

# Transparency report 2023

EY Australia

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## Message from our leaders



**David Larocca**

EY Regional Managing  
Partner and CEO,  
Oceania

We believe that how we continuously improve audit quality, manage risk and maintain our independence as auditors should be transparent to stakeholders. We value regular dialogue, and this 2023 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 2023 complies with Australia's Corporations Act and the Regulation and covers the fiscal year ended 30 June 2023 as well as any more recent relevant events.

The execution of high-quality audits with independence, integrity, objectivity and professional scepticism is central to serving the public interest and is our top priority.

Companies, regulators and other stakeholders count on us to deliver excellence in every engagement, and to support this, we are committed to continuous improvement and providing an environment in which auditors can thrive. This includes recruiting, developing and retaining talented people and nurturing their careers, embracing innovation, encouraging simplification and critically evaluating the work of audit teams to identify areas for improvement. We strongly believe our multi-disciplinary firm model, with highly experienced subject-matter specialists is key to delivering high-quality audits and meeting the audit needs of a complex business.



**Glenn Carmody**

EY Regional  
Assurance Managing  
Partner, Oceania

On 22 June 2023, the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) commenced the Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry inquiry. We support this Inquiry and recognise the important role of the Committee in the Government's reform agenda, which are critical steps in rebuilding the public trust and confidence in our profession that has been damaged through recent events. We also recognise the role we need to play to restore trust in the profession and our submission to this inquiry contains a comprehensive suite of recommendations to assist the whole of Government response under development by Treasury. You can learn more of the EY organisation's governance structure in the Legal structure, ownership and governance section (see page 9) of this report.

Trust and confidence in financial reporting in the capital markets is critical in an ever-changing environment, and auditors play an important role. In this report, you can learn about our Sustainable Audit Quality (SAQ) program, which provides a framework to help address the evolving risks of the audit and a globally consistent approach to sustaining high-quality audits across the EY network. You will also learn how we continue to transform the way EY teams deliver the financial statement audit and meet changing business needs and stakeholder expectations. At the heart of our transformation is driving consistency in how we apply our audit methodology, how we manage our audits and how we use innovative technology.

NextWave is our global strategy and ambition to deliver long-term value to clients, people and society. The global EY organisation continues to focus on creating, protecting and measuring long-term value across all four dimensions of the NextWave strategy: people value, client value, societal value and financial value. It is by integrating all of these dimensions that EY fulfills its purpose of Building a better working world.

### 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 delivered by EY people help build trust and confidence in business and the capital markets. EY auditors serve the public interest by delivering 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.

In September 2022, we commissioned an independent review and comprehensive examination of workplace culture, work practice and psychological health and safety in the Oceania Region. The report, published in July 2023, is considered one of the most comprehensive examinations of workplace culture ever undertaken in the Australian professional services industry. It includes 27 recommendations to help us make meaningful improvements to our workplace culture and positively promote the wellbeing of our people. EY Leadership accepts all the recommendations made in the report and is committed to their implementation. You can find more on this in the EY Australia talent and wellbeing focus section (see page 57) of this report.

EY teams help clients respond to investors and stakeholders who are seeking more robust and transparent non-financial information. Non-financial or environmental, social and governance (ESG) reporting continues to require measuring and reporting on metrics beyond the customary financial statement elements, the assurance over which assists with delivering long-term value. The EY organisation is also on its own sustainability journey, which includes the EY carbon ambition to reduce absolute emissions by 40% through a 7-point action plan, while maintaining business growth. EY Australia is doing its part in achieving these goals. Read more on this topic in the [EY Oceania Value Realised Scorecard](#).

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.

Trust and confidence in financial reporting in the capital markets is critical in an ever-changing environment, and auditors play an important role.

This report highlights how we have implemented the International Standard on Quality Management 1 (ISQM 1) to drive further audit quality improvements. The new standard, which became effective 15 December 2022, requires audit firms to design, implement and monitor a system of quality management. The EY organisation's approach to ISQM 1 builds upon our strong global integration and existing EY processes and controls designed to continuously improve and sustain audit quality. EY Australia performed its first System of Quality Management annual evaluation as of 30 June 2023. Our annual evaluation conclusion as of 30 June 2023 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 evaluation in the System of Quality Management section (see page 15) of this report.

We encourage all our 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



Glenn Carmody,  
EY Regional Assurance Managing  
Partner, Oceania



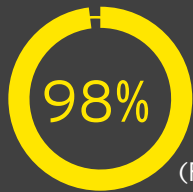


## 2023 highlights

## 2023 highlights

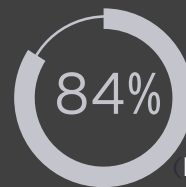
### Our Assurance practice

#### Internal audit quality review



(FY22: 98%)

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



FY22: 88%)

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

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

#### Learning

**48 learning hours** completed in 2023 on average by audit partners and staff (FY22: 56)

#### Results

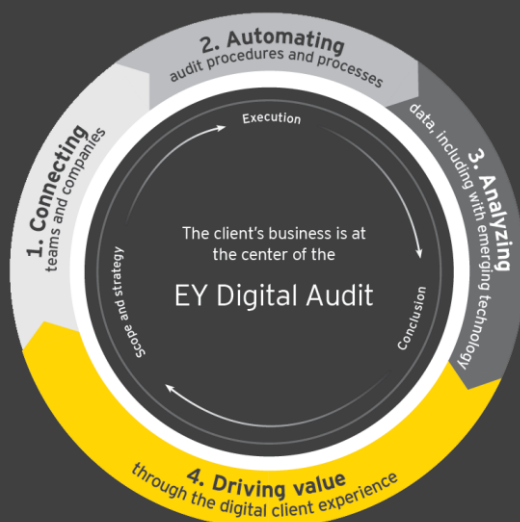
Revenue from audit services to clients **AUD496mn** (FY22: AUD 434mn) **14% ↑**

Total EY Australia revenue in FY23 **AUD2.97bn** (FY22: AUD 2.63bn) **13% ↑**

At EY, we measure success by the value we create for EY people, clients and society - alongside financial performance.

Focus on Digital

EY audit teams embrace a **digital-first** approach and are supported by global investment of **US\$1bn in new and emerging digital** assurance technologies



Driving value through the digital client experience

Confidence in a quality audit by testing full or large populations of data.

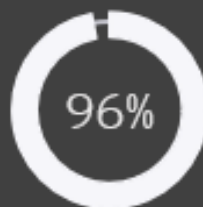
An enhanced focus on risks providing greater trust and assurance to the capital markets.

Identification of insights through data analytics and observation of potential process improvements.

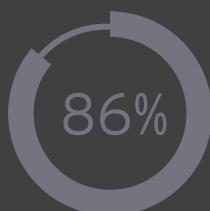
Leading-edge project management and ability to monitor key milestones in the audit.



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 >1000 hours deploy **EY Helix** Analysers for risk assessment, obtaining audit evidence and providing client insights



## About us



# About us



## Legal structure, ownership and governance

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.

EYG member firms are grouped into three geographic Areas: Americas, Asia-Pacific, and Europe, Middle East, India and Africa (EMEIA). The Areas comprise multiple Regions which themselves consist of member firms. 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, which comprises member firms in 23 countries and is 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 709 partners as at 30 June 2023. 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 CEO and the Regional Managing Partner; Deputy CEO and Markets leader; Market segment leaders; Operations leader; service-line leaders for Assurance, Consulting, People Advisory Services, Strategy and Transactions Services and Tax; Risk Management & Independence Leader; Chief Sustainability Officer; People, Place & Culture Leader and the Financial Services Office leader.

### 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’s representative on the Global Governance Council (see page 10).

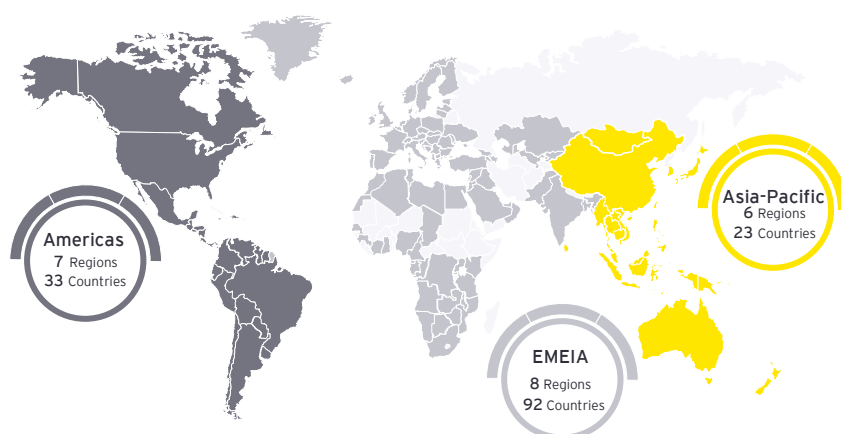
### Asia-Pacific Area

EY Asia-Pacific Limited, a Hong Kong company limited by guarantee, is the coordinating entity for the EYG 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.

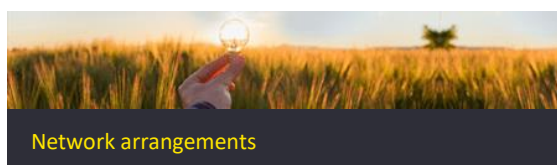
### Area Operating Executive

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, Strategy Execution and Accounts, the Area service-line leaders for Assurance, Consulting, Strategy and Transactions Services and Tax, and the Regional Managing Partners of the Area’s six Regions.

## EY Areas, Regions and Countries\*



\*Figures are as of 1 July 2023



EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, more than 390,000 people in member firms in 148 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 integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

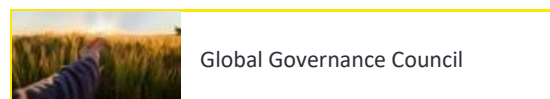
This integrated approach enables EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

EYG coordinates the various activities of the 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 member firms worldwide. Each 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 2023, 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.



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. 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.



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

The Global Executive (GE) brings together EY leadership functions, services and geographies. It is chaired by the Chairman and CEO of EYG and includes its Global Managing Partners of Client Service and Business Enablement, the Area Managing Partners, the global functional leader for Talent, the leaders of the global service lines – Assurance, Consulting, Strategy and Transactions, and Tax, and one EYG member firm partner on rotation.

The GE also includes the Global Vice Chair of Markets, the Global Vice Chair of Transformation, the Chief Client Technology Officer, the Chair of the Global Accounts Committee, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets practices.

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 approves appointments of Global Vice Chairs. 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 member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, reward and retirement of partners
- ▶ Quality improvement and protection programmes
- ▶ 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 also has the power to mediate and adjudicate disputes between member firms.



### GE committees

Established by the GE, and bringing together representatives from across the organisation, the GE committees are responsible for making recommendations to the GE. In addition to the Global Audit Committee, examples of other committees include Assurance, Consulting, Tax, Strategy and Transactions, Global Markets and Investments, Global Accounts, Emerging Markets, Talent and Risk Management.



### 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 Oceania CEO and Regional Managing Partner is a member of the GPG.



### EYG member firms

Under the regulations of EYG, 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, quality and risk management, independence, knowledge sharing, human resources (HR) and technology.

Above all, EYG 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 23).

Besides adopting the regulations of EYG, 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 member firms.

Member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, quality and risk management, audit methodology and talent. 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

At EY, we believe sustainability is everyone's business. 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 across all four dimensions of the NextWave strategy – people value, client value, societal value and financial value. 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 is reflected in:**



Corporate responsibility governance structures

Corporate responsibility across EY is coordinated by the EY Corporate Responsibility Governance Council (CRGC). This body includes members of the EY GE, and provides senior leadership representation from across EY services lines, functions and geographic areas.



