modelling behaviours and creating a safe environment where our people feel comfortable to call out behaviours that don't align with our values and the EY Global Code of Conduct. Mandatory Bystander Intervention Workshops assist to guide the partners and staff to demonstrate appropriate responses to such incidents.



#### Agility and teaming in a virtual world

Since the COVID-19 disruption and reorganisation of professional workplaces around the world, we have continued to embrace the hybrid working arrangement for our teams to deliver audits.

We continue to prioritise addressing risks that a virtual world can have on the way our people work. The Oceania Executive team, and the member firm partners are supported by a dedicated Chief Mental Health Advisor, as they prioritise mental health, wellbeing and psychology of EY people. Establishing an appropriate work/life balance are priorities that we continue to pay close attention to. It is also understood that our clients face similar issues. The importance of physical and mental health and wellbeing of our people has been at the heart of our leadership activities and communications. Risks brought about by high turnover of staff, evolving business practices requires an evolution in audit planning and practices. EY is embracing human-led technology adoption to improve virtual teaming and client delivery.



#### Continued Wellbeing focus and support

Supporting the wellbeing of our people has been a strong focus for us at EY Australia and remains integral to how we reimagine the way we work and reward our people. EY Australia is committed to going above and beyond with the benefits package we offer, continually listening to our people and delivering benefits that have a meaningful impact to the health and financial wellbeing of our people. Some of the recent initiatives include:





### Formation of audit engagement teams

The assignment of EY professionals to an audit engagement is made under the direction of our Australian Assurance leadership. The factors considered when assigning EY people to audit teams include engagement size and complexity; engagement risk; specialised industry knowledge and experience; timing of work; continuity; and opportunities for on-the-job training. For more complex engagements, consideration is given to whether specialised or additional knowledge is needed to supplement or enhance the audit engagement team.

In many situations, EY professionals with experience in a specialised area of accounting or auditing, such as tax or information technology, are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining sufficient appropriate audit evidence. Additionally, internal specialists who have knowledge outside of accounting or auditing, such as forensics, asset valuation, actuarial analysis and ESG, may perform work in their field that is used by the audit engagement team to assist in obtaining sufficient appropriate audit evidence. For the year ended 30 June 2024, 20% (2023: 19%) of total audit hours across ASX 300 audits conducted by EY Australia was contributed by non-audit specialists.

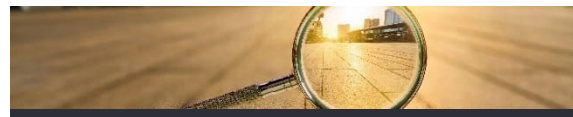
EY Australia's policies require the approval of the assignment of individuals to specific audit roles by our Australian Assurance leadership and Oceania PPD or their delegates. This is carried out, among other reasons, to make sure that the EY professionals leading audits possess the appropriate competencies (e.g. the knowledge, skills, abilities) and licenses to fulfil their engagement responsibilities and when applicable, are in compliance with auditor rotation regulations.



### Service delivery centres

Global Delivery Services (GDS) is an integrated network of EY service delivery centres that provide services to support EY member firms. In an era of unprecedented change, GDS continues to develop flexible business models and innovative ways to support other EY member firms and their evolving needs. Across all disciplines, GDS teams combine broad technical knowledge with a focus on innovation, automation and process improvement to create hundreds of customised and scalable services that provide greater value for the EY organisation. As

part of its audit transformation journey, EY Assurance services plan to increase their use of specialised teams to drive higher-quality outcomes, including GDS.

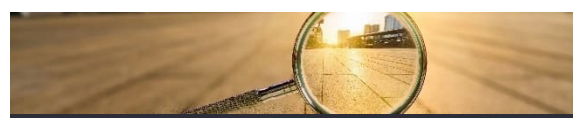


### Information and communication

The information and communication component focuses on obtaining, generating or using information and communicating relevant and reliable information, to enable the design, implementation and operation of the System of Quality Management. The quality objectives within the component address the effective two-way communication between:

- ▶ EY people
- ▶ Member firms within the EY network
- ▶ External parties
- ▶ Service providers.

Effective two-way communication is essential to the operation of the System of Quality Management and the performance of audit engagements. The Global System of Quality Management (SQM) policy provides the requirements for EY member firms to communicate internally and externally about the member firm's System of Quality Management. EY has a culture that encourages and expects EY people to communicate relevant and reliable information to the EY member firms to enable the System of Quality Management



### System of Quality Management monitoring and remediation

The System of Quality Management monitoring and remediation process is the cornerstone of the EY process to monitor the System of Quality Management, including audit quality. The objective of EY Australia's System of Quality Management monitoring and remediation process is to:

- ▶ Provide relevant, reliable and timely information about the design, implementation and operation of EY Australia's System of Quality Management
- ▶ Provide a basis for the identification of deficiencies
- ▶ Take appropriate actions to respond to any identified deficiencies.



Information obtained from the monitoring and remediation process about the design, implementation and operation of EY Australia's System of Quality Management is evaluated to conclude on the effectiveness in achieving the objectives of EY Australia's System of Quality Management.

System of Quality Management monitoring activities include evaluating:

- ▶ Tests of System of Quality Management key controls
- ▶ Internal and external engagement inspections
- ▶ Other monitoring activities, for example:
  - ▶ Tests of EY Australia and its people's compliance with ethical requirements related to independence
  - ▶ Quality criticisms made by external regulators relevant to the System of Quality Management
  - ▶ Issues referred from the Ethics hotline.

The monitoring and remediation process is executed annually based on the Global System of Quality Management Monitoring and Remediation policy, which is a global intellectual resource provided to drive consistency in the execution of EY Australia's System of Quality Management. The monitoring and remediation process is coordinated and monitored by representatives of Region, Area and Global PPD, with oversight by Region, Area, and Global Assurance leadership.



Tests of System of Quality Management key controls

System of Quality Management key controls have been designed and implemented to mitigate quality risks. The objective of performing tests of System of Quality Management key controls within the EY Australia's System of Quality Management includes determining whether the System of Quality Management key controls:

- ▶ Were designed, implemented and operated in accordance with Control Owner's understanding and documentation thereof
- ▶ Were operated on a timely basis by the Control Owner/Control Operator specified in the design of the System of Quality Management key control
- ▶ Resulted in the timely resolution of any matters (information accumulated) identified
- ▶ Were based on reliable information (i.e. information used in the performance of the System of Quality Management key control is complete and accurate, if applicable).

Individuals testing System of Quality Management key controls are competent, objective and

independent of the control owners and control operators.

In addition to controls that exist at the EY member firm level, there may be controls within EY Australia's System of Quality Management that are designed, implemented and operated at the Region, Area or Global level. For example, Global Functions and Service Lines provide policies (e.g. EY Global Audit Methodology) and technologies (e.g. EY Canvas, PACE) to EY member firms. Global Functions and Service Lines have controls over the development and maintenance of these resources. These controls form part of an EY member firm's System of Quality Management, and EY Australia remains responsible for determining how those controls are used in its System of Quality Management, including any actions necessary to implement or supplement such controls.

