



**Transparency
Report 2021**

EY Australia

October 2021



Building a better
working world

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Message from the leaders



David Larocca

EY Australia
CEO and Regional Managing Partner

We believe that how we advance sustainable audit quality, manage risk and maintain our independence as auditors should be transparent to stakeholders. We value regular dialogue, and this 2021 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.

The volatility and disruption caused by COVID-19 has changed the way we live, work and think forever. Our priority continues to be the health and wellbeing of our people. Our purpose, building a better working world, shines through for us in our response to COVID-19. We are incredibly proud of how our people have responded to this challenging period.

The need for trust and confidence in financial reporting in the capital markets has never been greater, and auditors play a vital role in the functioning of capital markets by promoting transparency and supporting investor confidence. Companies, regulators and other stakeholders count on us to deliver excellence in every audit engagement. Executing high-quality audits continues to be our top priority and has remained paramount during the global pandemic and we have continued to do so.

We are continuing to invest in tools to improve what we do, creating high-performing, diverse and inclusive teams, and building trust and confidence through the audits we perform. A comprehensive set of actions has been developed to assess and respond to risks.

There has also been a continuing commitment to sustainability, to create long-term value for all stakeholders. This includes an ambition to be carbon negative in 2021, following the achievement of carbon neutrality in 2020, and to be net zero in 2025, which is an important step in the EY sustainability journey. EY Australia is doing its part in achieving these goals. Read more on this topic in [EY Oceania Value Realised Scorecard](#).

We embrace the transparency objectives of Australia's Corporations Act and the European Union's Regulation 537/2014 ('the Regulation'), which require Australian statutory auditors of public interest entities (PIEs) to publish annual transparency reports.

This Transparency Report complies with Australia's Corporations Act and the Regulation and covers the year ended 30 June 2021. In this report, you can learn about how we are creating long-term value for society; our commitment to Sustainable Audit Quality (SAQ) and our audit quality priorities, including how we instil professional values, the performance of audits and internal quality control; independence practices; and the impact of the COVID-19 pandemic on our operations.

We actively participated in the Parliamentary Joint Committee on Corporations and Financial Services (the Committee) Inquiry into Regulation of Auditing in Australia. The Committee tabled its final report in December 2020. We are pleased that most of the recommendations made by us, through our submissions to the Committee and participation in the public hearings, have been adopted and reflected in the final report recommendations. This report also covers measures taken by EY Australia to early adopt some of these recommendations, as part of our commitment to building a better working world.



Glenn Carmody

EY Australia
Managing Partner Assurance

EY's is purpose: *Building a better working world*

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

The 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 organization helps protect and promote sustainable and long-term value for stakeholders.

EY Australia's reputation is based on and grounded in providing high-quality professional audit services, objectively and ethically, to every company we audit. We remain focused on enhancing audit quality and upholding our independence, informed by several factors, including external and internal inspection results. Continuous improvement of audit quality requires us to challenge approaches to audit execution, and we concentrate on this by evaluating inspection findings and taking responsive actions.

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
CEO and Regional Managing Partner
EY Australia



Glenn Carmody
Managing Partner Assurance Oceania
EY Australia

EY Australia recognises the contribution of its audit professionals who continued to deliver high quality audits and meet stakeholders' expectations in this most challenging year with remote working, and severe shortage in talent due to strict border restrictions impacting our ability to recruit skilled audit professionals from overseas.

The continued improvement in our internal and external inspection results is a testament to our people's commitment to delivering high quality audits and building the most trusted Assurance practice.

2021 Highlights

Quality

Internal audit quality review



(FY20: 97%)

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

Further improvements in the engagements reviewed and rated as having no or only minor deficiencies.



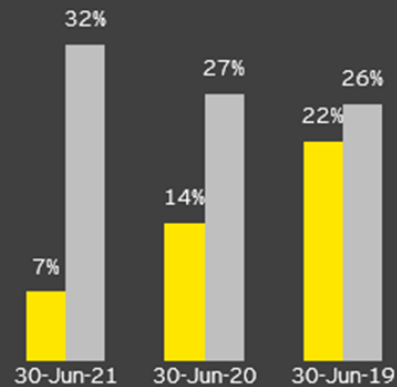
(FY20: 70%)

ASIC inspection results

8 listed companies inspected during the year ended 30 June 2021 (FY20:11)

In 7% of the 30 key audit areas reviewed (FY20: 14% of the 35 key areas), ASIC concluded sufficient audit evidence was not obtained to offer reasonable assurance in the related financial report.

EY continues to improve relative to the industry average. ASIC findings in key areas inspected for the industry overall were 32% (FY20 27%; FY19: 26%)



■ EY Australia
■ Overall ASIC Inspection

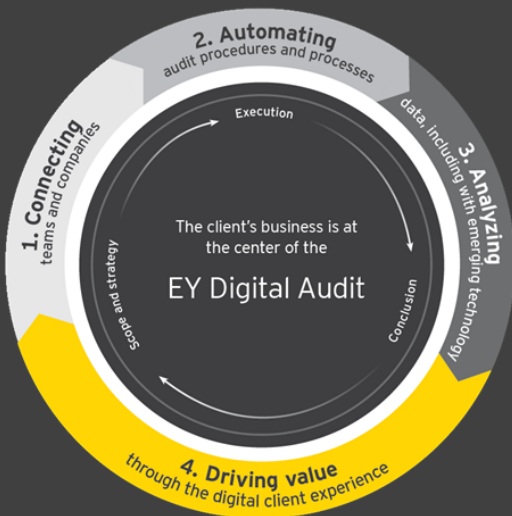
Learning

91 learning hours completed in 2021 (FY20:66 hours) on an average by partners and staff

2021 Highlights

Focus on Digital

EY audit teams embrace a **digital-first** approach and are supported by global investment in **new and emerging digital** audit technologies



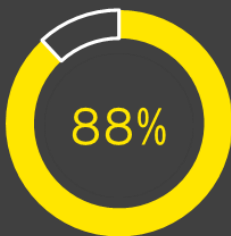
Driving value through the digital client experience

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.