The EY social impact ambition

The global corporate responsibility programme, [EY Ripples](#), brings together the global EY network with a goal of positively impacting one billion lives by 2030. In the financial year (FY) to 30 June 2023, EY people have positively impacted 46 million lives through the EY Ripples programme. To date, EY Ripples initiatives have cumulatively impacted the lives of more than 127 million people, aided by:

- ▶ A rigorous focus on three areas (supporting the next-generation workforce, working with impact entrepreneurs and accelerating environmental sustainability) where the distinctive skills, knowledge and experience of EY people can make the biggest difference.
- ▶ A collaboration with other like-minded organisations to build ecosystems that are capable of creating change at scale. For example, the TRANSFORM initiative with Unilever and the UK Foreign, Commonwealth & Development Office, which aims to change the lives of 150 million people across sub-Saharan Africa and South Asia by 2030 by tackling inequality.
- ▶ Further collaboration to create lasting positive social impact through activities such as the creation of a text-based learning programme for underserved students. EY recently received the 2022 SAP Pinnacle Award for Social Impact, for this work.



Commitment to human rights

In 2021, the GE signed a statement reaffirming its commitment to uphold and protect human rights. The commitment focuses on the rights of all EY people, the impact of client engagements, stakeholders in EY supply chains and active inclusiveness. EY has continued to focus on strong governance around this commitment.



## The EY carbon ambition

Globally, EY achieved carbon negative status in 2021, remained carbon negative in 2022 and aims to become net zero in 2025. EY endeavours to achieve this by significantly reducing absolute carbon emissions, and then removing or offsetting more than the remaining amount every year. To reach net zero by FY25, the EY global organisation plans to reduce absolute emissions by 40% across Scopes 1, 2 and 3 (versus an FY19 baseline), consistent with a 1.5°C science-based target approved by the Science Based Targets initiative (SBTi). Specific actions include:

- ▶ 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 EY teams with tools to calculate, then work to reduce the amount of carbon emitted in carrying out client work
- ▶ 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 create value from decarbonising their businesses and provide solutions to other sustainability challenges and opportunities.

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





## System of quality management

# System of quality management



During this year, we 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) approved by the International Auditing and Assurance Standards Board (IAASB). We completed the transition from our Internal Quality Control System to our System of Quality Management, ASQM 1, which became operative 15 December 2022.

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

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



EY Australia's reputation for providing high-quality professional audit services independently, objectively and ethically is fundamental to our success as independent auditors. We continue to invest in initiatives to promote enhanced objectivity, independence, and professional scepticism. These are fundamental attributes of a high-quality audit. Designing, implementing and operating an effective System of Quality Management is essential to these efforts.

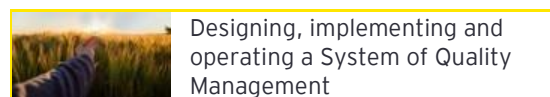
At EY Australia, our role as auditors is to provide assurance on the fair presentation of the financial statements of the companies we audit. We bring together qualified teams to provide audit services, drawing on our broad experience across industry sectors and services. We continually strive to improve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

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. As part of our strategy, we continue to invest heavily in developing and maintaining our audit methodology, tools and other resources needed to support service.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient delivery of audit services. EY continues to seek 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. We seek to learn from monitoring activities, including external and internal inspection activities, and to identify the root causes of adverse quality occurrences to continually enable us to improve audit quality.



ASQM 1 requires a more proactive and risk-based approach to managing quality at the firm level by requiring 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 introduces a risk assessment process to focus the firm's attention on mitigating risks that may have impact on engagement quality. It also requires more extensive monitoring of the System of Quality Management to identify deficiencies that require 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 implement 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, EYG member firms have access to certain policies, technologies, strategies and programmes to be used in the design, implementation and operation of the member firms' System of Quality Management. The purpose of these resources is to support member firms and their personnel.

For example, EY has established an approach to the required risk assessment process that includes input and feedback from across EY services 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 EYG member firms. In addition, EY has developed global tools to enable the System of Quality Management processes.

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

- ▶ Evaluate policies, technologies, strategies, programmes and baseline provided to them, and
- ▶ Determine 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 the content within the technology needs to be translated into local language).



System of Quality Management roles

To enable the design, implementation and operation of EY Australia System of Quality Management, individuals are assigned to SQM 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. SQM roles and responsibilities are defined in the Global SQM policies to drive consistency in the execution of the EY Australia System of Quality Management.

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 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 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 SQM Operational Leader to assist them in fulfilling their System of Quality Management-related responsibilities. A 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 Country SQM Operational Leader, service line representatives (Assurance, Tax, 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 Country Independence leader is the individual assigned operational responsibility for compliance with independence requirements.

**Operational responsibility for monitoring the System of Quality Management:** The Country Professional Practice Director is the individual assigned operational responsibility for monitoring the SQM. This includes 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 SQM Monitoring Leader to assist them in fulfilling their System of Quality Management-related responsibilities. A SQM Monitoring Committee has been formed, chaired by the Country Professional Practice Director. The purpose of the SQM Monitoring Committee is to oversee the monitoring processes and activities of the System of Quality Management. The SQM Monitoring Committee includes the Country SQM Monitoring Leader, Service Line Quality Leaders (Tax, Consulting and Strategy and Transactions), Oceania Quality Enablement Leader, Oceania Independence & Risk Management Leader, FSO Professional Practice Director and FSO Quality Enablement Leader.



#### Effectiveness of System of Quality Management annual evaluation conclusion as of 30 June 2023

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 SQM Annual Evaluation policy, which is an example of a global intellectual resource provided to drive consistency in the execution of the EY Australia System of Quality Management.

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

- ▶ EY Australia and its personnel 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, and
- ▶ 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 considered 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 personnel's compliance with ethical requirements related to independence, 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, a quality improvement plan to be developed and are evaluated to determine the severity and pervasiveness of the deficiency.

When determining the System of Quality Management annual evaluation conclusion, 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 were effective.



#### System of Quality Management annual evaluation conclusion as of 30 June 2023

The annual evaluation conclusion for EY Australia as of 30 June 2023 is that the System of Quality Management provides reasonable assurance that the objectives of the system of quality management are being achieved.



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 holds our professionals 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 24)
- ▶ Provide a System of Quality Management framework, compliant with ASQM 1, for the establishment and review of Quality objectives (See page 22)
- ▶ Support the effectiveness and continuous improvement of the Quality Management System; and
- ▶ Satisfy client and stakeholder expectations.



## Governance and accountability

EY 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 in the Government's reform agenda, a role that we believe is a critical step in rebuilding the public trust and confidence in our profession which has been damaged by recent events. 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 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, and indeed all professional services providers, regardless of their structure. For the year ended 30 June 2023, Australian Securities & Investments Commission (ASIC) changed the nature of its audit inspection approach by integrating it with its Financial Reporting Surveillance Programme. We value ASIC's inspection process and support the continuation of effective audit oversight.



## 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 25).

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.

In 2023, when the Tax Practitioners Board (TPB) published the sanctions against our competitor on inadequate arrangements to manage confidentiality and conflicts of interest, we undertook extensive internal checks to ensure we

did not have similar concerns. Whilst we did not identify any instances of similar non-compliance, we took the opportunity to review and refresh our processes to further support our position that our governance in this space more than meets ethical requirements. 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.

Enhancements to our existing policies and processes included establishing a central point of contact where all requests to consult with the Government on proposed changes to tax legislation or regulation are captured, maintaining a register where a confidentiality agreement has been signed in relation to tax policy, and periodic reminders to those that have signed them. These measures further strengthen the integrity of these consultations by the Government and enhance confidence in the integrity of EY Australia in the public sector.



#### 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. For the year ended 30 June 2023, 19% of total audit hours across ASX 300 audits conducted by EY Australia was contributed by non-audit specialists.

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, 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 become 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 exclude 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.



## Components of our system of quality management

## Components of our system of quality management

In the following sections, we describe the principal 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 the Global SQM policies to drive consistency in the execution of the EY Australia System of Quality Management.

In order to drive consistency while providing EYG member firms 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 Global Assurance Leadership based on input from functional and service line groups at the Global, Area and Region level. Global SQM 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 SQM 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. EYG 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 member firm to be appropriate for use (e.g. additional quality risks, customisation of responses, etc.).

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

- ▶ Accepted or customised Global baseline Quality Risks and Resources after appropriate analysis of our facts and circumstances
- ▶ Accepted or customised the Global baseline Resources and Key Controls after appropriate analysis of our facts and circumstances
- ▶ Together with the Area, identify the level of execution of Global baseline Key Control
- ▶ 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 SQM.

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.



## Governance and leadership



### 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. These approaches are also 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 improving audit partner accountability. These measures include:

- ▶ Mandated areas where partners are required to consult with professional practice (see page 30)
- ▶ Separation of professional practice function from audit operations management functions
- ▶ Independent engagement quality review partner assigned, where required (see page 30)
- ▶ 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 64)
- ▶ 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 64).

In order 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, workload management and ethical behaviour, a Global Quality Survey was launched in April 2023. The results of the Global Quality Survey were used to identify areas where EY Australia was doing well and where more actions may be required. The Global Quality Survey results indicate that our people recognise that the tone at the top set by leadership demonstrates commitment to quality and that EY 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 Global Quality Survey. Yet, the results also indicate that more still needs to be done to improve our culture around resourcing.



### Global Code of Conduct

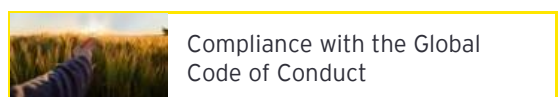
We promote a culture of integrity among our professionals. The EY Global Code of Conduct provides a clear set of principles that guide our actions and our business conduct. They are to be



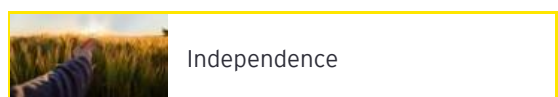
followed by all EY personnel. The EY Global Code of Conduct is divided into five categories:

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

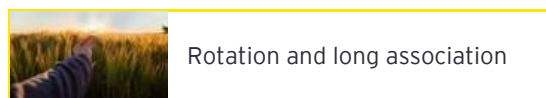
Through our procedures to support compliance with the EY Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation.



The EY Global Code of Conduct provides guidance about EY actions and business conduct. 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.



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 our audits and professional services are included in the International Ethics Standards Board for Accountants' International Code for Professional Accountants (including International Independence Standards) (the IESBA Code). We also comply with local ethical requirements or codes in the jurisdiction of our audits and professional services. Refer to the Independence Practices section for information on policies, tools and process relating to maintaining independence.



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 110 *Code of Ethics for Professional Accountants (including independence standards)*, issued by Australian Accounting Professional & Ethical Standards Board (APESB), 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, enhanced systems of internal quality controls 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 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 to the audit partner rotation requirements applicable to PIE companies we audit, 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 professionals over a long period of time and a safeguards framework to address such threats.

We employ tools to effectively monitor compliance with internal rotation, and requirements for audit partners and other professionals who have had a long association with the audit client. There is also a process for rotation planning and decision-making that involves consultation with, and approvals by, our Professional Practice and

Independence professionals if there are any matters of judgment related to the application of the rotation rules or the engagement is considered high risk. We monitor our tools and process to ensure they are updated in a timely manner for required changes in regulatory requirements, including any announcements from IESBA and APESB.



#### 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 2023, 54 reports (2022: 23 reports) were submitted to the EY Ethics Hotline, none of which were in relation to audit quality (2022: 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 risk management function. 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. EYG member firms are encouraged to log into the EY Ethics Hotline matters that are reported locally outside of the EY Ethics Hotline.