The testing of these controls is performed at the Region, Area, or Global level, as relevant.

The approach to testing of controls at the Region, Area and Global level follows the same requirements and guidance set forth in the Global System of Quality Management Monitoring and Remediation policy. Prior to testing starting, information is provided to the EY member firms which includes an overview of the controls to be tested, the approach to testing, and information about who will be performing testing, including how to allow an EY member firm to assess their competence and objectivity. For example, testing performed over Global controls is performed by individuals independent of the control owners and operators under the supervision of the Global System of Quality Management Monitoring and Analysis Leader.

Information about the results of testing is also shared with the EY member firms through Results of Monitoring Activities memos and through other information about the design, implementation, and operation of Global key controls. EY Australia obtains and evaluates the results of testing provided by the Region, Area or Global, as relevant, including evaluating whether there are findings relevant to the System of Quality Management.



Audit quality reviews (AQR)

EY Australia executes the Global AQR program, reports results and develops responsive action plans. The Global AQR program involves inspection of completed audit engagements. It is a monitoring activity complying with the requirements and guidelines in the ISQM 1 and is supplemented, where necessary, to comply with EY Australia professional standards and regulatory requirements. It also aids EY Australia's ongoing efforts to identify areas where

we can improve our performance or enhance our policies and procedures.

Audit quality reviews include the inspection of at least one completed engagement for each partner in charge (PiC), including others functioning as PIC on a cyclical basis between 3 and 5 years, including elements of unpredictability. The engagements reviewed each year are selected on a risk-based approach covering a cross-section of EY Australia's auditing practice. The Global AQR program includes detailed risk-focused file reviews covering a sample of listed and non-listed audit engagements, and public interest entities and non-public interest entities, to measure compliance with internal policies and procedures; EY GAM requirements; and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit assurance engagements performed by audit teams. These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit assurance services.

The Global AQR program also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

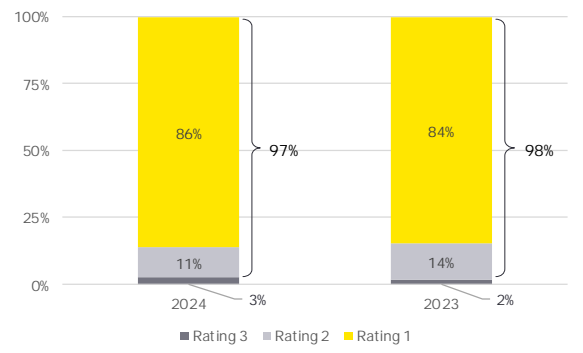
AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, and their industry specialisation. Audit reviewers are supported by other specialists, such as FAIT (IT audit), TARAS (tax), Forensics or Digital or other technical (e.g. sector or subject matter) for the review team to possess sufficient relevant knowledge and experience to conduct an effective AQR. Team leaders and reviewers are independent of the engagements and teams they are reviewing and are normally assigned to inspections outside of their home location.

The Global AQR program is supplemented by a program that covers inspections of other assurance and related services engagements regardless of the service line performing the work. This is referred to as the Other Assurance Quality Review (OAQR) program.

The results of the AQR and OAQR processes are summarised globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. Measures to resolve audit quality matters noted from the Global AQR programme and external quality assurance reviews and peer reviews are addressed by Assurance leadership and our PPD. These programs provide important practice monitoring feedback for our System of Quality Management.

## EY Australia AQR results

We evaluate the results of our review on a three-point scale: 1 = no or minor findings, 2 = findings that were more than minor but less than material, 3 = material findings. In 2024, EY Australia's AQR programme resulted in the inspection of 36 (2023: 44) audit engagements and 97% (2023: 98%) of the engagements inspected were rated as having no material findings or deficiencies.



### External quality assurance reviews

EY Australia's Audit practice is subject to inspection by the Australian Securities & Investments Commission (ASIC). ASIC is a member of IFIAR and accordingly, the inspection results are submitted for inclusion in the annual IFIAR survey.

Each year, ASIC selects a sample of engagements for inspection which involve the review of the higher risk areas within each audit file selected. ASIC's selection of audits for inspection and the focus areas are largely influenced by the results of its financial reporting surveillance activities. ASIC do not publish individual inspection reports for firms.

Two EY Australia audits were the subject of this process in the year ended 30 June 2024 (2023: one).

EY Australia's Audit practice is also subject to inspection by the US Public Company Accounting Oversight Board (PCAOB) every 3 years. EY Australia was inspected by the PCAOB in 2022 and the report was issued 1 August 2023 (see [2022 EY Australia PCAOB Inspection Report](#)). As part of its inspection, the PCAOB evaluated quality control systems and reviewed two selected engagements.

Information on the above-mentioned regulators along with publicly available inspection reports can be found at [www.asic.gov.au](http://www.asic.gov.au) and <https://pcaobus.org>.

We respect and benefit from ASIC's and PCAOB's inspection process. We thoroughly evaluate the points raised during the inspection to identify areas

where we can improve audit quality and the relevance to the System of Quality Management. Engagements with significant findings and certain other engagements are subject to root cause analysis (see next section). Together with the AQR process, external inspections provide valuable insights into the quality of EY audits. These insights help us to effectively execute high-quality audits.

#### Other regulators

EY Australia is also registered with the Canadian Public Accountability Board, New Zealand's Financial Markets Authority, Luxembourg's Commission de Surveillance, the UK's Financial Reporting Council, Japan's Financial Services Authority, Spain's Instituto de Contabilidad y Auditoría de Cuentas and Hong Kong's Accounting and Financial Reporting Council. This is necessary to execute audits of particular global clients or conduct audits of Australian clients who, owing to overseas stock-exchange-listing requirements, file financial statements in those jurisdictions. We have not been inspected by these regulators.

#### Chartered Accountants Australia and New Zealand (CAANZ)

During 2024, CAANZ performed a Quality Review of our EY Australia, focused on our System of Quality Management.



#### Engagement-level root cause analysis and action plans

Engagement-level root cause analysis is a central part of the EY Australia's System of Quality Management, providing an in-depth assessment of the root causes that underlie an engagement's positive or negative inspection outcome. The findings of each root cause are analysed in detail. Analysing this research enables a better understanding of the drivers behind both positive and negative outcomes. It also allows us to focus on key behaviours that drive positive and high-quality results, a process that is fundamental to continuous improvement.

In conjunction with the performance of engagement-level root cause, EY member firms are responsible for assessing whether the matters are indicative of pervasive issues in their System of Quality Management and developing responsive action plans for remediation.



#### Identifying and assessing System of Quality Management deficiencies and performing root cause

Findings are information about the design, implementation and operation of the System of

Quality Management which indicates that one or more deficiencies may exist. Findings are accumulated from the performance of monitoring activities at the Member Firm, Region, Area, or Global level. EY Australia evaluates each finding or aggregation of findings considering the relative importance of the finding(s) to determine whether a deficiency exists. Potential findings identified, and their assessment are reviewed by the System of Quality Management (SQM) Monitoring Committee.