88% of EY Australia listed audit clients use **EY Canvas Client Portal** - a secure gateway linked to EY Canvas for providing audit evidence



65% of EY Australia listed clients deploy **EY Helix** data analysis tools for risk assessment, obtaining audit evidence and providing client insights

Results

Revenue from audits services to clients grew by **3%** in 2021

Total EY Australia revenue in FY21 **AUD2.31bn** (FY20: AUD 2.13bn) **9%** ↑



About us

Legal structure, ownership and governance

EY Australia is a partnership and is a member firm of Ernst & Young Global (EYG) Limited, 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. Within the Asia-Pacific area, EY Australia is part of the Oceania and FSO region. EY Australia operates across seven offices in Australia and had 604 partners as at 30 June 2021. 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 Oceania Managing Partner and CEO; 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 Leader; Chief Sustainability Officer 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 region's representative on the Global Governance Council (see page 7).

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.

The principal governing body of the Asia-Pacific area is:

Area Operating Executive

The Area Operating Executive oversees the execution of the global EY strategy in the Asia-Pacific area. It comprises the Area Managing Partner; 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.

Network arrangements

EY is a global leader in assurance, tax, strategy, and transactions, and consulting services. Worldwide, over 312,000 people in member firms in more than 150 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.

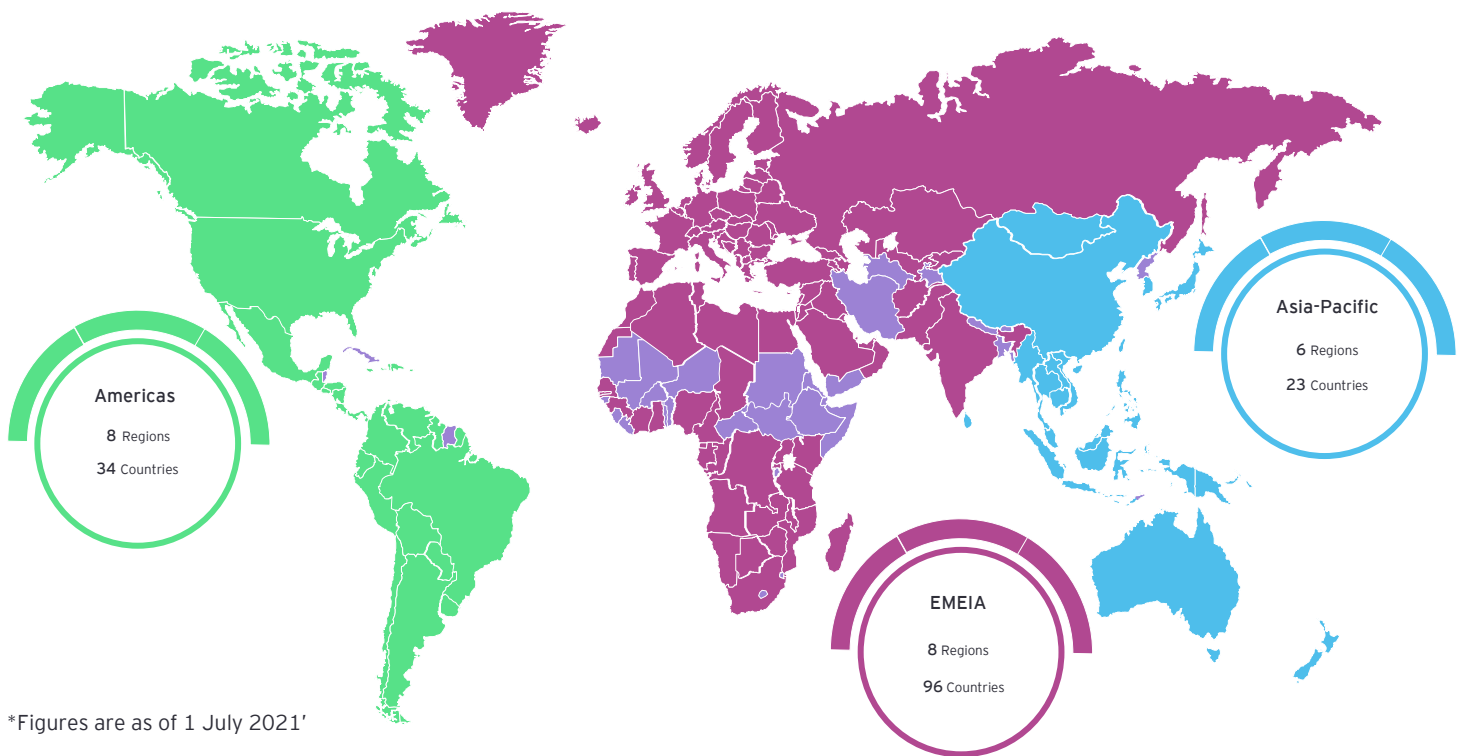
This integrated approach enables EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

EYG coordinates the 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 2021, described below, reflect the principle that EY, as a global organisation, has a common shared strategy.