#### Non-compliance with laws and regulations

In accordance with the IESBA and APESB Codes, EY has adopted a policy designed to meet its obligations to report non-compliance with laws and regulation – NOCLAR. The policy covers reporting obligations with respect to non-compliant activity

by clients or EY personnel, as relevant to their respective business activities.

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



#### 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 personnel are obliged to comply with applicable laws and regulations regarding insider trading. This means EY personnel 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

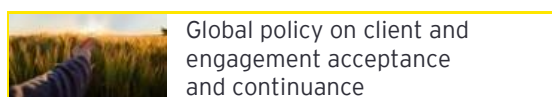
It is important that EY People comply with the ever-changing situation with respect to international economic and trade sanctions. EY monitors sanctions issued in multiple geographies both prior to business relationships being accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.



#### Data protection and confidentiality

The EY Global Data Protection and Confidentiality Policy sets out the principles 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 personnel, 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. EY also has binding corporate rules approved by UK and EU regulators in place to facilitate the movement of personal data within the EY network. Furthermore, EY Australia has a policy addressing specific Australian data privacy requirements and business needs.



The EY Global Client and Engagement Acceptance Policy sets out principles for 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, to address network risk and to drive consistency in the System of Quality Management.

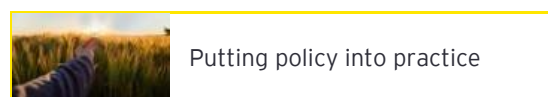
The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify and decline clients or engagements that pose excessive risk or that are inconsistent with EY values
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors

- ▶ Comply with legal, regulatory and professional requirements.

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.



We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and 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 used by EYG member firms across the globe to drive consistency in the System of Quality Management.

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 carefully consider the risk characteristics of a prospective client or engagement, and the results of due diligence procedures. Before taking on a new engagement or client, we also determine whether we can commit sufficient and appropriate resources to deliver quality service, 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 his delegates, and the Assurance

Managing Partner or his 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 review our service and ability to continue to provide a quality service and confirm that clients share EY Australia's commitment to quality and transparency in financial reporting. The partner in charge of each audit, together with our Assurance leadership, annually review our relationship with the entities we audit to determine whether continuance is appropriate.

As a result of this review, 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 must agree for the continuance to occur.



There is continuous investment in improving audit methodologies and tools, with the goal of consistently delivering 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 Digital Audit

The EY Digital Audit helps EY teams meet the changing needs of the companies they serve and deliver against evolving stakeholder expectations – both today and tomorrow.

It supports EY professionals in driving quality and unlocking the digital advantage across all phases of the audit by pairing advanced capabilities with the right digital skill sets and a culture of continued innovation.

The EY Digital Audit is deployed around the globe and is well-established and proven in the market:

- EY Canvas facilitates secure and cloud-based workflow, communication and documentation on 150,000+ audits

- EY Canvas Client Portal connects 200,000+ EY professionals with more than 300,000 client users
- EY Atlas serves as the central repository of accounting knowledge for EY teams and audited entities
- EY Smart Automation capabilities drive automation of core activities and are directly integrated in EY Canvas
- EY Helix enables EY teams to analyse over 775 billion lines of journal entry data annually.

These technologies support EY teams in driving quality by connecting companies and teams, automating audit procedures and processes, and analysing data using advanced technologies.

#### Connecting

Seamlessly connecting entities and audit teams to each other, as well as to the right information, is the foundation of a high-quality audit.

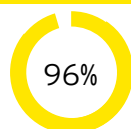
Deployed globally, EY Canvas serves as the single workflow, communication and documentation hub for EY audit engagements worldwide. It leverages industry-leading technology for web applications. This allows the provision of data security and the ability to evolve the software to respond to changes in the accounting profession and regulatory environment.

Using profile questions, audit engagements in EY Canvas are automatically configured with information relevant to an entity's listing requirements and industry. This helps to keep audit plans customised and up-to-date, and provides direct linkage to our audit guidance, professional standards and documentation templates. The majority of forms that enable audit documentation are integrated into EY Canvas, leveraging the profile questions to deliver the relevant audit procedures and related documentation requirements. With the Milestones programme as discussed in the **infrastructure supporting quality** section, EY Canvas enables effective project management. EY Canvas is built with a user interface that allows the team to visualise risks and their relationship to the planned response and work performed in key areas. It also enables a linkage for group audit teams to communicate relevant information and instructions to component auditors so that the primary team can direct execution and monitor performance of the group audit.

EY Canvas includes the EY Canvas Client Portal to assist teams in communicating with entities'

management and streamlining their requests. It also includes EY Canvas Oversight, which provides real-time oversight and tracking of audit progress globally to enhance visibility and facilitate proactive collaboration throughout all phases of the audit.

EY Canvas is further supplemented by the EY Atlas global research platform that provides access to the latest accounting knowledge for both EY professionals and the entities they audit.



96% of EY Australia PIE clients use EY Canvas Client Portal

### Automating

Smart technologies help to enable greater levels of automation, centralisation and standardisation throughout the audit.

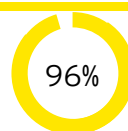
The EY Digital Audit leverages the global connectivity of EY Canvas to deploy automation globally. The EY Smart Automation Hub provides a centralised and global access point for automation capabilities that is fully embedded in EY Canvas and provides real-time status updates. These capabilities utilise large scale automation, as well as Artificial Intelligence (AI), machine learning and other advanced technologies, to both enhance project management and support audit testing.

Automating and accelerating routine procedures enables audit teams to focus on the most prominent risks and complex judgment areas, as well as on adding value to the companies they audit. At the same time, audit support activities are streamlined –significantly reducing the administrative support effort required from entities' management, finance and accounting teams.

Examples of EY Smart Automation include

- ▶ EY Smart Sampling, which automates the sample selection process, including determining the appropriate sample strategy, in accordance with EY GAM.
- ▶ EY Intelligent Checklists solutions enhance the completion of the financial statement disclosure checklist. It supports effective collaboration between EY auditors and clients using digital capabilities and in a secure environment in real-time.

These tools aid the quality, consistency and efficiency of our audits.



96% of our audit teams on EY Australia PIE clients use EY Smart Automation tools

### Analysing

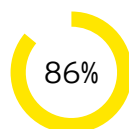
The deployment of end-to-end analytics enables a smarter, data-driven approach that supports EY teams in identifying risk, detecting anomalies and generating insights.

The EY Helix global analytics suite (EY Helix) integrates data-driven auditing into the EY global audit methodology (EY Digital GAM). It comprises data analysers for core business and accounting processes, alongside industry and transaction-specific analysers.

This allows audit engagement teams to deploy targeted data analytics specific to the entity being audited and drill down across operating cycles to better understand financial activities and business processes. The result is a smarter, risk-based approach that supports higher quality audit evidence, effective identification of trends and anomalies, and deeper levels of insight and business intelligence. Refer to **Audit methodology** in the **Resources** section for additional information on how the data-driven, end-to-end, audit approach is central to delivering a quality audit.

The use of EY Helix is supported through seamless and secure data access enabled by standardised and centralised data delivery processes, a range of extraction and connection methods and leading-edge security protocols.

There is continued investment in new analysers across a range of sectors and accounting areas to enhance the quality of audit procedures in these areas.



86% of EY Australia listed audit client engagements with greater than 1,000 audit hours use EY Helix Analysers

### Investment in next-generation Assurance technology

The EY Digital Audit advances higher audit quality through better focus on risks of material misstatement and higher quality audit evidence to respond to those risks.

As noted in the **infrastructure supporting quality** section, to further accelerate and capitalise on the speed of change, the EY organisation is investing



in next generation Assurance technology to facilitate trust, transparency and transformation.

Building on the strengths of the existing EY global audit technology suite, this four-year investment programme is driving the future of Assurance technology via the integration and transformation of leading-edge capabilities into one seamless platform – powering the next generation of data-driven and AI-enabled Assurance services.

Investment is focused across three core transformation areas to drive continued quality and value:

- ▶ User experience and collaboration
- ▶ Data access and analytics
- ▶ AI and business intelligence

Over the past 12 months, this investment has enabled the release of more than 20 significant new Assurance technology capabilities, including next generation data analytics that leverage Microsoft Power BI, new AI capabilities integrated with EY Canvas to support risk assessment and redefined audit workflow for non-listed, non-complex entities.



#### Identify and assess fraud risk

As part of ongoing improvement efforts, there is recognition of the need to evolve how audits are performed to better identify and assess fraud risk. At a global level, EY is committed to leading the profession more widely to address stakeholders' questions about the auditor's role in fraud detection.

Companies have never been as data rich as they are today, providing new opportunities to detect material frauds through data mining, analysis and interpretation. Auditors are increasingly using data analytics to identify unusual transactions and patterns of transactions that might indicate a material fraud.

Technology is not a panacea, however, and professional judgment also comes into play. There is a responsibility for all involved, including management, boards, auditors and regulators, to focus more on corporate culture and behaviours to support fraud prevention and detection. Additional actions taken to address this important area of the audit include:

- ▶ The use of data analytics to enhance fraud detection capabilities and further develop professional scepticism in audits
- ▶ Using additional internal and external data and information to enable more nimble

responses to external risk indicators, such as short selling and whistleblowers

- ▶ Utilising electronic confirmations for audit evidence wherever possible
- ▶ Developing a proprietary fraud risk assessment framework for use with audit committees and those charged with governance
- ▶ Mandating annual fraud training for all audit professionals that incorporates the experience of EY forensics professionals
- ▶ Requiring the use of forensic professionals in the audit on a targeted-risk basis to assess potential risks of fraud
- ▶ Expanding the use of EY Global Assurance Risk Centre of Excellence building on the latest technology, such as machine learning and AI, to further leverage external data through adverse media scraping, key forensic metrics, short seller monitoring, tools to evaluate document authenticity, and other technology to enhance fraud risk identification and response in our audits.

We provide our audit professionals with additional training and enablement to help identify and assess fraud risk. The data-first approach and enhanced training elevates EY teams' experiences, so they can spend more time addressing risks and exercising professional judgment.



#### 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.



#### Consultation requirements

EY consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. 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 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 engagement 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 personnel who have more experience or specialised knowledge, primarily Professional Practice and Independence personnel. In the interests of objectivity and professional scepticism, EY policies require members of Professional Practice, Independence and certain others to withdraw from a 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 address the audits that are subject to engagement quality reviews and the qualifications of engagement quality reviewers. Engagement quality reviewers are experienced professionals with significant subject-matter knowledge. They are independent of the audit engagement team and provide an objective evaluation of the significant judgments the audit 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.

EY policies and practices related to the assignment and eligibility of professionals to serve as engagement quality reviewers have been enhanced to conform with the requirements of Auditing Standard on Quality Management (ASQM) 2, **Engagement Quality Reviews**. These enhancements focus on assigning an engagement quality reviewer who has the appropriate competence and capabilities, including sufficient time, as well as having sufficient authority and objectivity to achieve an effective engagement quality review. Training and enablement support the execution of the engagement quality review.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and 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 date of the auditor's report.

For audits, 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.



#### Audit engagement team resolution process for differences of professional opinion

EY has a collaborative culture that encourages and expects 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.

These policies are made clear to people as they join EY, 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, 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.



#### Documentation 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 personnel and address Australian legal requirements, applicable to the creation and maintenance of working papers, relevant to the work performed.



#### Resources

Refer to the **Investing in exceptional talent and their wellbeing** and **Continuing education for our high performing teams** sections for additional information on EY Australia's commitment to investing in talent to drive further advances in audit quality.