If any deficiencies are identified, a root cause process is executed to determine the root cause, to assess the severity and pervasiveness of the deficiency, and to develop responsive actions.

Representatives from Area and Global Professional Practice and Assurance Leadership teams meet on a regular basis to review the results of the monitoring activities and the assessment of findings and deficiencies to drive consistency in the application of the framework for identifying and assessing findings and evaluating deficiencies and performing root cause as described in the Global System of Quality Management Monitoring and Remediation policy.



#### System of Quality Management Quality Improvement Plans

For any identified deficiencies, EY Australia develops a quality improvement plan, which includes:

- ▶ Correcting the effect of the identified deficiency
- ▶ Remediating identified deficiencies in a timely manner
- ▶ Evaluating the effectiveness of the remediation actions.

The System of Quality Management (SQM) Operational Committee is responsible for the development of quality improvement plans which are reviewed by the System of Quality Management (SQM) Monitoring Committee to help ensure the appropriateness of the actions designed.



## Independence practices



# Independence practices

The EY Global Independence Policy requires EY Australia and our people to comply with the independence standards applicable to specific engagements (e.g. the IESBA and APESB Codes).

We consider and evaluate independence with regard to various aspects, including our financial relationships and those of EY people, employment relationships, business relationships, the permissibility of services we provide to companies we audit, applicable firm and partner rotation requirements, fee arrangements, audit committee pre-approval or pre-concurrence, as applicable, and partner remuneration and compensation.

Failure to comply with applicable independence requirements will factor into decisions relating to a person's promotion and compensation, and may lead to other disciplinary measures, including separation from EY Australia.

EY Australia has implemented EY global applications, tools and processes to support us, our professionals and other employees in complying with independence policies. These have been adapted to the Australian requirements and processes where necessary.



EY Global Independence Policy

The EY Global Independence Policy contains the independence requirements for EY member firms, EY people, and other professionals. It is a robust policy predicated on the IESBA Code and supplemented by more stringent requirements in jurisdictions where prescribed by the local legislative body, regulator or standard-setting body. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. The EY Global Independence Policy is readily accessible and easily searchable on the EY intranet.

The EY Global Independence Policy is an intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.



Global Independence System

The Global Independence System (GIS) is an intranet-based tool that helps EY people identify the entities from which independence is required and the independence restrictions that apply. It includes all audit clients and their affiliates, including listed audit

clients, other public interest audit clients and private audit clients, but can also include other types of attest or assurance clients. The tool includes family-tree data relating to audit clients and their affiliates, other entities for which independence restrictions apply, and other entities for which there are no independence restrictions. Family-tree data is updated by client-serving engagement teams. The entity data includes notations that indicate the independence requirements that apply to each entity, helping EY people determine the type of services that can be provided or other interests or relationships that can be entered into.

GIS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



Global Monitoring System

The Global Monitoring System (GMS) is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. EY professionals ranked as manager and above are required to enter details about all securities and other financial interests they hold, or those held by their immediate family, into the GMS. All other professionals are encouraged to also record their securities in GMS. When a proscribed security is entered or if a security they hold becomes proscribed, EY professionals receive a notice and are required to dispose of the security. GMS allows professionals to verify, before they invest, whether the financial interest is permitted for them. Furthermore, it is used to check whether an EY professional may become part of an engagement team for a particular audit client, based on the professional's recorded financial interests, before the professional is assigned to a client engagement, whether for an audit engagement or a non-audit engagement. Identified exceptions are reported through the Global Independence Consultation Database for regulatory matters.

GMS also facilitates quarterly and annual confirmation of compliance with independence policies, as described below. GMS is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



## Independence compliance

EY processes and programs are aimed at enabling and monitoring the compliance with independence requirements of EY member firms and their people. These include the following activities, programs and processes.

### Independence confirmation

Annually, EY Australia is included in an Area-wide process to confirm compliance with the EY Global Independence Policy and process requirements, and to report identified exceptions, if any.

All EY client-serving professionals at the ranks of manager through partner, and certain others based on role or function, are required to confirm compliance with independence policies and procedures quarterly. In addition, all EY professionals are required to confirm compliance with the EY Global Code of Conduct annually.

An initial independence screening is conducted for all external potential partner candidates – referred to as Direct Admit Partner (DAP) to identify any circumstances or relationships that could delay or prevent the DAP from being a partner in EY Australia. This is followed by a more detailed independence review to identify any financial relationships the DAP, or their immediate family, is required to dispose of prior to becoming an EY partner. The DAP is also required to confirm their compliance with key aspects of the *Corporations Act 2001* and EY Global Independence Policy.

### Independence compliance reviews

EY conducts internal procedures to assess member firm compliance with independence matters. These reviews include aspects of compliance related to non-audit services, business relationships with the companies that EY member firms audit and financial relationships of EY member firms.

### Personal independence compliance testing

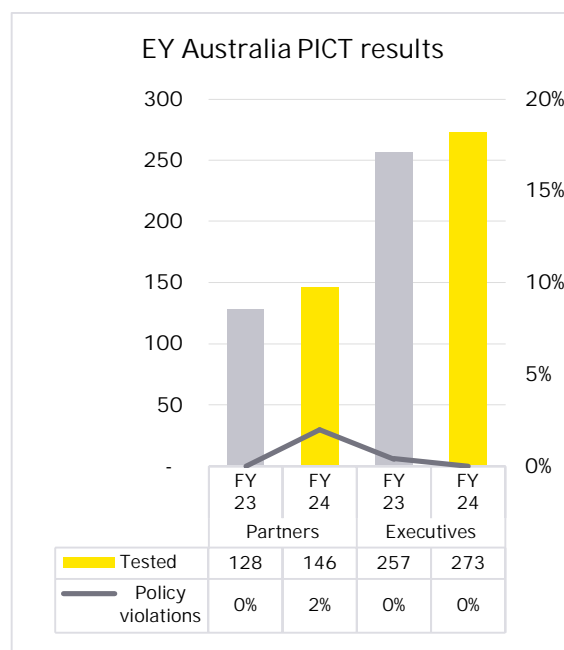
Each year, the EY Global Independence team establishes a program for personal independence compliance testing (PICT), which is an audit of an individual's compliance with the requirement to report financial interests in GMS. As part of the PICT, the selected individuals will provide account statements and other documentation of their financial interests, which are then compared to information reported in GMS as of the relevant period

being tested to determine if there are unreported interests and relationships. Any unreported interests or relationships are evaluated with consequences assigned as deemed appropriate.

The table below summarises the planned coverage under the programme.

Role	Testing frequency
Partner in Leadership	Every three years
Partner and Associate Partner	Every five years
Promotion to Partner, Associate Partner, Executive Director or Director	Prior to promotion
Random 3% sample of other professionals (Managers and above, not Partners)	Annually

EY Australia tested 419 partners and other personnel (2023: 385) as part of the PICT. We continue to focus on educating our professionals regarding their responsibilities, ensuring compliance with EY policies, and are continuously focused on improvement in our compliance. Results of the Personal Independence Compliance Testing is summarised below:



During 2024, we identified eight breaches of APES 110 and/or the *Corporations Act 2001* (2023: five). These related to instances where:

- ▶ An intern, who provided testing support to the audit engagement team, held a financial interest in the audit client.
- ▶ An immediate family member of a partner in the chain of command held an employment related superannuation financial interest in an audit client. The partner did not provide any services to the audit client.