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

EY Areas, Regions and Countries*



Global Governance Council

The Global Governance Council (GGC) is a key governance body of EYG. It comprises one or more representatives from each region, other member firm partners as at-large representatives, 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 provision for one successive reappointment. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the Global Executive (GE), certain matters that could affect EY.

Independent Non-Executives

Up to six Independent Non-Executives (INEs) are appointed from outside EY. The INEs are senior leaders from both the public and private sectors, who 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 INEs also form most of the Public Interest Sub-Committee (PIC) of the GGC. The role of the PIC includes public interest aspects of decision-making and stakeholder dialogue, issues raised under whistleblowing policies and procedures, and engagement in quality and risk management discussions. The INEs are nominated by

a dedicated committee, approved by the GE and ratified by the GGC.

Global Executive

The GE brings together EY's leadership functions, services and geographies. As of 1 July 2021, 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 leadership 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, and 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's 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 brings together the members of the GE, GE committees, regional leaders and sector leaders. The Global Practice Group seeks to promote a common understanding of EY's strategic objectives and helps drive consistency of execution across the organisation.

EYG member firms

Under the regulations of EYG, member firms commit themselves to pursue EY's objectives, such as the provision of high-quality service 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 knowledge sharing.

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 HR. 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

While capitalism has created enormous global prosperity, it has also left too many people behind. Extreme poverty is already on the rise as a result of the COVID-19 pandemic, and climate change is threatening to deepen inequality still further as vulnerable communities are hit first and worst by its effects. EY believes an economic system that is fairer, more trustworthy and capable of addressing humanity's most profound challenges is urgently needed.

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 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 Global Executive 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. To date, EY Ripples initiatives have cumulatively benefited more than 45 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 capable of creating change at scale. For example, the TRANSFORM initiative with Unilever and the UK Foreign, Commonwealth and Development Office, which aims to change the lives of 150 million people across sub-Saharan Africa and South Asia by 2030, by tackling inequality.

The EY carbon ambition

EY aims to become carbon negative in the calendar year 2021 and net zero in 2025. EY endeavors 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, EY member firms plan 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 now be the baseline for future discussions with our stakeholders as we seek to understand and address their needs and expectations of us.

Infrastructure supporting quality

› Quality in the EY service lines

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 not only to serve clients, but also to use EY knowledge, skills and experiences to support the communities in which we live and work. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies around the world.

In response to disruptions in the environment, EY member firms adapted to maintain the delivery of high-quality audits. EY provided its audit professionals with additional training and enablement to help detect fraud. In addition, through a data-first approach enabled by analytics and digital tools, teams were able to deliver high-quality audits with independence, integrity, objectivity and professional scepticism.

EY member firms continue to develop the audit of the future, including ever more sophisticated data analytics, efficiently delivering greater insight and assurance in support of the high-quality audits that are valued by the companies that EY audits and the capital markets.

Our people are our greatest asset in delivering quality and value and building trust. We are elevating their experiences, using data and technology, so they can spend more time addressing risks and exercising professional judgment. By applying cutting-edge technologies and sophisticated data analytics, all while serving the public interest, our people are able to connect and contribute to the overall EY purpose of *Building a better working world*.

EYG member firms and their service lines are accountable for delivering high-quality engagements. EY member firms' service lines manage the overall process for quality reviews of completed engagements and input for the quality of in-process

engagements, which helps achieve compliance with professional standards and EY policies.

The Global Vice Chair of Assurance coordinates member firms' compliance with EY policies and procedures for services provided by Assurance.

› Global Audit Quality Committee

The EY Global Audit Quality Committee (GAQC) is an important element of the culture of continuous improvement. It 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 and is a forum for sharing best practices of EY member firms. The committee also helps develop audit quality indicators (AQIs) and other forms of quality monitoring that feed into 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 providing support to engagement teams.

Their responsibilities include: coaching teams; responding to internal and external inspection findings; advising teams on remediating the root causes of significant audit deficiencies; driving practice and project management; supporting portfolio risk analyses; and implementing processes related to the EY system of quality management, including global AQIs.

Using EY Canvas and Milestones (see page 19), as well as ever more sophisticated artificial intelligence (AI) tools, the QELs are able to build a picture of audit quality performance in real time. This, in turn, gives

greater clarity over where resources should be deployed to support audit teams and the companies they audit.

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

Professional Practice

The Global Vice Chair of Professional Practice, referred to as the Global Professional Practice Director (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 center PPD is overseen by the Global PPD and the related Area Assurance Leader. This helps provide greater assurance as 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 specialists in accounting and auditing standards who consult on accounting, auditing and financial reporting matters; and perform various practice monitoring and risk management activities.

The Global PPD oversees the development of the EY Global Audit Methodology (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, clients and processes, and 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 audit methodology
- ▶ Accounting, auditing and risk issues for specific topics, industries and sectors
- ▶ Event-specific issues involving areas of civil and political unrest; pandemics; or sovereign debt and related accounting, auditing, reporting and disclosure implications
- ▶ General engagement matters and how to work effectively with audit committees

The Oceania Region Professional Practice Director (Oceania PPD) is responsible for the professional

practice function in EY Australia and is accountable to the Asia-Pacific Area 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 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 framework. The ERM priorities are communicated to member firms.

The Global Risk Management Leader is responsible for establishing globally consistent risk management execution priorities and enterprise-wide risk management.