#### Formation of audit engagement teams

The assignment of professionals to an audit engagement is made under the direction of our Assurance leadership. The factors considered when assigning people to audit engagement 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, 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.

EY Australia's policies require the approval of the assignment of individuals to specific audit roles by our Australia Assurance leadership and Oceania PPD or their delegates. This is carried out, among other reasons, to make sure that the professionals leading audits possess the appropriate competencies (e.g. the knowledge, skills and abilities) 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 member firms and their evolving needs. Across all disciplines, GDS teams combine deep 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 will increase its use of specialised teams to drive higher-quality outcomes, including GDS.



### Audit methodology

EY Global Audit Methodology (EY GAM) provides a global framework for delivering 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 EYG member firms to drive consistency in the execution of audit engagements.

Designed and based on extensive research with audit practitioners, EY Digital GAM, which is part of EY GAM, focuses on simplifying tasks and improving connection from one audit procedure to the next by leveraging full populations of entity data. All 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. The ability to analyse disaggregated data using the EY Helix global analytics suite enhances audit engagement teams' understanding of the entity's business and focuses on the identification of entity-specific risks, key transactions and trends and anomalies that may

be indicators of misstatement or fraud. A data-driven audit approach focuses effort on the audit of higher-risk transactions, enables a dynamic audit strategy that is reactive to readily identifiable changes in the data and refines the focus and specificity of dialogue with the entity and its management about audit findings and evaluating the outcomes.

Using EY Atlas, an EY auditor is presented with EY GAM, organised by topic, and 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 contains a number of audit approaches which are "profiled" within EY Atlas to present the relevant requirements and guidance, depending on the nature of the entity being audited – e.g. there are profiles for Digital GAM or Core GAM and further profiles to address listed entities and other public interest entities (PIEs) and for those considered non-complex 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, cyber 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 climate change, cyber 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 220 (Revised) *Quality Control for an Audit of Financial Statements*, ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and new independence requirements of the International Ethics Standards Board of Accountants' Code of Ethics for pre-concurrence of non-assurance services and disclosure of fees. A suite of enablement to implement the new and revised requirements was issued.

In addition, current and emerging developments are monitored and timely audit planning and execution communications are issued. These 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).

We have issued accounting and auditing considerations when auditing entities that are exposed to risk due to the recent failures and near-failures in the banking sector, as well as to respond to evolving economic conditions, including increases in inflation and interest rates.



#### Certification of technology

The EY organisation has a robust global 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).



#### Information and communication

The information and communication component is a new component in ASQM 1 for obtaining, generating or using information and communicating 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:

- ▶ Personnel
- ▶ 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 SQM policy provides the requirements for EYG member firms to communicate internally and externally about the member firm's 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. EY Australia has established a SQM monitoring and remediation process 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:

- ▶ Tests of System of Quality Management key controls
- ▶ Internal and external engagement inspections
- ▶ Other monitoring activities, for example and not exhaustive:
  - ▶ Tests of EY Australia and its personnel's compliance with ethical requirements related to independence
  - ▶ Quality criticisms made by external regulators relevant to the System of Quality Management
  - ▶ Issues reported through the Ethics hotline.

The monitoring and remediation process is executed annually based on the Global SQM Monitoring and Remediation policy, which is an example of 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 Global PPD, with oversight by the 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. Individuals testing SQM key controls operate under the direction of the Country PPD.



#### Audit quality reviews

EY Australia executes the Global Audit Quality Review (AQR) programme, reports results and develops responsive action plans. The Global AQR programme complies with the requirements and guidelines in ISQM 1 and is supplemented, where necessary, to comply with Australian professional standards and regulatory requirements. It also aids EY Australia's continual 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 PIC on a cyclical basis. The engagements reviewed each year are selected on a risk-based approach, emphasising audit engagements that are large, complex or of significant public interest, including elements of unpredictability. The Global AQR programme includes detailed risk-focused file reviews covering a large 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, relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit assurance engagements performed by audit engagement 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 programme complements external inspection activities, such as inspection programmes executed by audit regulators. It also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

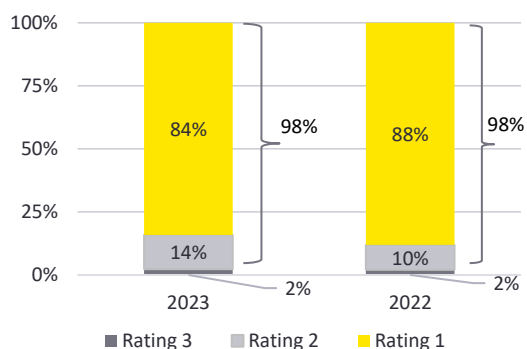
AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, as well as their industry specialisation. They have often participated in the Global AQR programme for a number of years and are highly skilled in the execution of the programme. Team 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 results of the AQR processes are summarised globally (including for Areas and Regions), along with any key areas where the results indicate that continued improvements are required. Summarised results are shared within the network. Measures to resolve audit quality matters noted from the Global AQR programme and regulatory inspections are addressed by Assurance leadership and our PPD. These programmes provide important practice monitoring feedback for our System of Quality Management and continuing quality improvement efforts.

#### 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 2023, EY Australia's AQR programme resulted in the inspection of 44 (2022: 40) audit engagements and 98% (2022: 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.

Historically, each year ASIC has selected a sample of engagements for inspection which involved the review of a number of higher risk areas within each audit file selected. At the conclusion of each inspection year ASIC released a public report with the results of their inspections across the industry and for each of the largest six firms subject to inspection.

The last published ASIC inspection report on EY Australia was for the inspection cycle for the period from July 2021 to June 2022 was released during the year on 28 October 2022 (see [2022 ASIC Audit Inspection report](#) for details). This inspection cycle covered 8 EY Australia audits comprising 7 listed companies and 1 non-listed public interest entity. In ASIC's view, in the 12-month period ended 30 June 2022, EY Australia did not obtain reasonable assurance that the financial report was free of material misstatement in 4 out of 26 areas reviewed. ASIC note this does not mean that a financial report was materially misstated in these areas.

For the year ended 30 June 2023, ASIC changed its audit inspection programme. The programme was integrated with its Financial Reporting Surveillance Programme, with the selection of audits for inspection and the focus areas being largely influenced by the results of its financial reporting surveillance activities. ASIC no longer publish individual inspection reports for firms. ASIC's report outlining the findings from its financial reporting and audit surveillance program for the period 1 July 2022 to 30 June 2023 was released on 18 October 2023 (see [Annual financial reporting and audit surveillance report 2023](#) for details).

One EY Australia audit was the subject of this process in the year ended 30 June 2023 and two key areas of the audit were reviewed. In ASIC's view, EY Australia did not obtain reasonable assurance that the financial report was free of material misstatement in one of the key areas reviewed. No changes were required to be made to the financial statements following this review.

ASIC will regularly update the market with the results of its financial reporting surveillance. One ASIC media release was issued in the year ended 30 June 2023 relating to an EY audit client. The financial report in question was not required to be restated or reissued.

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. The report was issued on 1 August 2023.

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.



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

Engagement-level root cause analysis is a central part of the EY quality improvement framework, providing an in-depth assessment of the root causes that underlie an audit's positive or negative inspection outcome. This enables the identification of the key factors that can impact audit quality and the taking of responsive actions. The EY Global Engagement-Level Root Cause process is designed to drive consistency in execution and timeliness of completion as well as execution of responsive action plans which are actively monitored.

EY Australia's audit practice identifies and evaluates various conditions and events that may have contributed to the positive or negative outcome. Responsive action plans are developed to address the root causes of significant engagement-related findings. EY Australia's audit practice reviews the nature and prevalence of findings and root causes to determine if systemic issues exist and if so, further action plans are developed.

In October 2022, ASIC released a report on thematic findings from its review of root cause analysis of negative audit quality findings performed by the largest six audit firms between 1 July 2020 and 31 December 2021. The report outlines good practices observed by ASIC and some better practice recommendations for audit firms performing root cause analysis. (See [Root cause analysis: Audit firm thematic review](#) for details). We considered the good practices and recommendations outlined in this report and implemented changes to the process to strengthen our system of quality management.



### Audit quality indicators

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 audit quality indicators (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.

Enabled by the EY organisation's 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 span across themes related to execution, talent, remediation and enablement. 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
- ▶ Retention
- ▶ Independence
- ▶ Deployment of mandatory learning.

Elements monitored and measured through the AQI dashboard are subject to an annual review to help ensure they remain relevant and responsive to quality initiatives.

The Global AQI dashboard helps to inform the leadership about whether particular actions are having the intended effect and provides an early warning where intervention is warranted.



### 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. 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 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 Global and Area Professional Practice and Assurance Leadership 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 SQM Monitoring and Remediation policy.



#### System of Quality Management Quality Improvement Plans

If deficiencies were to be identified, EY Australia would develop quality improvement plans, which include:

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

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



## Infrastructure supporting quality

## Infrastructure supporting quality



### Strategy

NextWave is the EY global strategy and ambition to deliver long-term value to clients, people and society. It has put EY in a strong position to adapt and innovate, while 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. The insights and quality services we deliver help enhance trust in business and the capital markets in support of sustainable, long-term value creation.

For EY Assurance services, the NextWave strategy is informed by a recognition that markets are being reshaped profoundly by data and technology disruptions, climate change, demographics shifts and globalisation, creating urgency for EY to respond to increasing demand for trust and confidence.

In response, EY Assurance services has 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 member firms' greatest asset in delivering quality 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 are better equipped to serve the public interest.

Through a data-driven approach, enabled by the transformation and integration of our digital technology capabilities, EY teams continue to deliver high-quality audits with independence, integrity, objectivity and professional scepticism. EY member firms provide their audit professionals with additional training and enablement to help detect fraud. The data-first approach and enhanced training elevates EY teams' experiences, so they can spend more time addressing risks and exercising professional judgment. EY member firms remain future-focused as they transform, including utilising 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 teams contribute meaningfully to the overall EY purpose of *Building a better working world*.

Data and technology continue to transform the audit and support the changing needs of the capital markets. In June 2022, the EY organisation announced a US\$1b investment in evolving a next generation technology platform. This integrated platform builds on the already strong foundations of the EY Assurance leading-class technology suite, driving audit quality and greater value for audited entities by facilitating trust, transparency and transformation. It will provide new data access capabilities and advanced analytics, incorporate new forms of business intelligence and AI, and enhance the user experience for audited entities and EY people – all important components of delivering high-quality audits.



### Global Audit Quality Committee

The EY Global Audit Quality Committee (GAQC) comprises senior leaders from across the EY organisation with extensive, diverse and highly relevant experience. The GAQC advises EY Assurance leadership on the many aspects of the organisation's business, operations, culture, talent strategy, governance and risk management that affect audit quality.

The committee develops innovative ideas and approaches to delivering high-quality audits, so that leading practices can be shared across the organisation. It is a central repository for learning and feedback and serves as the basis for the organisation's AQIs and other forms of quality monitoring that feed the continuous improvement cycle.



### Quality Enablement Leaders

The EY Quality Enablement Leaders (QEL) network is a group of senior Assurance leaders around the world who drive improvements in audit quality by empowering engagement teams and driving operational excellence within the global Assurance practice.

Empowerment of audit teams is enabled by:

- ▶ Delivering audit engagement team coaching
- ▶ Deploying technical enablement related to the adoption of new auditing standards
- ▶ Driving proficiency in the use of automated tools and techniques.

Operational excellence for the Audit service is achieved through:

- Designing the framework for implementing consistent workforce planning across the globe, including protocols for workload management
- Establishing global data protocols and managing the data to execute portfolio reviews
- Managing in-flight engagements to support timely, positive intervention.