- ▶ Two partners and an associate partner held financial interests in funds that are audit clients where the lead audit engagement partner was in the same office (resulting in four breaches). The partners did not provide any services to the audit client.
- ▶ An immediate family member of a partner held a financial interest in an audit client and the partner moved offices to join the same office as the lead audit engagement partner. The partner did not provide any services to the audit client.
- ▶ A non-audit engagement team member that was providing permitted non-audit services to an audit client held an immaterial financial interest in the audit client.

Six of these matters were identified as part of our independence monitoring controls and two were self-reported by the individual as soon as they became aware of the issue.

In line with our policies, the relevant financial interest was disposed of, or the individual removed from the audit engagement, and in all cases the matter was reported to those charged with governance at the audit client.

In response to these breaches, and to improve our overall compliance rates, we are actively taking measures to improve our compliance. These initiatives include leadership messaging, ongoing firm-wide and targeted group communications and trainings, specialised initiatives for certain higher risk groups, increased support regarding personal independence requirements, and implementation of more stringent sanctions for non-compliance.



#### Non-audit services

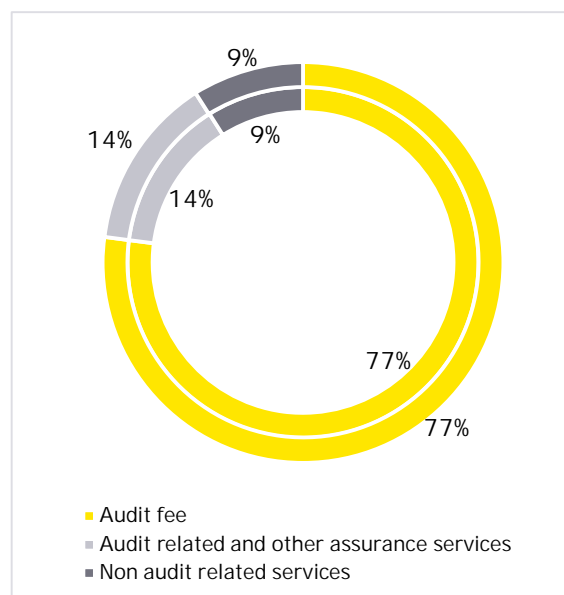
All non-audit services we provide to our audit clients are services that the professional standards, laws and regulations, including independence standards consider to be permissible for an auditor to provide to an audit client. We monitor compliance with the standards governing the provision of non-audit services to audited entities through a variety of mechanisms. The enablement includes the use of tools, such as PACE (see page 33), GIS (see page 49), and the Service Offering Reference Tool (SORT) (see below), and training. The monitoring includes required procedures completed during the performance of audits and internal inspection processes, such as the Global Compliance Engagement Testing. We also have a process in place for the review and approval by Independence professionals of certain non-audit services in advance of accepting the engagement. Audit partners must approve the provision of all non-audit services to audit clients before any such service is accepted,

once they are satisfied of the adherence to required professional standards, including consideration of company-specific auditor independence policies that client audit committees may use to manage the nature and quantum of non-audit services.

No part of our partner evaluation and reward process can or does include any reference to the selling of non-audit services (see page 58) to audit clients.

In addition, we perform testing procedures of engagements to identify potential non-compliance with applicable independence rules and the EY engagement acceptance processes.

The chart below summarises the proportion of fees from audit and other services for ASX 300-listed entities audited by EY Australia for the fiscal years ended 30 June 2024 (inner ring) and 30 June 2023 (outer ring) sourced from the annual report of these entities.



The audit related other assurance services include fees for other assurance reports including sustainability assurance and agreed-upon procedures required under legislation or contractual arrangements. Tax compliance services are generally the largest component of the non-audit services.



#### Global independence learning

EY develops and deploys independence learning programs for EY people. All EY client-facing professionals, and certain other professionals based on role or function, are required to participate in annual independence learning to help maintain independence from the companies EY member firms' audit.

The goal is to help EY people understand their responsibilities and to enable each of them, and their member firms, to be free from interests that might be regarded as incompatible with objectivity, integrity and impartiality in serving an audit client.

The annual independence learning program covers independence requirements, focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored. EY Australia also provides additional training in the executive events of learnings from independence compliance testing and external inspections during the period.

In addition to the annual learning program, independence awareness is promoted through events and materials, including new-hire programs and core service line curricula as well as dedicated communication, including EY news articles and targeted reminders to provide guidance on specific topics.

The annual independence learning program is an intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.



#### Service Offering Reference Tool (SORT)

Service Offering Reference Tool (SORT) serves as the master list of approved EY services. We assess and monitor our portfolio of services on an ongoing basis to determine whether they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks.

SORT further provides EY personnel with information about EY service offerings. It includes guidance on which services can be provided to audit and non-audit clients, as well as independence and other risk management matters and considerations.

SORT is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



#### Business Relationships Independence Data Gathering and Evaluation

EY people are required to use Business Relationships Independence Data Gathering and Evaluation (BRIDGE) in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting EY's compliance with independence requirements.

BRIDGE is an example of a technological resource made available to EY member firms to drive consistency in the System of Quality Management.



#### Audit committees and oversight of independence

We recognise the important role audit committees and similar corporate governance bodies undertake in the oversight of auditor independence. Empowered and independent audit committees perform a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest. We are committed to robust and regular communication with audit committees or those charged with governance. Through the EY quality review programs, we monitor and test compliance with EY standards for audit committee communications, as well as the pre-approval or pre-concurrence of non-audit services, as applicable.





Continuing  
education for  
our high  
performing  
teams

# Continuing education for our high performing teams



## The Audit Academy

The Audit Academy is the EY global learning programme for auditors. It builds auditors' core skill sets and evolves over time — for example to complement those core skills with the new capabilities needed to support the EY Digital Audit. Every year, the content and focus of the Audit Academy is adjusted to address new technologies and strategic priorities that promote audit quality. Any changes are agreed by Assurance leadership, following recommendations from the EY Global Assurance Learning Steering Committee.

Inspection and quality review findings are reviewed regularly to assess and address root causes, and the conclusions are then fed into the Audit Academy curriculum to enhance and strengthen continual learning.