These priorities cascade to member firms through an Enterprise Risk Management (ERM) programme.

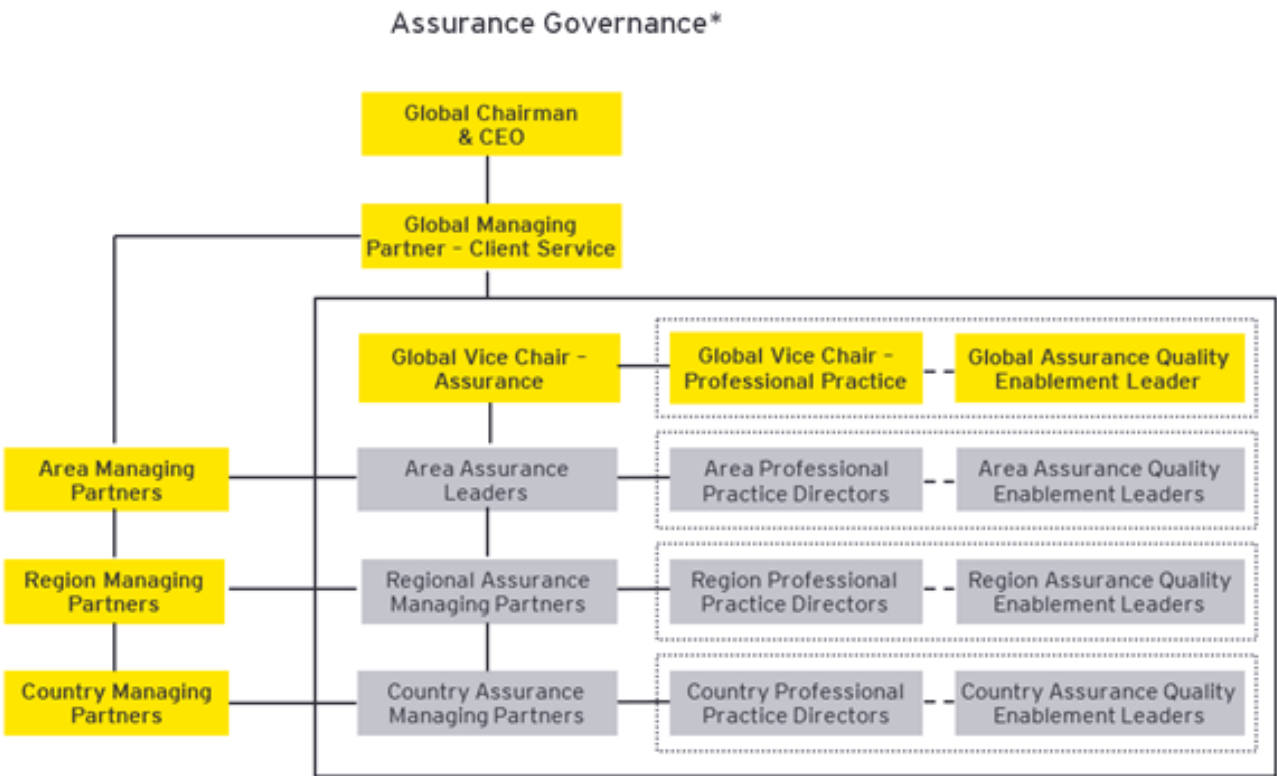
Member firm partners are appointed to lead risk management initiatives (supported by other staff and professionals), including coordinating with the service lines on such matters.

Global Confidentiality Policy

Protecting confidential information is ingrained in the everyday activities of EYG member firms. Respect for intellectual capital and all other sensitive and restricted information is required by the EY Global Code of Conduct, which provides a clear set of principles to guide the behaviours expected of all those who work with EY. The Global Confidentiality Policy further details this approach to protect information and reflect ever-changing restrictions on the use of data. This policy provides added clarity for those who work with EY member firms and forms the fundamental broader guidance that includes key policies on conflicts of interest, personal data protection, records retention and social media. 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) (also refer page 34).

EY's Global Code of Conduct and the global policy on Non-compliance with Laws and Regulations requires EY professionals to speak up on observing behaviour that is believed to be a violation of a law or regulation, applicable standard or the Code of

Conduct. This includes the unauthorised or improper disclosure of confidential information.



Global Personal Data Protection Policy

The global policy on personal data protection supports and builds upon provisions within the EY Global Code of Conduct, regarding respecting and protecting personal information, in accordance with applicable law, regulatory frameworks and professional standards. This has been updated to be consistent with the EU General Data Protection Regulation (GDPR) and other local regulations across the globe.

Cybersecurity

Managing the risk of major and complex cyberattacks is a part of conducting business for all organisations. While no systems are immune from the threat of cyberattacks, EY Australia is vigilant in the steps it takes to secure and protect client data. Whilst no systems are immune from the threat of cyberattacks, managing the risk of major and complex cyberattacks is a part of doing business for all organisations. The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimise cybersecurity risks globally. EY information security and data privacy 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 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 people receive regular and periodic communications reminding them of their responsibilities pursuant to these policies and of general security awareness practice.