Many of the QEL related activities are directly aligned to the EY SQM. Because of the nature of their activities, the QEL network offers a unique perspective on the nature of challenges that can impact audit quality. The QEL network collaborates frequently with the Professional Practice function to drive audit quality.

The Oceania Quality Enablement Leader (Oceania QEL) is responsible for the QEL function in EY Australia and is accountable to the Asia-Pacific Area QEL and the Regional Assurance Managing Partner.



#### Sustainable audit quality

To support auditors in fulfilling their purpose, the EY organisation created the Sustainable Audit Quality (SAQ) programme, which provides a framework to help address the evolving risks of the audit. SAQ is a globally consistent approach to achieving and sustaining high-quality audits across the EY network. It has required significant investment and created positive change for EY auditors and the companies audited.

The significant efforts the EY organisation has made in executing quality initiatives under the global SAQ programme are positively impacting audit quality across the EY network and the behaviour of audit engagement teams.

Through in-flight management, we can measure the progress of in-process audits and identify areas that require additional attention before they are completed. Several elements of the in-flight management activities are also AQIs, which helps to drive the focus and accountability around executing quality audits. Examples of how the EY organisation puts its focus on quality into action include:



Further detail on those activities not previously discussed include:

#### Milestones

Effective project management enables audit engagement 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 risk assessment tasks and ensuring timely executive involvement. The milestones functionality is enabled through EY Canvas. Facilitated through dashboards in EY Canvas and the EY Canvas Reporting Hub, Milestones break the audit cycle down into specific tasks, with dates and steps designed to help achieve timely completion and appropriate supervision and review.

#### EY Canvas Client Portal

The EY Digital Audit allows EY audit engagement teams to send requests for documents used to support the audit or for work to be performed by an entity's internal audit, as permitted by local laws and regulations, via **EY Canvas**. Clients work on the requests, upload documents and respond via the **EY Canvas Client Portal**. Clients can see requests that have been assigned to them or to the group(s) which they are a member of.

#### Coaching

Through the QEL-led coaching programmes, audit engagement teams are supported as they navigate critical accounting estimates and judgments, adopt new or revised auditing standards all while utilising new tools and enablement.





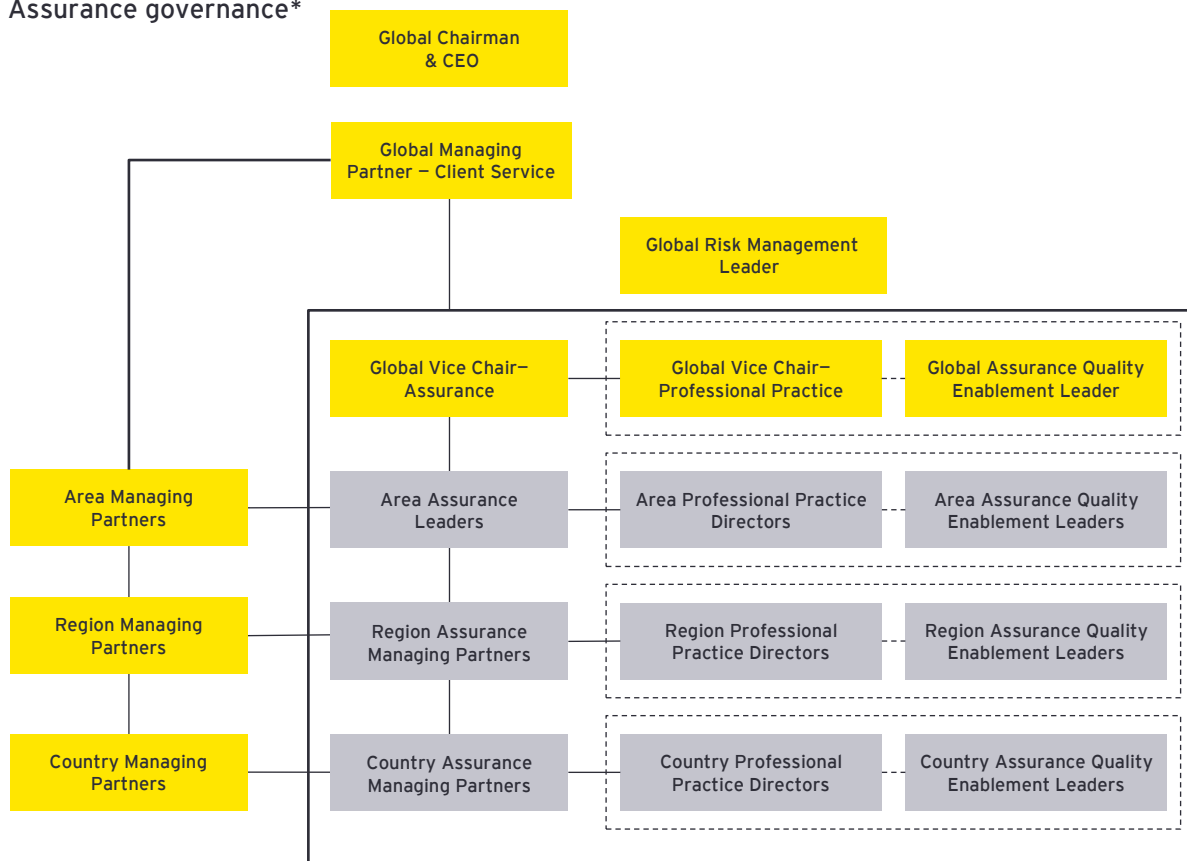
## Professional Practice

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 Global PPD also leads and oversees the Global Professional Practice group. This is a global network of technical subject-matter professionals in accounting and auditing standards who consult on accounting, auditing and financial reporting matters and perform various practice monitoring and risk management activities. In addition, the Professional Practice group is expanding its capacity on non-financial reporting in relation to the inaugural standards issued by the International Sustainability Standards Board.

The Oceania Professional Practice Director (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 GAM and related audit policies and technologies so that they are consistent with relevant professional standards and regulatory requirements. The Global Professional Practice group also oversees the development of the guidance, training and monitoring programmes, and processes used by member firm professionals to execute audits consistently and effectively. The Global, Area, Regional and Country PPDs, together with other professionals who work with them in each member firm, are knowledgeable about EY people, audited entities and processes. They are readily accessible for consultation with audit engagement teams.

Additional resources often augment the Global Professional Practice group, including networks of professionals focused on:

- ▶ Internal-control reporting and related aspects of the EY GAM
- ▶ Accounting, auditing and risk issues for specific topics, industries and sectors
- ▶ Event-specific issues involving areas of civil and political unrest, pandemics, financial stability or sovereign debt and related accounting, auditing, reporting and disclosure implications
- ▶ General engagement matters and how to work effectively with audit committees.

Further, as noted above, the Country PPD has operational responsibility for monitoring the SQM. This includes concurring with or proposing changes to the recommended SQM annual evaluation conclusion. The SQM monitoring process is coordinated and monitored by representatives of Global PPD.



## 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 delivering quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality is placed with the EYG 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 EYG member firms.

The Global Risk Management Leader is responsible for establishing a consistent risk management framework around the globe and coordinating risk management across EY.

These priorities cascade to member firms through the ERM programme.

For EY Australia, the Oceania Risk Management & Independence Leader 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 actively seeks input from EYG member firms on lessons learned from both crisis management and business continuity standpoints. This after-action review process has generated significant changes to EY planning around its crisis response and management of crises at the 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 has placed more focus on business resiliency in business continuity planning efforts in EY. 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 EYG 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 e.g. disruption to banking systems or sustained cyber-attacks.

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

In addition, the EY Global Code of Conduct provides a clear set of principles to guide the behaviours of those working with EY. This includes EY professionals being required to speak up when observing behaviour that is believed to be a violation of law or regulation, applicable professional standards, or the EY Global Code of Conduct itself.

The Global Data Protection and Confidentiality Policy (see page 25) sets out requirements when handling sensitive and restricted information, including personal data. EYG 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 EU General Data Protection Regulation (GDPR)), and relevant professional standards. The policy provides clarity for EYG 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 programmes, consistent with industry practices and applicable legal requirements, are designed to protect against unauthorised access to systems and data. There is a dedicated team of cybersecurity specialists, who constantly monitor and defend EY systems.

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 a global policy on the Acceptable Use of Technology. 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 practice.



### Non-financial reporting

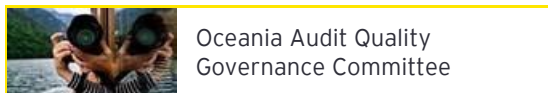
EYG member firms provide assurance services on a wide range of non-financial information and reporting-related information. The EY Sustainability Assurance Methodology (EY SAM) is a global framework for the application of a consistent approach to all assurance engagements on ESG and sustainability information. 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 EYG 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 EYG 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 engagement 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.

Additionally, EY has enhanced quality management-related processes 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.



The Audit Quality Governance Committee ('AQGC') was established in the Oceania Region to have oversight on matters relating to audit quality and to drive our efforts in the Region on quality initiatives including those under the EY Sustainable Audit Quality (SAQ) programme. 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, Oceania Financial Services Assurance Leader, Oceania QEL and Oceania Audit Inspection Leader. The Oceania Risk Management & Independence leader and other leaders are consulted on specific matters based on the AQGC priorities. AQGC's key focus areas include:

- ▶ 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, and
- ▶ Monitoring progress on parameters used by EY Global to determine the regional audit quality rating.



Oceania Audit & Accounting Policy Committee

The EY Oceania Audit & Accounting Policy Committee ('AAPC') is chaired by the Oceania PPD and comprises all of the partners from the Oceania Professional Practice group (Office PPDs), the Oceania IFRS leader, the Asia-Pacific Area PPD, the Oceania Risk Management & Independence Leader and representatives from the Oceania Office of General Counsel (GCO).

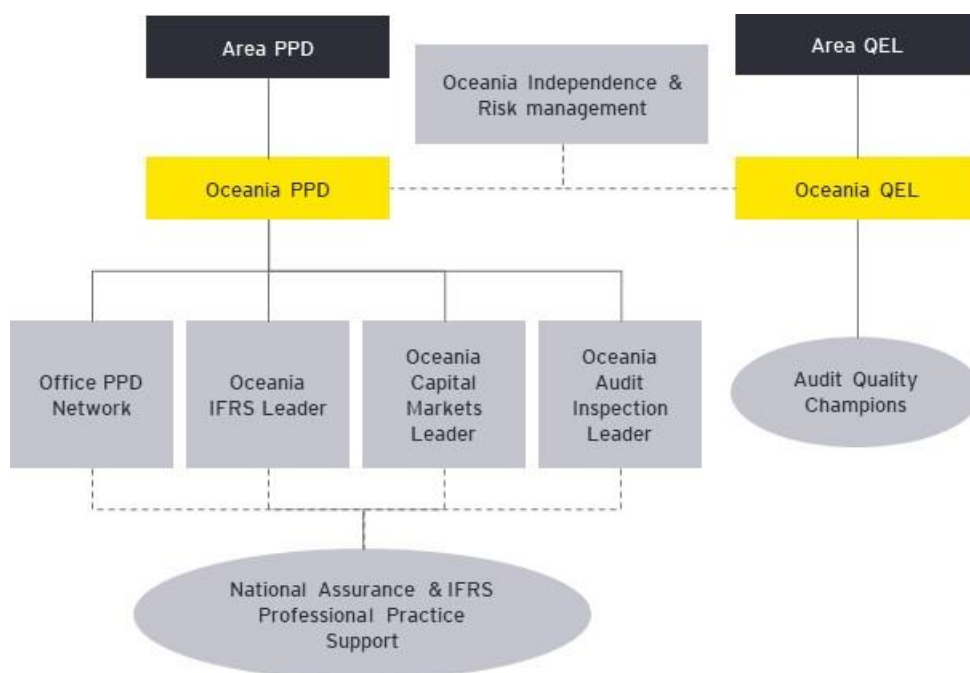
AAPC meetings are held quarterly and are focused on:

- ▶ Ensuring compliance with professional standards
- ▶ Deployment of EY GAM and global policies for the Region in consideration of local regulations
- ▶ Development of 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 audit 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 control 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.