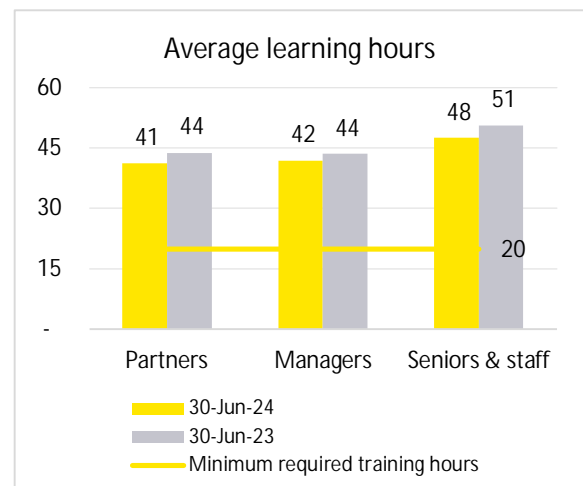
Teams can be sure that they are receiving leading-class and globally consistent core learning. Whether that involves focusing on changes in regulation, mastering emerging technologies or embedding data analytics into existing audit practices, the Audit Academy has the resources in place to support every need. Moreover, the Audit Academy encourages and empowers individuals to apply professional scepticism, think critically and deliver exceptional client service.

The Audit Academy provides a blend of on-demand learning and simulation or case study-based learning that can be deployed either physically or virtually.

- The Audit Academy encourages and empowers individuals to apply professional scepticism, think critically and deliver exceptional client service. It creates an agile skillset that allows learners to adjust to changes in regulation, adoption of emerging technologies or the use of new data analytics tools and techniques.
- The Audit Academy is designed to provide flexibility in deployment, through a blend of on-demand content and simulation or case study-based learning that can be deployed either physically or virtually.
- EY Australia requires audit professionals to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a three-year period. Of these hours, 40% (eight hours each year and 48 hours over a three-year period) must cover technical subjects related to accounting and auditing.

At EY Australia, we engage with our audit partners, managers and seniors in regular learning forums and events. Such events provide a platform to promote desired audit-quality behaviours. The structured learning includes the following events and forums, focused on audit quality and accounting updates:

- **Executive events** — Led by the Oceania QEL, with active participation from the Risk Management, Independence and Oceania PPD, these bi-annual structured learning events are targeted at reinforcing messages around audit-quality focus areas as well as upcoming accounting and reporting requirements. These events were conducted in November 2023 and May 2024.
- **Audit quality webcasts** – Hosted by the Oceania PPD, QEL and IFRS leader, these events update audit executives on results from external and internal reviews, as well as presenting key topical reminders in the lead up to each reporting season. Two webcasts were delivered during the fiscal year, in July 2023 and January 2024. Webcast participants include Audit Partners, Associate Partners, Senior Managers, Managers and Seniors. These webcasts are subsequently available on our internal resource portal for all engagement teams to coach other staff members.



The chart summarises the average learning hours completed at each level, on technical topics that include audit, financial reporting standards, independence and ethics. The learning hours summarised excludes leadership and behavioural training.

EY Australia's learning curriculum is focused on EY methodology, application of accounting standards and related interpretations, independence, and code of conduct related courses. These do not include courses to earn or maintain license for practicing as a Chartered Accountant.



#### Academic integrity

EY provides our personnell with a comprehensive program of learning to support quality and professional development. Academic integrity is foundational to that program. EY Australia supports our people to meaningfully engage with the learning program.

We remind our staff of our commitment to the EY Global Code of Conduct and that cheating on an assessment is a violation of the EY Global Code of Conduct with significant consequences.

Our Assurance policies reinforce the importance of behaving ethically when undertaking continuing education activities. The policies explicitly state that behaviour such as the sharing and/or use of answer keys for assessments, or falsely claiming to have completed or attended a course is considered a violation of the EY Global Code of Conduct and may result in disciplinary action.

We have measures in place to prevent cheating during assessments undertaken as part of the learning modules and remind our staff that using answers received from others or seeking assistance from others in providing answers in an assessment is considered cheating. Before each learning assessment, the participants are required to give a declaration that they understand that cheating in an assessment is a violation of the EY Global Code of Conduct for which the participants may face significant consequences, including potential termination of their employment.

In the 2024 Quality Survey, 81% of respondents said they received sufficient training and development to enable them to deliver quality audits or other assurance engagements.



#### EY Badges & Partner Learning

In addition to audit specific learning, EY provides a broad curriculum of content that covers legal, ethical and compliance related topics (such as Independence, Values and Information Security) as well as other skills such as Wellbeing, Coaching, Counseling, Teaming, and Business Development. To encourage

the building of new skills, the EY Badges program enables EY professionals to gain future-focused skills including robotic process automation, teaming, innovation and cybersecurity, as well as other capabilities that are in high demand, such as artificial intelligence and sustainability. EY Badges is a self-directed learning initiative that supplements a substantial program of core structured training for auditors.

Allied to EY Badges is the EY Tech MBA and Masters in both Business Analytics and Sustainability. These are online qualifications awarded by Hult International Business School, a triple-accredited university, that are available free of charge to all EY people.

As of 30 June 2024, over 53,500 EY Badges had been awarded globally to current EY audit professionals, including 15,500 in analytics and data strategy alone. In addition, more than 31,000 EY Badges have been awarded to people who have since left EY.

There are also a variety of learning programs that have been developed specifically for EY member firm partners. These are available to all EY member firm partners worldwide and cover topics including Artificial Intelligence, Inspirational Leadership, Disruptive Technology, and Sustainability. These are supplemented by high-touch, immersive programs for selected groups of partners on topics such as Client Leadership and Disruptive Technology, and there are also regular learning programs on audit-specific topics such as risk assessment and fraud.



#### Knowledge and internal communications

In addition to professional development and performance management, EY understands the importance of providing audit teams with up-to-date information to help them perform their professional responsibilities. There is significant EY investment in knowledge and communication networks to enable the rapid dissemination of information to help EY people collaborate and share best practices. Some EY resources and tools include:

- ▶ EY Atlas, which includes local and international accounting and auditing standards, as well as interpretive guidance
- ▶ Publications such as International GAAP, IFRS developments and illustrative financial statements
- ▶ Global Accounting and Auditing News – a weekly update covering assurance and independence policies, developments from standard-setters and regulators, as well as internal commentary thereon

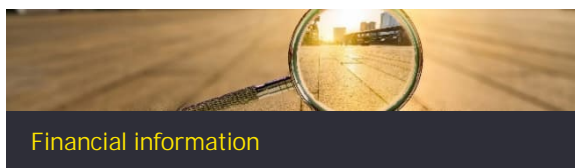
- ▶ Practice alerts and webcasts, covering a range of global and country-specific matters, designed for continuous improvement in EY member firms' Assurance practices
- ▶ Oceania Accounting and Audit News – a monthly update covering local auditing, accounting and financial reporting developments, reminders of key internal policies and announcements, as well as periodic updates on risk management.
- ▶ Oceania Digital Digest – A periodical newsletter with a focus on digital assets, solutions and support available to execute a high-quality digital audit.
- ▶ Frequent communication in the form of e-mails and podcasts from the Oceania Risk Management & Independence Leader with reminders and briefings on topical matters.