Components of our audit quality control programme

In the following sections, we describe the principal components of the audit quality control programme, which EY Australia follows:

- ▶ Instilled professional values
- ▶ Internal quality control system
- ▶ Audit quality reviews
- ▶ External quality assurance reviews
- ▶ Root cause analysis
- ▶ Client acceptance and continuance
- ▶ Performance of audits
- ▶ Review and consultation
- ▶ Rotation and long association
- ▶ Compliance with legal requirements

EY Australia quality infrastructure

Oceania Audit Quality Governance Committee

The Audit Quality Governance Committee ('AQGC') was established in EY Oceania, as a group 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 CEO and Regional Managing Partner, the Oceania Regional Assurance Managing Partner, Oceania Financial Services Assurance Leader, Oceania QEL and Regional Audit Inspection Leader. The Regional Independence & Risk Management 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

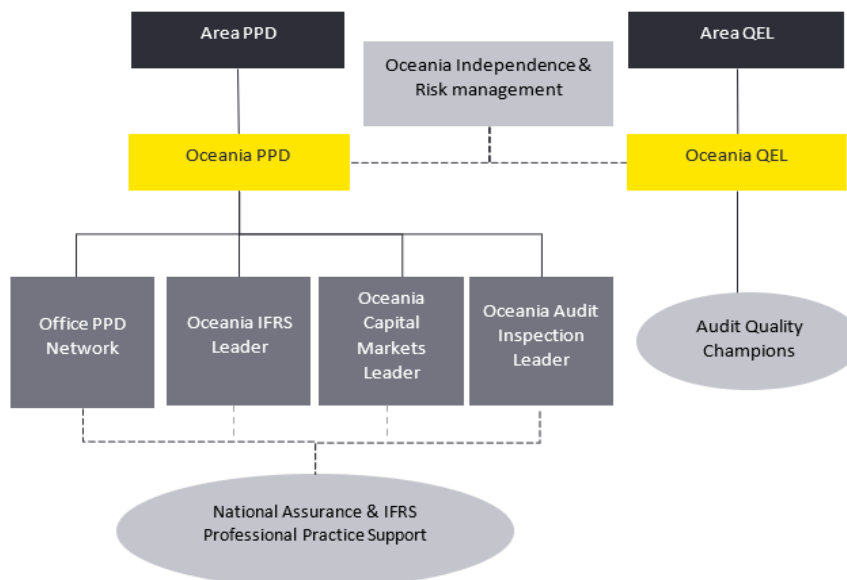
The EY Oceania Audit & Accounting Policy Committee ('AAPC'), is chaired by the Oceania PPD and comprises all of the partners from the Oceania Professional Practice group (Office PPDs), the Oceania IFRS leader, the Asia-Pacific Area PPD, the Oceania Risk Management Leader, the Oceania Independence Leader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



CEO and Regional Managing Partner

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 in 2003 as one of the founding members of Oceania Infrastructure Advisory team which is now a 200-strong market-leading team. While at EY, David has led teams advising clients on some of Australia's largest infrastructure projects and asset recycling programs.

David has a Bachelor of Economics 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 charity & not-for-profits.

Glenn Carmody



Regional Assurance Managing Partner

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 the firm.

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 firm's leadership team in the region. He has also had other leadership roles in the firm including being a member of the RFP 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 a chairman of the foundation for very special kids.

Louise Burns



Regional Financial Services Assurance Leader

Louise is a Financial Services Partner with over 15 years experience in the Insurance and Superannuation industry in both an external audit and advisory capacity in Asia Pacific and Europe. Her audit experience includes Australian and European listed companies, SEC registrants and privately held companies, capital markets and debt raising, regulatory and compliance frameworks.

Louise has completed the Harvard Strategic Leadership Program which has enhanced her approach to leadership and strategic thinking for both her clients, broader regulator stakeholder groups and the internal leadership roles. She also is a member of EY's Oceania IFRS 17 Leadership team, a member of EY's global IFRS 17 technical working group and co-chairs the Australia and NZ EY Insurance Contracts industry working group.

She holds a Bachelors degree in Commerce and Business and is a member of the Chartered Accountants Australia & New Zealand and is a Registered Company auditor.



Chris George

Oceania Assurance Professional Practice Director

Chris has over 33 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 firm practice. This includes developing Assurance policies, procedures and methodologies; maintaining effective relationships with standard setters; regulators and establishing and overseeing the consultation protocols our 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

Oceania Quality Enablement Leader

Darren joined EY Australia in 1999 and has been a partner for over 12 years and has worked with some of the most significant EY financial services clients in both the wealth and asset management, and insurance sectors.

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

In his role as the QEL, Darren implements audit quality initiatives and monitors emerging quality matters in the Region. The responsibilities include coaching teams, evaluating significant audit deficiencies through root cause analysis, monitoring resourcing needs; and provide additional quality support to audit teams due to changes in demands on engagements.



Leigh Walker

Oceania Independence and Risk Management Leader

Leigh is responsible for enterprise-wide risk management for EY Oceania. Leigh is also the Regional Independence Leader, a role she has held since becoming a partner in 2019.