### Glenn Carmody



#### Regional Assurance Managing Partner, Oceania

Glenn Carmody has more than 30 years' experience working with large listed multi-national companies across the retail, consumer products, manufacturing, aged care and REIT industries. Glenn brings a blend of technical expertise, commercial pragmatism and leadership skills to the table for the benefit of his clients, his teams and EY Australia.

As the Managing Partner for Assurance in Oceania he is responsible for leading the largest segment of the business in Oceania and is also a part of the leadership team in the Region. He has also had other leadership roles in the Oceania Region including being a member of the Advisory Board and the leader of the Consumer Products and Retail Market Segment.

He holds a Bachelor of Business degree and is a Chartered Accountant and Registered Company Auditor. He is also a member of the Institute of Company Directors and is chairman of the foundation for Very Special Kids.

### 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 Oceania Assurance practice. 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 and is a member of Chartered Accountants Australia and New Zealand and is a Registered Company auditor.

### Chris George



#### Regional Professional Practice Director, Oceania

Chris has over 35 years of audit experience, including signing partner and engagement quality reviewer experience for many large and complex listed company clients. Chris has a central role in developing, 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.

Chris also spent six years as a member of the Australian Auditing & Assurance Standards Board and is the EY Australia public policy leader.

He holds a Master of Economics degree, is a Fellow of Chartered Accountants Australia and New Zealand and is a Registered Company Auditor. He is also a member of the Australian Institute of Company Directors.



### **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 EY 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 and play a key role in supporting the delivery of NextWave in 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.



## 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 Code of Ethics. The EY Global Independence Policy is an example of a policy issued by EYG to enable the operation of the SQM and the performance of ASQM 1 engagements.

We consider and evaluate independence with regard to various aspects, including our financial relationships and those of our 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, where 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 EYG member firms, professionals and other personnel. 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.

EY Global Independence Policy is an example of 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 professionals identify the entities from which independence is required and the independence restrictions that apply. Most often, these are listed audit entities and their affiliates, but they can also be 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 rules that apply to each entity, helping our 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 provided by a Global Function 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. 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, 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 annual and quarterly confirmation of compliance with independence policies, as described below. GMS is an example of a technological resource made available to EYG member firms to drive consistency in the System of Quality Management.



#### Independence compliance

EY has established several processes and programmes aimed at monitoring the compliance with independence requirements of EYG member firms and their people. These include the following activities, programmes and processes.



#### Independence confirmation

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 professionals are required to confirm compliance with the EY Global Code of Conduct annually. All client-facing 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.

An initial independence screening is conducted for all 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 we audit and financial relationships of EYG member firms.



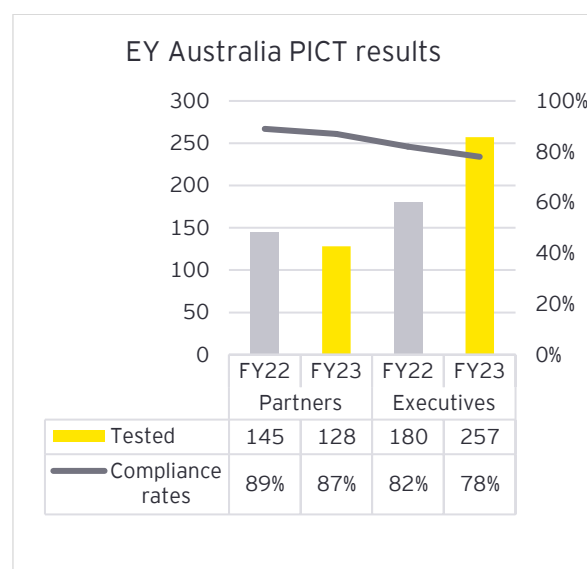
#### Personal independence compliance testing

Each year, the EY Global Independence team establishes a programme 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. Any unreported interests 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 385 partners and other personnel (2022: 325) 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 2023, we identified five breaches of APES110 and/or the Corporations Act 2001. These related to instances where:

- ▶ Two junior team members, who were last minute additions to the audit team, were unaware of the ownership structure of the audited entity and held investments in the ultimate parent entity.
- ▶ An immediate family member of a partner held an employment related superannuation financial interest in an audit client where the lead audit engagement partner was in the same office. 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 from a previous employment.
- ▶ An immediate family member of an associate partner held a financial interest in an audit client where the lead audit engagement partner was in the same office. The associate partner did not provide any services to the audit client.

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

In line with our policies, the 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 the results. 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

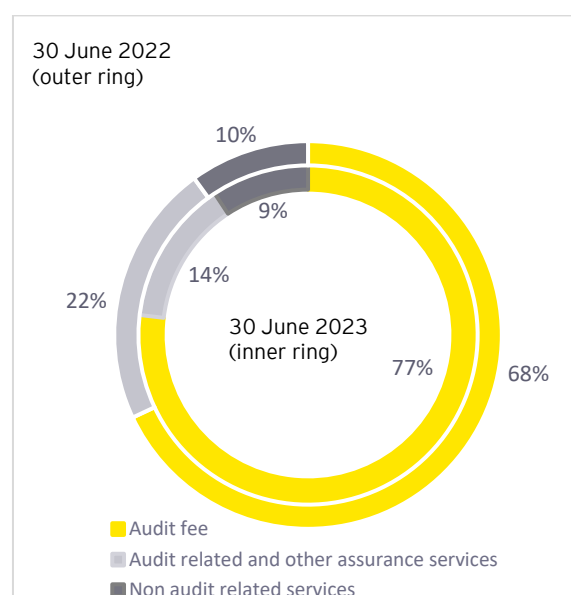
All non-audit services we provide to our audit clients are services that the professional standards, laws and regulations, including independence standards consider to be permissible for an auditor to provide to an audit client. We monitor compliance with the standards governing the provision of non-audit services to audited entities through a variety of mechanisms.

These include the use of tools, such as PACE (see page 26) and the Service Offering Reference Tool (SORT) (see below), and training and required procedures completed during the performance of audits and internal inspection processes. We also have a process in place for the review and approval 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 64) 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 2023 (inner ring) and 30 June 2022 (outer ring) sourced from the annual report of these entities.



The audit related other assurance services include fees for other assurance reports including 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 a variety of independence learning programmes. All EY professionals and certain other personnel are required to participate in annual independence learning to help maintain independence from the companies EYG 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 programme 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 closely. 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 programme, independence awareness is promoted through events and materials, including new-hire programmes, milestone programmes 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 programme is an example of an intellectual resource provided by a Global Function to drive consistency in the System of Quality Management.



#### Service Offering Reference Tool

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 confirm that 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 entities we audit and non-audit clients, as well as independence and other risk management issues and considerations.

SORT is an example of a technological resource made available to EYG 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 entity we audit, thereby supporting our compliance with independence requirements.

BRIDGE is an example of a technological resource made available to EYG 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 programmes, we monitor and test compliance with EY standards for audit committee communications, as well as the pre-approval of non-audit services, where applicable.



Investing in  
exceptional talent  
and their  
wellbeing

# Investing in exceptional talent and their wellbeing



## Development of EY people

The EY employee value proposition (EVP) is the promise we give to our employees working at EY Australia. But this isn't something that just happens, it's on our people to make it happen. EY Australia provides the opportunities, the scale, the technology, the learning and the diverse and inclusive culture. It's up to our people to build their own exceptional experience from the building blocks EY Australia offers.

The EY EVP "*The exceptional EY experience. It's yours to build*" is designed to empower EY people to be intentional about their careers, enabling them to seek out the experiences, the learning, the skills, the impact and the leadership behaviours that will help them build the career they want, and a better working world for themselves and others.

EY Australia is committed to investing in our number one asset – our talent – 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.

Changing environments mean that investments in exceptional talent need to be agile. Audit engagement teams already bring together an increasingly diverse set of skills and this trend will accelerate as new technologies are adopted and the role of the audit professional continues to evolve. Skill sets will need to be further enhanced to encompass new competencies, such as coding and data visualisation, and new areas, such as the analysis of non-financial information (for example, rapidly changing ESG standards).

Audit professionals also need to understand and assess the risks and considerations associated with these technologies, particularly as companies implement new systems and generate new data that impact financial reporting, such as business models dealing with cryptocurrencies.

Talent investment needs to focus more broadly on the development of new skillsets – enabling teams to harness the full potential of new technology and bring a new lens to their work.

In addition, the EY organisation has taken action to address emerging risks, through both training and a focus on increasing awareness of these risks. Common themes that teams need to focus

on are communicated throughout the organisation.



## Attracting and recruiting talent

In a world with a decreasing talent pipeline, where the number of students graduating with an accounting degree continues to drop, competition for talent with the relevant skills has never been higher. Finding the next generation of high-quality auditors remains our top priority. We keep the recruiters who we work with up to date and upskill them with current trends and hot topics in audit, so that they are armed with the information to talk to candidates. We are also exploring several recruitment innovation platforms and talent attraction initiatives with the purpose of networking with new and diverse audiences that we didn't have the opportunity to connect with via the traditional channels and innovate in the ways we connect and attract our future talent.

For example, in the last year, EY designed the EY Talent Tree in the metaverse. Through a series of global talent events, EY teams have hosted hundreds of potential future audit professionals in an environment that strips away the physical barrier of real-world meeting rooms, and replaces them with a new, highly interactive virtual world. What has been achieved so far is very exciting – a series of events on a global scale that helped identify new talent from the next generation of potential accounting professionals, who live and breathe technology, and who will help forge the future of our profession.

Another innovation initiative EY is currently working on is an audit virtual work experience programme, with the support of an external vendor. This programme 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 programme is to connect with students and showcase the work EY teams do in audit, in a direct and open way, with the aim to build a network with our future talent from the early stages in their academic journey.

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 business is a key contributor to the delivery of high-quality audits. Retention can vary based on external drivers such as market conditions. However, there is one factor that is consistent around the globe: employee expectations.

Achieving a work-life balance is important for EY people. People are now far more focused on getting the balance right between their professional and personal lives. Forty-three percent of EY auditors now work remotely two or more days per week and have a greater wellbeing experience as a result.

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. In practice, this can include equitably balancing work allocations and breaking down barriers that have previously prevented professionals from setting and adhering to healthy boundaries.

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

However, new entrants to the world of work are less likely to stay at the same organisation for their entire careers. Boosting retention, therefore, now means focusing more on the journey than the destination.

As part of this commitment, 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.



### Personalised careers with diverse experiences

As the workforce becomes more diverse in terms of background, skill sets and education, aspirations also change. With more people with specialised skills entering the organisation, EYG member firms are implementing more flexible career paths for all professionals that link to future-focused service delivery model thinking.

The workforce is evolving, and individuals often have different career hopes, so we are providing all our people with the necessary tools and

processes to manage their progression. A more individualised career structure is vital in attracting new talent and in helping to develop and retain the existing workforce.

Promotions focus on people's skills, not the number of years in a post. For example, the EY organisation is introducing more "agile promotions," where career progression takes place when an individual is ready rather than at set times in the year.

We are seeing success through these redesigned career paths. In the March 2023 employee listening survey, 82% of respondents indicated that they know which skills they need to build the career they want.