## Revenue and remuneration

# Revenue and remuneration



## Financial information

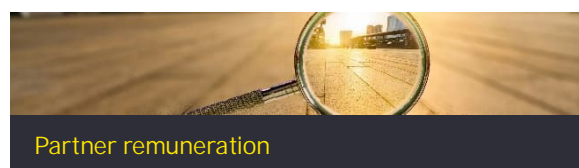
Revenue includes professional service fees and expenses billed to clients and revenues related to billings to other EY member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients as follows:

- ▶ Revenues from:
  - ▶ The statutory audit of annual consolidated financial statements of companies which we audit that are listed in the EU
  - ▶ The statutory audit of annual consolidated financial statements of other entities
  - ▶ Permitted assurance and other non-audit services to entities which we audit that are listed in the EU
  - ▶ Permitted assurance and other non-audit services to the other entities we audit
  - ▶ Non-audit and other assurance services to other entities.

Financial information for the year ended on 30 June 2024 (expressed in millions of Australian dollars)

Service	2024 Revenue (\$b) <sup>1</sup>	2024 in %	2023 Revenue (\$b)	2023 in %
Audits and directly related services for audit clients	0.53	19%	0.50	17%
Other assurance and permissible non-audit services to audit clients	0.13	5%	0.13	4%
Non-audit and other assurance services provided to other entities	2.15	76%	2.34	79%
<b>Total revenue</b>	<b>2.81</b>	<b>100%</b>	<b>2.97</b>	<b>100%</b>

<sup>1</sup> Includes revenue AUD 14 million (2023: AUD 14 million) from audits and directly related services and AUD 5 million (2023: 6 million) for permitted assurance and other non-audit services for audit clients listed in the EU



## Partner remuneration

Quality is at the center of the EY strategy and is a key component of EY performance management systems. EY Australia partners are evaluated and compensated based on criteria that include specific quality and effective risk management (Q&ERM) indicators. Equally, when EY Australia partners do not adhere to quality standards, remedial actions are taken. These may include performance monitoring, compensation adjustment, additional training, additional supervision or reassignment — or, in instances of repeated or particularly serious non-compliance, separation from EY.

Partner performance reviews include an annual assessment of their quality rating based on an approved Accountability framework. Please see the Accountability frameworks section (page 31) of this report to better understand how the frameworks outline criteria for measuring alignment between an individuals overall performance rating and their quality rating.

EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-audit services to companies they audit. This reinforces to partners their professional obligation to maintain independence and objectivity. For audits conducted in accordance with the requirements of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, EY prohibits evaluating and compensating any partner or professional involved in, or able to influence the carrying out of, an audit engagement based on the sale of non-audit services to their audit clients. This reinforces that professionals are obligated to maintain independence and objectivity.

Specific quality and risk performance measures have been developed to account for:

- ▶ Providing technical excellence
- ▶ Living the EY values as demonstrated by behaviours and attitude

- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Complying with policies and procedures
- ▶ Complying with laws, regulations and professional duties
- ▶ Contributing to protecting and enhancing the EY brand.

The partner compensation philosophy calls for meaningfully differentiated rewards based on a Partner's level of performance, as measured within the context of the performance management framework. Partners are assessed annually on their performance in providing high-quality, exceptional client service and EY people engagement, alongside financial and market metrics. Audit quality is an important component of how we assess the performance of our audit partners. Quality concerns arising from audit inspections (both internal and external) impact a partner's performance, may also result in financial penalties to our partners and limits their overall performance evaluation for the year, regardless of how they have performed in the other areas in which their performance is measured. The importance of independence is also recognised in our performance review processes. Independence breaches including reporting omissions can result in financial penalties for Partners.

The Oceania PPD and the Regional Assurance Managing Partner have overall responsibility for the process and outcome of the quality rating for assurance partners.

We operate under a system that requires quality to be a significant consideration in a partner's overall year-end rating.

To recognise different market values for different skills and roles, and to attract and retain high-performing individuals, the following factors are also considered when we determine our partners' total reward:

- ▶ Experience
- ▶ Role and responsibility
- ▶ Long-term potential.

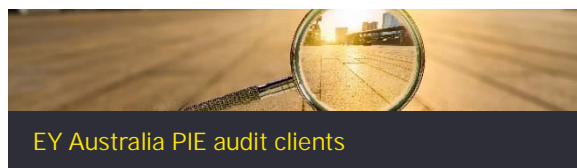
Instances of non-compliance with quality standards result in remedial actions, which may include, compensation adjustment, additional training, additional supervision or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from EY Australia.



## Appendix 1: List of PIE audit clients



# Appendix 1: List of PIE audit clients



In the fiscal year that ended on 30 June 2024, EY Australia performed audits of the following listed companies, listed registered schemes, registrable superannuation entities, Authorised Deposit-Taking Institutions, General Insurers, Life Companies and EU public interest entities:

29Metals Limited

360 Capital Group Limited

360 Capital Mortgage REIT (formerly 360 Capital Enhanced Income Fund)

360 Capital RE Limited

360 Capital REIT

360 Capital Total Return Active Fund

Abacus Group Holdings Limited

Abacus Group Projects Limited

Abacus Income Trust

Abacus Storage King Group

Abacus Storage Operations Limited

Abacus Storage Property Trust

Abacus Trust

Achmea Schadeverzekeringen N.V.

Acorn Capital Investment Fund Limited

Actinogen Medical Limited

Active Super

Adairs Limited

Adelaide Cash Management Trust

Adveritas Limited

Aioi Nissay Dowa Insurance Company Australia Pty Ltd

AJ Lucas Group Limited

Alceon Debt Income Fund

Alexander Credit Opportunities Fund

Allan Gray Australia Balanced Fund

Allan Gray Australia Equity Fund

Allan Gray Australia Stable Fund

ALS Limited

Americold Australian Holdings Pty Ltd

AMP Bank Limited

AMP Capital Funds Management Limited

AMP Group Finance Services Limited

AMP Limited

AMP Super

Anson Resources Ltd

Aoris International Fund

Apollo Minerals Limited

Arab Bank Australia Limited

Argo Global Listed Infrastructure Limited

Armada Metals Limited

Articore Group Limited (Formerly know as Redbubble Limited)