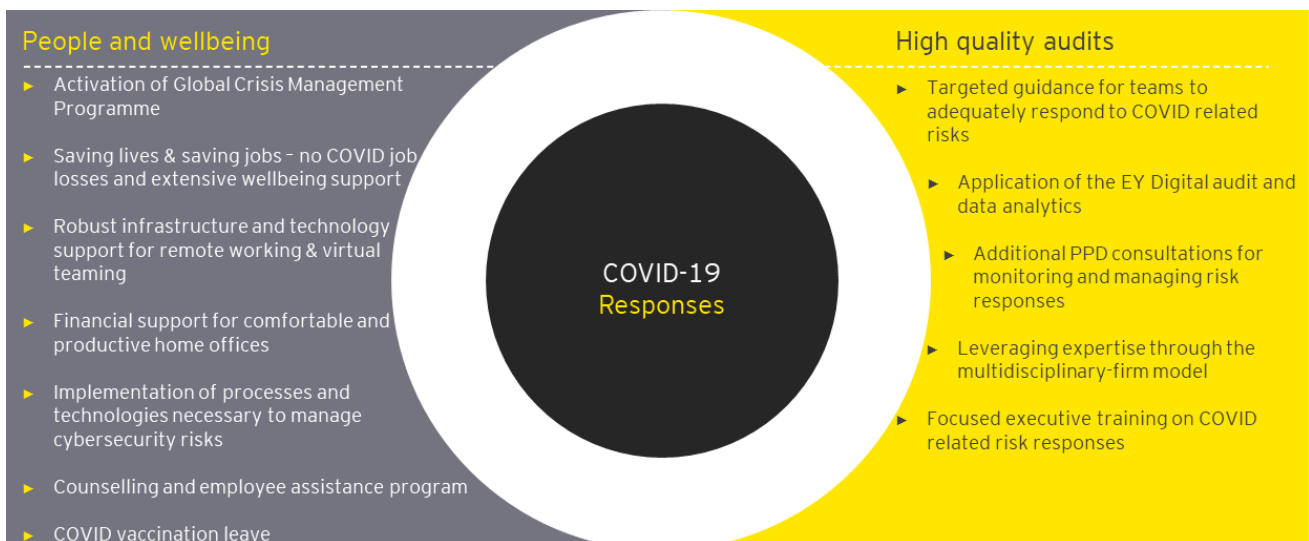
As the Oceania Risk Management Leader, Leigh drives Risk Management's ambition to enable responsible growth and play a key role in supporting the delivery of NextWave in identifying current and emerging regional risks, ensuring quality and risk management systems run effectively, overseeing Ethics and 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 EY Oceania, 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.

COVID-19 responses and priorities

This section highlights the measures taken by EY to protect our people and practice through the challenging conditions presented by COVID-19 whilst continuing to provide trust and confidence to business and the capital markets through the delivery of high-quality audits.



People and wellbeing

EY Australia's management of COVID-19 prioritised the safety of our people. We are proud of our decision to support our people by not making any COVID-19 related job losses and not reducing the compensation of our people without a commensurate reduction in hours.

Risk Management

The additional complexities as the world deals with the COVID-19 pandemic has required a coordinated response across EY via activation of the local crisis management plans (CMPs) that reside in EY member firm offices. CMPs detail specific actions to be taken to both protect the EY workforce and respond in the event of a COVID-19 infection within an EY

workspace. However, while individual offices had to deal with issues around safe workspace practices, there was a need to provide a set of uniform guidance across all EY Areas. Even before the World Health Organisation (WHO) declared the existence of a pandemic, the EY Global Crisis Management Programme (GCMP) was activated. The GCMP allowed for the creation of a Steering Committee led by the Global RM Leader who convened key Global and Area leadership daily for six months (and thereafter regularly but less frequently) to address issues relevant to all geographies and service lines.

The Steering Committee issued regular guidance on EY's COVID-19 response protocols and addressed issues related to travel, meetings and events as well as adoption and promotion of best practices, and relayed specific safe working practices guidance from the WHO. Guidance is still being issued and risk factors are being monitored during the second year of the global pandemic.

In implementing the GCMP, the goal was to keep people safe and informed, adjust the handling of travel and events, enable a fully remote workforce and plan for recovery.

With a robust GCMP and local CMPs in place, we were able to act quickly to keep EY people safe – the top priority throughout the entire process. Throughout the pandemic, the Australia Crisis Response team:

- ▶ Created guidance for various stages of the pandemic using the resource library on the Global Security SharePoint portal to serve as a centralised repository
- ▶ Maintained list of high-risk locations and provided tailored guidance based on changing updates report for each local office
- ▶ Produced a daily report for leadership on the Region and local impacts

As the focus shifts to a safe return to the office, the GCMP team and Australia Crisis Response team has developed a recovery plan that includes:

- ▶ Leading the effort to develop return-to-work protocols and track the easing of government restrictions
- ▶ Creating a timeline for reopening offices
- ▶ Determining worksite leader responsibilities and procedures for building management, office setup, workspaces and meetings
- ▶ Establishing personal responsibilities including office entry, workspaces, breaks and meetings
- ▶ Developing a post-vaccine recovery plan

Working in a virtual world

We are proud of how our audit practice responded to the challenges COVID-19 presented and continued to deliver high quality audits in an increasingly and at times completely virtual business environment. We delivered audits remotely in an effective way and addressed the specific audit risks that arose as our clients evolved to work in a virtual world, where transactions are carried out online, across borders, without the need for physical interaction.

EY Australia prioritised addressing risks that a virtual world can have on the way our people work; this incorporates concerns about mental health and wellbeing, and the need for our people to establish an appropriate work/life balance. However, it is also understood that our clients with 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.

Agility and virtual teaming

The shift to remote working during the COVID-19 pandemic has provided new challenges for our people. From maintaining vitality to working in a virtual team, 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 have been brought into even sharper focus than before by the remote working required during COVID-19 and we have put it at the heart of our leadership activities and communications during this time. Additional counselling has also been provided to help EY people stay connected and engaged.

EY Australia appointed a dedicated Chief Mental Health Advisor to support Oceania Executive team, and the partner group focus on mental health, wellbeing and psychology of our people.