### Mobility

In an organisation that spreads across more than 150 jurisdictions, one of the most powerful experiences EYG member firms can offer their people is to work across cultures and borders. People join EY for exceptional and diverse experiences, with more than 90% of member firms' new hires in Assurance being motivated by joining a highly globally integrated organisation.

EYG member firms provide a variety of on-demand mobility solutions and programmes, leading to an increase in new Assurance mobility assignments of more than 100% this year. The global mobility platform, Mobility4U, provides professionals with a single point of entry to locate opportunities worldwide. That includes job swaps, where individuals can exchange roles with an EY peer on either a long- or short-term basis. There is a focus on enabling specific business-driven mobility initiatives that give people an opportunity to learn or share specific knowledge and skills. Strategic mobility programmes for member firm partners and future leaders also continue, which support, in particular, EY emerging market Regions.

Post-pandemic, EYG 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 networks.

A global mobility return on investment analysis showed that international experience increased retention (+15%) and positively impacted career opportunities. Ninety-five percent of mobility assignees globally reported a positive impact on career one year post assignment, 97% of assignees said their international assignment experience was exceptional and 95% would recommend an EY mobility assignment.



## 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. Greater diversity, equity and inclusive environments drive better decision-making, stimulate innovation and increase organisational agility.

EY has been on a DE&I journey for decades, and while substantial progress has been made, under the global NextWave strategy and ambition EY remains committed to increasing DE&I progress throughout the organisation. The GE 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, it helps to ensure that EY member firms hold themselves accountable for progress, starting with the tone at the top.

EY also launched the Global Assurance DE&I baseline expectations model in the audit practice to accelerate progress. This includes a set of globally applicable baseline expectations for DE&I across all Assurance talent processes and consists of ideas and initiatives for what can be done to advance DE&I within these processes. Each Region has completed a self-assessment against the baseline expectations model and committed to an action plan to make progress. There has been a particular focus on promoting gender diversity over recent years. Thirty-three percent of new EYG member firm audit partners around the globe, promoted on 1 July 2023 were women and a strong pipeline of female leadership has been built, supported by 52% of all audit hires by member firms across the globe in 2022 being female. Fifty percent of new audit partners promoted and thirty-two percent of newly appointed Associate Partners in EY Australia on 1 July 2023 were women and a strong pipeline of female leadership has been developed.

Inclusive organisations maximise the power of all differences. Employees need to feel they are working for an organisation that not only values them as individuals, but also sees differences as strengths and values their contributions. 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 2023 employee listening survey, 82% of EY auditors said the EY organisation provides a

work environment where they feel free to be themselves, an increase of 3% when compared with the March 2022 survey.

Leaders across EY make DE&I a priority and it is a key metric across all the organisation's talent management programmes. To enable greater accountability across the EY organisation, the Global DE&I Tracker helps track progress with consistent diversity and inclusiveness metrics and reporting across the organisation globally. EY also created the Global Social Equity Task Force (GSET) to develop cohesive action plans, specifically addressing 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. Social equity means that we aim for each person at EY Australia to have access to the resources and opportunities they need, given different starting points and different needs. It also means removing barriers to opportunities and inclusive experiences, that may lead to unequal outcomes. EY believes businesses have direct influence to address these gaps and build a better working world, through teaming, leadership and culture on teams, and the equitable assignment of work, and how performance evaluation, advancement and appointment decisions are made.

## 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
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## Performance management

EY has a performance management framework, LEAD, that supports our people's careers, inspires their growth and recognises the value they bring to EY Australia. Through ongoing feedback, counsellor insights and development conversations, LEAD helps align individuals with the EY strategy and enables a focus on the future. An individual's dashboard provides a snapshot of performance against the Transformative Leadership dimensions, including quality, risk management, technical excellence and engagement metrics. Feedback received during an annual cycle is aggregated and used as an input to compensation and reward programmes.



At the centre of the framework are conversations between counselee and counsellor, covering topics such as understanding diverse career paths, 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 EYG 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 PPEDDs' goals and performance is the cornerstone of the evaluation process. A member firm PPEDD's 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. 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 2023 global EY employee listening survey showed that 73% of audit professionals had a favourable attitude in terms of engagement (up 1% from 2022).

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

The employee listening 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 (Careers, Learning and skills, etc.) and includes other relevant topics.

The EY Team Experience survey is another critical element of our employee listening strategy, aimed at improving and unifying the day-to-day experience for our 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 200 high-performing junior professionals from across the world and all sub-service lines. Its purpose is to empower and engage the EYG 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 and innovation and ESG & societal impact.



## EY Australia talent and wellbeing focus



## Independent review of workplace culture at EY Oceania

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. This enabled EB&Co. to identify what is working well, areas for improvement and actions that can be taken to continue to promote an inclusive and respectful workplace.

The report, published in July 2023, 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.

These 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.

We are establishing an EY Oceania Implementation Taskforce, which will include members from our Diversity Networks, our Leadership Advisory Forum and member firm Partners. The taskforce will have responsibility for overseeing the implementation of all EB&Co's recommendations and the evaluation and reporting of our progress against them.

[The Report](#) and [Media Release](#) are available on our website [EY.com](#).



Bystander intervention workshops

Our leaders have an important part to play in role modelling bystander intervention behaviours and creating a safe and confidential environment where our people feel comfortable to call out behaviours that don't align with our values and the EY Global Code of Conduct. In 2022, leadership learning curriculum in EY Australia included Bystander Intervention Workshops to guide the partners to provide appropriate response to such incidents. In 2023, the Bystander Intervention Workshops were further deployed to all EY employees, regardless of rank.



Agility and teaming in a virtual world

We are proud of how our assurance practice responded to the challenges during COVID-19 restrictions and continued to deliver high-quality audits in an increasingly and at times completely virtual business environment. We have continued to embrace the hybrid working arrangement for our teams to deliver audits remotely where required, in an effective way.

EY Australia recognises the contribution of its audit professionals who continued to deliver high-quality audits and meet stakeholders' expectations in these most challenging periods with severe shortage in talent impacting our ability to recruit skilled audit professionals from overseas.

We continue to prioritise addressing risks that a virtual world can have on the way our people work. This incorporates concerns about mental health and well-being, and the need for our people to establish an appropriate work/life balance. It is also understood that our clients face similar issues. High turnover of staff can create risks, and evolving business practices can create new risks, which in turn requires an evolution in audit planning and practices.

Maintaining vitality to work in a virtual team over long periods and adopting an agile mindset that embraces change has been critical. These circumstances have further highlighted the need to maximise the use of available technology.

The importance of physical and mental health and wellbeing of our people has been at the heart of our leadership activities and communications. Additional counselling has also been provided to help EY people stay connected and engaged.

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The EY 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.

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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 initiatives in 2023 include:





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.

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



### Professional development

To encourage the building of new skills, the EY Badges programme enables professionals to gain future-focused skills including artificial intelligence, blockchain, robotic process automation, innovation and cybersecurity, as well as other capabilities that are in high demand, such as sustainability. EY Badges is a self-directed learning initiative that supplements a substantial programme 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 2023, almost 47,000 EY Badges had been awarded globally to current audit professionals, including 16,000 in analytics and data strategy alone. In addition, more than 23,000 EY Badges have been awarded to people who have since left EY.

In total, during the financial year to 30 June 2023, EY audit professionals undertook 8.8m hours of learning (compared with 8.2m hours for the previous year), averaging 87.6 hours each.

In the March 2023 EY employee listening survey, 87% of respondents globally said that EY provides them with learning opportunities that build the skills they need to be successful and 83% said that what they are learning at EY is helping them to achieve their career aspirations.

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

Where an EYG member firm audits and reviews International Financial Reporting Standards (IFRS) financial statements, relevant audit engagement team members undertake learning to become IFRS-accredited.

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:

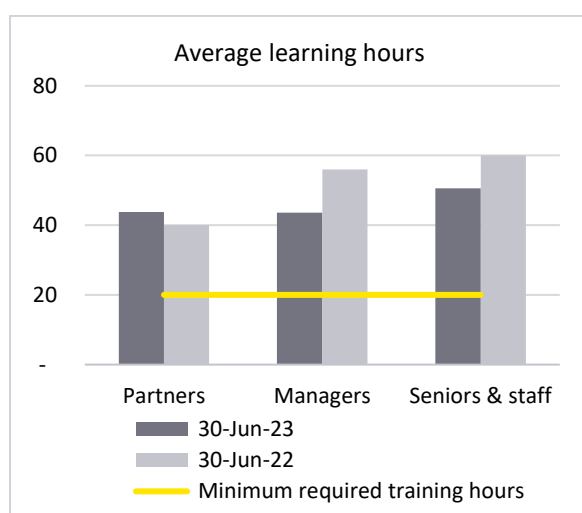
- ▶ Executive events - Led by the Oceania QEL, with active participation from the Risk Management & Independence leader and PPD, these bi-annual structured learning events are targeted at reinforcing messages around audit-quality focus areas as well as upcoming accounting and reporting



requirements. These events were conducted in November 2022 and May 2023.

- **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 2022 and January 2023. 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.

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.



Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing audit engagement 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 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 EYG 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

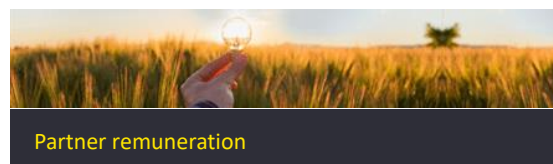
Revenue includes professional service fees and expenses billed to clients and revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients as follows:

- ▶ 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
- ▶ Assurance and other non-audit services to other entities.

#### Financial information for the period ended on 30 June 2023 (expressed in millions of Australian dollars)

Service	2023 Revenue (\$m)	2023 in %	2022 Revenue (\$m) (Restated)	2022 in %
Audits and directly related services for audit clients <sup>1</sup>	496	17%	434	16%
Other assurance and permissible non-audit services to audit clients	132	4%	130	5%
Non-audit and other assurance services provided to other entities <sup>2</sup>	2,338	79%	2,065	79%
<b>Total revenue</b>	<b>2,966</b>	<b>100%</b>	<b>2,629</b>	<b>100%</b>

<sup>1</sup> Includes revenue AUD 14 million (2022: AUD 16 million) from audits and directly related services for audit clients listed in the EU



### Partner remuneration

Quality is at the centre 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 risk management indicators.

EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-assurance 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 delivering high-quality, exceptional client service and people engagement, alongside financial and market

<sup>2</sup> 2022 has been adjusted to reflect a change in reporting of client recoverable expenses in relation to certain Australian activities

metrics. Audit quality is the major component of how we assess the performance of our audit partners. Quality concerns arising from ASIC audit inspections and the EY AQR programme 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 or reporting omissions can result in financial penalties for Partners.