Aspen Insurance UK Ltd

Associate Global Partners Limited

AUB Group Limited

Audinate Group Limited

Aurelia Metals Limited

Auscap Long Short Australian Equities Fund

Ausco Holdings Pty Limited

AusNet Services Holdings Pty Ltd

Australian Eagle Trust

Australian Finance Group Limited

Australian Meat Industry Superannuation Trust

Australian Property Fund

Australian Rail Track Corporation Limited

Australian Vintage Limited

Auteco Minerals Limited

AVJennings Limited

AvSuper

Baby Bunting Group Limited

Bank Australia

Bank of Taiwan

Bannerman Energy Limited

Bastion Minerals Limited

Beach Energy Limited

Beforepay Group Limited

Bell Global Emerging Companies Fund	CC Sage Capital Absolute Return Fund
Bell Global Equities Fund	Challenger Gold Limited( formerly Challenger Exploration Limited)
Bellevue Gold Limited	Challenger Life Company
Bendigo and Adelaide Bank Limited	Challenger Limited
Bendigo Balanced Index Fund	Champion Iron Limited
Bendigo Balanced Wholesale Fund	China Everbright Bank - Sydney
Bendigo Conservative Index Fund	City Chic Collective Limited
Bendigo Conservative Wholesale Fund	Civeo Pty Ltd
Bendigo Defensive Index Fund	Cleanaway Waste Management Limited
Bendigo Socially Responsible Growth Fund	Clearview Life Assurance Limited
Bendigo Superannuation Plan	Clearview Wealth Limited
Berkeley Energia Limited	Coast Entertainment Holdings Limited (formerly Ardent Leisure Group Limited)
Beston Global Food Company Limited	Cobre Limited
BHP Group Limited	ColInvest Limited
Bionomics Ltd	Coles Group Limited
Blackstone Minerals Limited	Commonwealth Steamship Insurance Co. Pty Limited
Blooms The Chemist Management Services Ltd	Construction and Building Unions Superannuation Fund (Cbus)
Blossom Fund	Coolabah Active Composite Bond Fund (Hedge Fund)
Bluebet Holdings Ltd	Coolabah Floating-Rate High Yield Fund (Managed Fund)
BlueScope Steel Limited	Cooper Energy Limited
Bombora Special Investments Growth Fund	Copia Investment Partners Limited
Bowen Coking Coal Limited	Coronado Global Resources Inc.
Bravura Solutions Limited	Credit Agricole CIB Australia Limited
Brewdog Group Australia Limited	Crescent Wealth Superannuation Fund
Brickworks Ltd	Cuscal Limited
Brisbane Broncos Limited	Cygnus Metals Limited (formerly known as Cygnus Gold Limited)
Brockman Mining Limited	De Grey Mining Limited
BUSS Queensland Pooled Superannuation Trust	Deep Yellow Limited
Caledonia Global Co-Invest Fund	Deutsche Bank Aktiengesellschaft
Caledonia Global Fund	Dicker Data Limited
Canadian Imperial Bank of Commerce - Sydney Branch	DMG Diversified Portfolio Fund
Capricorn Society Ltd	Domain Holdings Australia Pty Limited
CAQ Holdings Limited	Dragon Mining Limited
Carbonxt Group Limited	Dubber Corporation Limited
Carindale Property Trust	Dusk Group Limited
Carnarvon Petroleum Limited	
Catapult Group International Ltd.	
Catholic Church Insurances Ltd	
CC JCB Active Bond Fund	

Earths Energy Limited (formerly Cradle Resources Limited)  
 Electro Optic Systems Holdings Limited  
 Eley Griffiths Group Emerging Companies Fund  
 Eley Griffiths Group Small Companies Fund  
 Ellerston Australian Absolute Return Fund  
 Ellerston Australian Microcap Fund  
 Ellerston Global Equity Managers Fund (EGEMF)  
 Ellerston Global Mid Small Cap Fund  
 Ellerston JAADE Australian Private Assets Fund (Retail)  
 Emmerson Resources Limited  
 Enero Group Limited  
 Equatorial Resources Limited  
 E-Sun Bank Limited  
 Eureka Group Holdings Limited  
 Evolt Holdings Pty Ltd  
 Fairlight Global Small & Mid Cap (SMID) Fund  
 Federation Alternative Assets Trust 1  
 Federation Alternative Investments Trust 1  
 Fidante Partners Limited - FUNDS  
 Fidante Partners Services Ltd - FUNDS  
 First Commercial Bank Limited - Brisbane Branch  
 Fleetwood Limited  
 Flight Centre Travel Group Limited  
 FM Insurance - NZ Branch  
 FM Insurance Company Limited  
 Forager Australian Shares Fund  
 Forager International Shares Fund  
 Fortlake Real-Higher Income Fund  
 Fortlake Real-Income Fund  
 Frontier Energy Limited  
 Fuse Minerals Limited  
 Future Funds Management Limited  
 G&C Mutual Bank Limited  
 G8 Education Limited  
 Gale Pacific Limited  
 Genex Power Limited  
 Geopacific Resources Limited  
 Global Data Centre Group

Global Data Centre Securities Fund  
 Great Lakes Insurance SE - Australian Branch  
 Great Lakes Insurance SE - New Zealand Branch  
 Growthpoint Properties Australia Limited  
 Guild Group Holdings Limited  
 Guild Insurance Limited  
 Guild Retirement Fund  
 Halidon Asset Management Ltd  
 Hamilton Lane Global Private Assets Fund (AUD)  
 Harvey Norman Holdings Ltd  
 HBF Health Limited  
 HCF Life Insurance Co Pty Limited  
 Healius Limited  
 Health and Plant Protein Group Limited  
 Helloworld Travel Limited  
 Hua Nan Commercial Bank Ltd.  
 Humm Group Limited  
 ImpediMed Limited  
 In1Bank Ltd  
 Ingenia Communities Group  
 Integrated Research Limited  
 Intesa Sanpaolo S.P.A. Sydney Branch  
 Ioneer Limited  
 ipac Asset Management Limited  
 Iress Limited  
 Jera Australia Pty Ltd  
 Jervois Global Limited  
 Jervois Mining USA Limited  
 Jumbo Interactive Limited  
 Jupiter Energy Limited  
 K & S Corporation Limited  
 Kelsian Group Limited  
 King River Resources Limited  
 Kingsrose Mining Limited  
 L1 Capital Catalyst Fund  
 L1 Capital International Fund  
 L1 Capital Long Short Fund  
 L1 Long Short Fund Limited  
 La Trobe Australian Credit Fund

Lakehouse Global Growth Fund	Morphic Ethical Equities Fund Limited
Latin Resources Limited	Mount Gibson Iron Limited
Lefroy Exploration Limited	Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft – Australian Branch
Liberty International Underwriters	Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft – New Zealand Branch
LI-S Energy Limited	Nanosonics Limited
Lithium Power International Limited	Nanuk New World Fund
Livehire Limited	Nanuk New World Fund (Currency Hedged)
Loftus Peak Global Disruption Fund.	National Australia Bank Limited
Lynas Rare Earths Limited	National Storage REIT
Macquarie Investment Management Australia Limited	Navalo Financial Services Group Limited
Macquarie Superannuation Plan	Navigator Global Investments Limited
Magellan Financial Group Ltd	Navy Health Ltd
Magnetite Mines Limited	Neurizer Ltd
Manildra Flour Mills Retirement Fund	New South Wales Electrical Superannuation Scheme
Manuka Resources Ltd	Nine Entertainment Co Holdings Limited
Matador Mining Ltd	NMMT Limited
McMillan Shakespeare Limited	Novo Resources Corporation
MDA National Insurance Pty Ltd	Nuchev Limited
Medical Indemnity Protection Society	Nucoal Resources Limited
Metals X Limited	NXE Australia Pty Limited
Metcash Limited	Ophir Global High Conviction Fund
Metro Mining Limited	Ophir Global Opportunities Fund
MFF Capital Investments Limited	Ophir High Conviction Fund
Michael Hill International Limited	Orbis Global Equity Fund (Australia Registered)
Midas Minerals Ltd	Origin Energy Limited
Mineral Resources Limited	Orpheus Uranium Limited (formerly Argonaut Resources NL)
Mizuho Corporate Bank Ltd	Pacific Current Group Limited
MLC Limited	Packer & Co Investigator Trust
Monadelphous Group Ltd	Pact Group Holdings Ltd
Monash Investors Small Companies Trust (formerly Monash Absolute Active Trust)	Panoramic Resources Limited
Montaka Global Extension Fund (Quoted Managed Hedge Fund)	Pantoro Limited
Montaka Global Long Only Equities Fund (Managed Fund)	Peak Rare Earths Limited
Montgomery Global Fund	Peel Mining Limited
Montgomery Small Companies Fund	Peet Limited
Morningstar International Shares Active ETF (Managed Fund)	Pembroke Olive Downs Pty Ltd
Morningstar Investment Management Australia Limited Schemes	Pengana Australian Equities Fund
	Pengana Axiom International Ethical Fund