Continuing wellbeing priorities

At EY Australia, we continue to strongly encourage our people to consider vaccination, which will help in wellbeing, ease of restrictions and recovery of the economy.

Recognising the importance of vaccination for COVID-19, EY Australia united with other big accounting firms and launched a national campaign - 'vax returns' initiative. Vax returns aims to encourage vaccination and includes access to information for businesses on the benefits they can unlock when the higher vaccination targets are reached. This initiative aligns with our purpose of Building a Better Working World and delivering long-term value to society.

Delivering high quality audits

EY Australia recognises the contribution of its audit professionals who continued to deliver high quality audits and meet stakeholders' expectations in this most challenging year with remote working, and severe shortage in talent due to strict border restrictions impacting our ability to recruit skilled audit professionals from overseas. The continued improvement in our internal and external inspection results is a testament to our people's commitment to delivering high quality audits and building the most trusted Assurance practice.

Timely guidance and consultations

Responding to the impact of the COVID-19 pandemic became paramount to our ability to conduct audits during this past year. EY Australia leadership, the Oceania PPD and QEL provided our audit professionals with the required guidance to adequately respond to the social distancing and other restrictions imposed by Governments in response to the pandemic to enable to continue to execute quality audits. This included guidance to address the heightened degree of economic uncertainty our audit clients were faced with in the preparation of their financial reports and reminder for an increased level of professional scepticism.

In addition, we introduced specific consultation requirements, on the application of accounting and auditing standards due to the impact of COVID-19.

Focus on communications and coaching

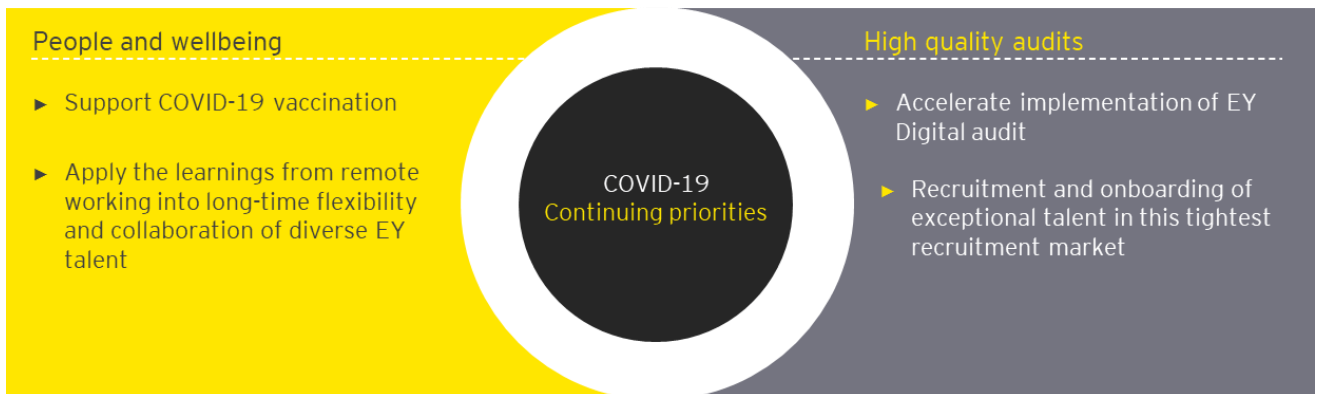
The rapidly changing restrictions imposed in response to the COVID-19 developments globally required our assurance partners and quality function to remain agile and provide necessary communication and coaching on designing sufficient and appropriate response to the emerging risks to the audit professionals.

COVID-19 Assurance executives forums

In addition to the planned structured learning curriculum, there was a series of virtual training sessions delivered by the Oceania Assurance Managing Partner, PPD and QEL to communicate and remind partners on the importance of audit quality and the heightened professional scepticism required of auditors, whilst managing the disruptions caused by the social distancing measures. These forums allowed consistent messaging across the region.

Drawing strengths from the multi-disciplinary model

The structure of our business has proved a source of strength amidst the COVID-19 crisis. The access to specialists and expert knowledge that our multidisciplinary model provides has allowed us to respond appropriately to new and enhanced risks arising from asset impairment reviews and going concern evaluations.





Commitment to Sustainable Audit Quality

Instilled professional values

› Sustainable Audit Quality

Quality is the foundation of our work and central to EY member firms' responsibility to provide confidence to the capital markets. This is reflected in the Sustainable Audit Quality (SAQ) programme, which continues to be the highest priority for EY member firms' Assurance practices.

SAQ establishes a strong governance structure that enables each member firm to provide high-quality audits. It is implemented locally and coordinated and overseen globally. The word "sustainable" in SAQ is used to demonstrate that this is not a one-off, short-term initiative, but an ongoing process of improvement.

There are six SAQ pillars: tone at the top; exceptional talent; simplification and innovation; audit technology and digital; enablement and quality support; and accountability. These pillars are supported by a foundation of serving the public interest.

Significant progress has been made through SAQ. EY member firms' internal and external inspection findings globally are improving, and there is greater consistency in execution. The trend in results also reflects the involvement of the QEL network and a focus on culture and behaviours.

EY has deployed leading technological tools that enhance the quality and value of EY audits, including the EY Canvas online audit platform, EY Helix analytics platform and EY Atlas research platform.

EY Canvas facilitates the use of the "Milestones" project management functionality, which helps audit teams stay on pace with their audit execution and drive executive involvement. The EY Canvas Client Portal, which is a component of EY Canvas, magnifies its importance in having a secure and user-friendly

platform in transmitting data between engagement teams and the companies audited while effectively monitoring the pacing of the audit. This suite of tools played a key role in helping EY navigate this past year: having the right technology and tools in place for EY audit teams to work together effectively in a remote environment continues to be a key success factor and differentiator.