Partner performance reviews include an annual assessment of audit quality based on an approved framework for quality and effective risk management metrics (Q&ERM) performance evaluation. The Oceania PPD and the Regional Assurance Managing Partner have overall responsibility for the process and outcome of the Q&ERM rating for audit 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



### EY Australia PIE audit clients

In the fiscal year that ended on 30 June 2023, EY Australia performed audits of the following PIEs, The PIEs that had securities admitted to trading on the regulated markets in the EU are marked with an asterisk (\*):

29Metals Limited	ALS Limited
360 Capital Enhanced Income Fund	Americold Australian Holdings Pty Ltd
360 Capital Group Limited	AMP Bank Limited
360 Capital RE Limited	AMP Capital Funds Management Limited - Funds
360 Capital REIT	AMP Group Finance Services Limited*
360 Capital Total Return Active Fund	AMP Limited
3P Learning Limited	AMP Super
AAPC Management Limited - Funds	Antisense Therapeutics Limited
Abacus Group Holdings Limited	Aon Risk Services Australia Limited
Abacus Group Projects Limited	Aoris International Fund
Abacus Income Trust	Apollo Minerals Limited
Abacus Storage Operations Limited	Arab Bank Australia Limited
Abacus Storage Property Trust	Ardent Leisure Group Limited
Abacus Trust	Argo Global Listed Infrastructure Limited
Acorn Capital Investment Fund Limited	Argonaut Resources NL
Actinogen Medical Limited	Armada Metals Limited
Active Super	Aspen Insurance UK Ltd
Adairs Limited	Associate Global Partners Limited (formerly known as Contango Asset Management Limited)
Adelaide Cash Management Trust	AUB Group Limited
Adveritas Limited	Aurecon 37 Limited
Agua Resources Limited	Aurelia Metals Limited
AIM Global High Conviction Fund	Auscap Long Short Australian Equities Fund
Aioi Nissay Dowa Insurance Company Australia Pty Ltd	Ausco Holdings Pty Limited
AJ Lucas Group Limited	AusNet Services Holdings Pty Ltd
Alexander Credit Opportunities Fund	Australian Finance Group Limited
Allan Gray Australia Balanced Fund	Australian Meat Industry Superannuation Trust
Allan Gray Australia Equity Fund	Australian Rail Track Corporation Limited
Allan Gray Australia Stable Fund	Australian Vintage Limited
	Auteco Minerals Limited
	AVJennings Limited
	AvSuper
	Awale Resources Limited
	Baby Bunting Group Limited
	Bank Australia
	Bank of Taiwan, Sydney Branch
	Bannerman Energy Limited

Bastion Minerals Limited	Challenger Life Company Limited
Beach Energy Limited	Challenger Limited
Beforepay Group Limited	Champion Iron Limited
Bellavista Resources Ltd	CI Resources Limited
Bellevue Gold Limited	City Chic Collective Limited
Bendigo and Adelaide Bank Limited	Civeo Pty Ltd
Bendigo Balanced Index Fund	Cleanaway Waste Management Limited
Bendigo Balanced Wholesale Fund	Clearview Life Assurance Limited
Bendigo Conservative Index Fund	Clearview Wealth Limited
Bendigo Conservative Wholesale Fund	Cobre Limited
Bendigo Defensive Index Fund	ColInvest Limited
Bendigo Socially Responsible Growth Fund	Coles Group Limited
Bendigo Superannuation Plan	Columbus Capital Pty Limited
Berkeley Energia Limited*	Commonwealth Steamship Insurance Co. Pty Limited
Beston Global Food Company Limited	Construction and Building Unions Superannuation Fund (Cbus)
BHP Group Limited	Coolabah Active Component Bond Fund
Bionomics Ltd	Cooper Energy Limited
Blackstone Minerals Limited	Copia Investment Partners Limited
Blooms The Chemist Management Services Ltd	Coronado Global Resources Inc.
Blossom Fund	Cradle Resources Limited
Bluebet Holdings Ltd	Credit Agricole CIB Australia Limited
BlueScope Steel Limited	Crescent Wealth Superannuation Fund
Bowen Coking Coal Limited	CSL Ltd
Bravura Solutions Limited	Cuscal Limited
Brewdog Group Australia Limited	Cygnus Metals Limited (formerly known as Cygnus Gold Limited)
Brickworks Ltd	Danakali Limited
Brisbane Broncos Limited	De Grey Mining Limited
Brockman Mining Limited	Deep Yellow Limited
BUSS Queensland Pooled Superannuation Trust	Deutsche Bank Aktiengesellschaft
Canadian Imperial Bank of Commerce - Sydney Branch	Dicker Data Limited
Capricorn Society Ltd	DMG Diversified Portfolio Fund
CAQ Holdings Limited	Domain Holdings Australia Limited
Carbonxt Group Limited	Dragon Mining Limited
Carindale Property Trust	Dubber Corporation Limited
Carnarvon Petroleum Limited	Dusk Group Limited
Catapult Group International Ltd.	Eley Griffiths Group Emerging Companies Fund
Catholic Church Insurances Ltd	
Challenger Exploration Limited	

Eley Griffiths Group Small Companies Fund  
 Ellerston Capital Limited - FUNDS  
 Emmerson Resources Limited  
 Energy World Corporation Ltd  
 Equatorial Resources Limited  
 Eric Insurance Limited  
 ESTIA Health Limited  
 E.Sun Commercial Bank Limited, Australian Branches  
 Eureka Group Holdings Limited  
 Fairlight Global Small & Mid Cap (SMID) Fund  
 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  
 Frontier Energy 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  
 Global Energy Ventures Limited  
 Globe Metals & Mining Limited  
 Great Lakes Insurance SE - Australian Branch  
 Great Lakes Insurance SE - New Zealand Branch  
 Greenx Metals Limited  
 Growthpoint Properties Australia Limited  
 Guild Insurance Limited  
 Guild Retirement Fund  
 Halidon Asset Management Ltd  
 Hamilton Lane Global Private Assets Fund (AUD)

Hannans Ltd  
 Harvey Norman Holdings Ltd  
 HBF Health Limited  
 HCF Life Insurance Co Pty Limited  
 Healius Limited  
 Health and Plant Protein Group Limited  
 Helloworld Travel Limited  
 Homesafe Solutions Pty Ltd  
 Hua Nan Commercial Bank Ltd.  
 Humm Group Limited  
 ImpediMed Limited  
 Ingenia Communities Group  
 Instinet Australia Pty Limited  
 Integrated Research Limited  
 Intesa Sanpaolo S.P.A. Sydney Branch  
 Ioneer Limited  
 ipac Asset Management Limited - Funds  
 Iress Limited  
 Jervois Global 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  
 Lefroy Exploration Limited  
 Legend Mining Limited  
 Liberty International Underwriters  
 Licella Holdings Limited  
 LI-S Energy Limited  
 Lithium Power International Limited  
 Lithium Resources Pty Ltd  
 Livehire Limited  
 Loftus Peak Global Disruption Fund.

Lynas Rare Earths Limited	Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft - Australian Branch
Macquarie Alternative Assets Management Limited - Funds	Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft - New Zealand Branch
Macquarie Financial Products Management Limited - Funds	Munich Reinsurance Company of Australasia Limited
Macquarie Investment Management Australia Limited - Funds	Munich Reinsurance Company of Australasia Limited - New Zealand Branch
Macquarie Superannuation Plan	Nanosonics Limited
Magellan Financial Group Ltd	Nanuk New World Fund
Magnetite Mines Limited	National Australia Bank Limited*
Man Investments Australia Ltd	National Storage REIT
Mandalay Resources Australia Pty Limited	Navalo Financial Services Goup Limited (formerly known as Payright Limited)
Manildra Flour Mills Retirement Fund	Navigator Global Investments Limited
Manuka Resources Ltd	Navy Health Ltd
Maritime Super	Neurizer Ltd
Marquis Macadamias Ltd	New South Wales Electrical Superannuation Scheme
Matador Mining Ltd	Newcrest Mining Limited
Mayne Pharma Group Limited	News Australia Holdings Pty Ltd
McMillan Shakespeare Limited	Nick Scali Limited
MDA National Insurance Pty Ltd	Nine Entertainment Co Holdings Limited
Medical Indemnity Protection Society	NMMT Limited
Metals X Limited	Nomura Australia Limited
Metcash Limited	NongHyup Bank, Sydney Branch
Metro Mining Limited	Novo Resources Corporation
MFF Capital Investments Limited	Nuchev Limited
Michael Hill International Limited	Nucoal Resources Limited
Midas Minerals Ltd	NXE Australia Pty Limited
Mineral Resources Limited	OnePath General Insurance Pty Limited
Mizuho Corporate Bank Ltd	OnePath Life Limited
MLC Limited	Ophir Global High Conviction Fund
Monadelphous Group Ltd	Ophir Global Opportunities Fund
Monash Absolute Active Trust	Ophir High Conviction Fund
Montaka Global Long Only Equities Fund (Managed Fund)	Orbis Global Equity Fund (Australia Registered)
Montgomery Global Fund	Origin Energy Limited
Morningstar Investment Management Australia Limited Schemes	Orocobre Limited
Morphic Ethical Equities Fund Limited	PACCAR Australia Pty. Ltd.
Mount Gibson Iron Limited	Pacific Current Group Limited

Packer & Co Investigator Trust  
 Pact Group Holdings Ltd  
 Panoramic Resources Limited  
 Pantoro Limited  
 Peak Rare Earths Limited  
 Peel Mining Limited  
 Peet Limited  
 Pembroke Olive Downs Pty Ltd  
 Pengana Capital Ltd - Funds  
 Pengana International Equities Limited  
 Pengana Private Equity Trust  
 Petroleum Fund of Timor-Leste  
 PEXA Group Limited  
 Platinum Asset Management Limited  
 Police Health Limited  
 Polynovo Limited  
 PPK Group Limited  
 Premier Investments Limited  
 Premium China Fund.  
 Prime Financial Group Limited  
 Prime Super  
 Pro Medicus Limited  
 Pro-Pac Packaging Limited  
 PRT Company Limited  
 PSC Insurance Group Limited  
 RAC Insurance Pty Limited  
 Ramsay Health Care Limited  
 REA Group Ltd  
 Redbubble Limited  
 Regal Investment Fund  
 Regis Healthcare Limited  
 Rei Superannuation Fund  
 ResApp Health Limited  
 Resolute Mining Limited  
 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  
 Scentre Group  
 Schaffer Corporation Limited  
 SciDev Ltd  
 Sealink Travel Group  
 SG Fleet Group Limited  
 Shinhan Bank Sydney Branch  
 Slater & Gordon 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  
 Switzer Asset Management Limited  
 Tabcorp Holdings Limited  
 Taishin International Bank Co. Ltd  
 Taiwan Business Bank, Australia Branches  
 Taiwan Cooperative Bank Limited, Australia Branches  
 Tamboran Resources Limited  
 Teachers Federation Health Ltd  
 Technology One Limited  
 Telstra Group Limited  
 Telstra Corporation 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  
Theta Gold Mines Limited  
Thorney Opportunities Ltd  
Thorney Technologies Ltd  
Top Education Group Limited  
Transatlantic Reinsurance Company  
Tribeca Global Natural Resources Limited  
TWU Super Fund  
Tyro Payments Limited  
UBS AG Australia  
UBS Global Asset Management (Australia) Ltd - Funds  
United Overseas Bank Australia Limited  
Van Eck Australia Pty Ltd - Funds  
Vicinity Centres  
Volkswagen Financial Services Australia Limited  
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  
Zicom Group Limited  
Zurich Australia Insurance Limited  
Zurich Australia Limited  
Zurich Financial Services Australia Limited



## Appendix 2: Approved EYG member firms

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### List of approved EYG member firms in an EU or EEA member state

As of 30 June 2023, the following EYG 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
	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 Partnership P/S
	Komplementarselskabet af 1. januar 2008 A/S
	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 & Associés
	Picarle et Associates
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Treuhand-Süd GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
	TS GmbH Wirtschaftsprüfungsgesellschaft
	TS Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Iceland	Ernst & Young ehf
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.

Member state	Statutory auditor or audit firm
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 S.A.
	EYL Luxembourg
	Ernst & Young S.A.
Malta	Ernst & Young Malta Limited
Netherlands	Ernst & Young Accountants LLP
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska sp. z o.o.
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Finance sp. k
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe sp. k.
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
	Ernst & Young Usługi Finansowe Audyt sp. z o.o.
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 2023 for these EYG member firms, resulting from statutory audits of annual and consolidated financial statements was approximately €2.6 billion.

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