Pengana Axiom International Ethical Fund (Hedged)  
 Pengana Capital Ltd  
 Pengana Emerging Companies Fund  
 Pengana Global Private Credit Trust  
 Pengana Global Small Companies Fund  
 Pengana Harding Loevner International Fund Class B  
 Pengana Harding Loevner International Fund Class E  
 Pengana High Conviction Equities Fund  
 Pengana High Conviction Property Securities Fund  
 Pengana International Equities Limited  
 Pengana Private Equity Trust  
 Pengana WHEB Sustainable Impact Fund  
 Percheron Therapeutics Limited (Formerly Antisense Therapeutics Limited)  
 Petroleum Fund of Timor-Leste  
 PEXA Group Limited  
 Platinum Asset Management Limited  
 Police Health Limited  
 Polynovo Limited  
 PPK Group Limited  
 Pembroke Olive Downs Pty Ltd  
 Premier Investments Limited  
 Prime Financial Group Limited  
 Prime Super  
 Pro Medicus Limited  
 Pro-Pac Packaging Limited  
 Provaris Energy Ltd  
 PRT Company Limited  
 PSC Insurance Group Limited  
 Queensland Pacific Metals Limited  
 RAC Insurance Pty Limited  
 Ramsay Health Care Limited  
 REA Group Ltd  
 Regal Investment Fund  
 Regis Healthcare Limited  
 Rei Superannuation Fund Pty Limited  
 Resolute Mining Limited  
 Retirement Benefits Fund  
 Sandhurst Balanced Fund  
 Sandhurst Cash Common Fund

Sandhurst Conservative Fund  
 Sandhurst Future Leaders Fund  
 Sandhurst Growth Fund  
 Sandhurst IML Industrial Share Fund  
 Sandhurst Industrial Share Fund  
 Sandhurst Investment Term Fund  
 Sandhurst Select Mortgage Fund  
 Sandhurst Strategic Income Fund  
 Santos Limited  
 SAS Trustee Corporation Pooled Fund  
 Scentre Group Limited  
 Schaffer Corporation Limited  
 SciDev Ltd  
 Sealink Travel Group  
 Shinhan Bank Sydney Branch  
 Silver Mines Limited  
 Smarter Money - Active Cash Fund  
 Smarter Money - Higher Income Fund  
 Smarter Money Fund  
 Smarter Money Long-Short Credit Fund  
 Sovereign Metals Limited  
 Spaceship Universe Portfolio  
 Spirit Super  
 Splitit Payments Ltd  
 Stanmore Resources Limited  
 State Street Bank & Trust Company  
 State Street Global Advisors Australia Limited - FUNDS  
 Stewart Title Limited  
 Super Obvious Everest Fund  
 Super Retail Group Limited  
 Switzer Asset Management Limited  
 Tabcorp Holdings Limited  
 Taishin International Bank Co. Ltd  
 Taiwan Business Bank  
 Taiwan Cooperative Bank Limited  
 Talga Group Ltd  
 Tamboran Resources Corp  
 Teachers Federation Health Ltd  
 Technology One Limited

Telstra Corporation Limited  
Telstra Group Limited  
Telstra Super  
Temple & Webster Group Limited  
The A2 Milk Company Limited  
The Hospitals Contribution Fund of Australia Limited  
The Lottery Corporation Limited  
The Montgomery Fund  
The Royal Automobile Club of Queensland  
The Star Entertainment Group Limited  
The Third Link Growth Fund  
Thorney Opportunities Ltd  
Thorney Technologies Ltd  
Top Education Group Limited  
Tribeca Global Natural Resources Limited  
TWU Super Fund  
Tyro Payments Limited  
UBS AG Australia  
UBS Global Asset Management (Australia) Ltd  
United Overseas Bank Australia Limited  
Van Eck Australia Pty Ltd  
Vicinity Centres  
Washington H Soul Pattinson & Company Limited  
WCM Global Growth Limited  
Wealth Personal Superannuation and Pension Fund  
Wesfarmers Limited  
Westfund Limited  
Westgold Resources Limited  
Whitehaven Coal Ltd  
Wholesale Australian Property Fund  
Xanadu Mines Ltd  
Zurich Australia Insurance Limited  
Zurich Australia Limited  
Zurich Financial Services Australia Limited



## Appendix 2: Approved EY member firms

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List of approved EY member firms in an EU or EEA member state

As of 30 June 2024, the following EY member firms are approved to carry out statutory audits in an EU or EEA member state:

Member state	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Belgium	EY Assurance Services SRL
	EY Bedrijfsrevisoren SRL
	EY Europe SRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
Cyprus	Ernst & Young Cyprus Limited
	Ernst & Young CEA (South) Services Ltd
	Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, S.R.O.
Denmark	EY Godkendt Revisionspartnerselskab
	EY Grønland Godkendt Revisionsanpartsselskab
Estonia	Ernst & Young Baltic AS
	Baltic Network OU
Finland	Ernst & Young Oy
France	Auditex
	Ernst & Young Audit
	Ernst & Young et Autres
	EY & Associésf
	EY Audit & Conseil
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	TS GmbH Wirtschaftsprüfungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	EY Deutschland GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
	EY Verwaltungs-GmbH Wirtschaftsprüfungsgesellschaft
	EY-Parthenon GmbH Wirtschaftsprüfungsgesellschaft
	TS Beteiligungs-GmbH Wirtschaftsprüfungsgesellschaft
Greece	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság



Member state	Statutory auditor or audit firm
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.
Latvia	Ernst & Young Baltic SIA
Liechtenstein	Ernst & Young AG, Basel Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany Ernst & Young AG, Vaduz
Lithuania	Ernst & Young Baltic UAB
Luxembourg	Ernst & Young Luxembourg EYL Luxembourg Ernst & Young
Malta	Ernst & Young Malta Limited
Netherlands	Ernst & Young Accountants LLP EY Accountants B.V
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Ernst & Young Usługi Finansowe Audyt spółka z ograniczoną odpowiedzialnością Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe spółka komandytowa Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Finance spółka komandytowa Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa
Portugal	Ernst & Young Audit & Associados–SROC, S.A.
Romania	Ernst & Young Assurance Services SRL Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U Ernst & Young S.L.
Sweden	Ernst & Young AB

Total turnover for the year ended on 30 June 2024 for these EY member firms, resulting from statutory audits of annual and consolidated financial statements was approximately EUR2.8 billion.

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