Additionally, EY Helix and the entire suite of data analytic tools represent keyways to address the risk of fraud in audit execution. Increasing the required use of these tools provides a more robust response to audit risks associated with companies facing economic challenges, especially in light of the pandemic. Broader adoption of these data analytic tools is occurring this year.

EY Atlas is a cloud-based platform for accessing and searching accounting and auditing content, including external standards, EY interpretations and thought leadership.

Current SAQ initiatives are focused on supporting EY teams in understanding the business of the companies audited. By leveraging data and technology and executing enhanced engagement risk assessment, EY is continuing to drive quality audit execution. Additionally, a network of coaches is actively supporting engagement teams in staying on track with respect to the pace of their audits, driving timely executive involvement and providing positive direction and enablement when necessary.

Audit quality is something that every team member must understand and be committed to implementing locally. SAQ is essential to all our goals and ambitions, and each Regional and Area leader has a role in achieving these goals.

The SAQ infrastructure demonstrates that audit quality is the single most important factor in our decision-making and the key measure on which our professional reputation stands.

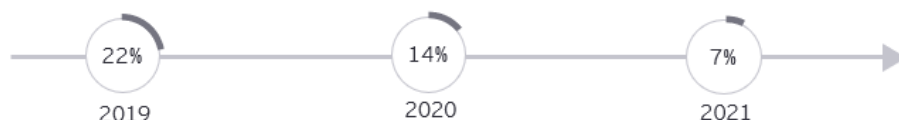
EY Australia SAQ programme

EY Australia has embraced the EY global audit quality initiatives. Under the SAQ programme, the Regional QEL develops specific initiatives that respond to the causal factors from the root-cause analysis performed and other quality priorities. SAQ initiatives span investments to support exceptional talent, transform and innovate our audit practice, simplify processes and procedures, create better support for engagement teams and focus on auditor integrity, ethics and professional scepticism.

The audit quality initiatives implemented over the years under the SAQ programme have contributed to improvements in audit quality and consistent improvement in inspection results both internally and externally.

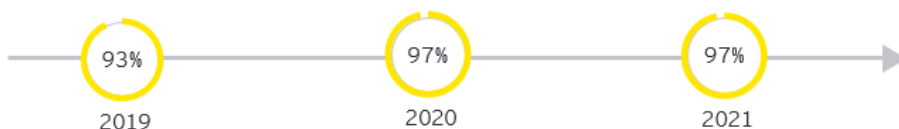
Global SAQ pillars	EY Global and Australia audit quality initiatives			
01 Tone at the top	EY Global Audit Quality Committee (GAQC) (See page 10)	EY Oceania Audit Quality Governance Committee (AQGC) (See page 13)	Accounting & Audit Policy Committee (AAPC) (See page 13)	
02 Exceptional talent	Diversity and inclusiveness (See page 23)	Launch of EY Badge learning (See page 43)		LEAD, new global career development platform (See page 43)
03 Accountability	Root cause analysis (See page 28)	Partner audit quality rating framework (See page 44)	Monitoring of Audit Quality Indicators (See page 24)	Client acceptance and continuance (See page 28)
04 Audit technology and digital	EY Canvas and enhancements (See page 30)	EY Helix Analysers (See page 30)	Digital GAM deployment (See page 29)	Digital audit roadmap (See page 31)
05 Simplification and innovation	EY Smart Automation (See page 30)	Milestones project management (See page 19)	Custom analytics and automation (See page 31)	
06 Enablement and quality support	EY ATLAS (See page 19)	Quality and Digital champions at office level		Enablement initiatives (See page 22)

Reduction in overall findings reported on audit of EY listed entities inspected by ASIC (See page 28)

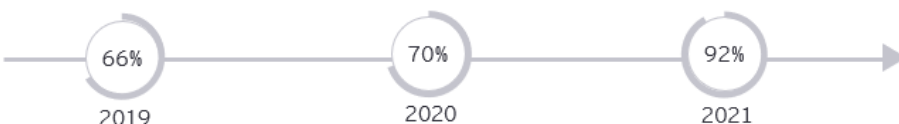


Improvements in AQR

▶ Overall ratings on engagements rated as having no material findings or deficiencies (rating 1 & 2) (See page 27)



▶ Overall percentage of engagements with no or only minor findings (1 rating)



Key to the success of our SAQ programme has been the continuous commitment of the firm's leadership to the investment in and delivery of the initiatives under SAQ. The root-cause analysis and the quality-implementation plan helps prioritise our quality initiatives each year. We have made significant investments in compliance, technology and talent to enable us to deliver the sustainable high-quality audits. It is important for us to continue our focus on audit quality priorities as we implement the Global NextWave assurance strategy and deploy the new digital audit approach. Our key priorities include:

Global SAQ pillars		Priorities for FY22 and beyond
01	Tone at the top	<ul style="list-style-type: none"> ▶ Embed audit quality prominently in our business strategy for the Assurance division ▶ Heightened focus on client acceptance and continuance
02	Exceptional talent	<ul style="list-style-type: none"> ▶ Focus on recruitment, retention, wellbeing and rewarding assurance staff ▶ Commitment on partner and executive coaching on audit engagements
03	Accountability	<ul style="list-style-type: none"> ▶ Develop and monitor Audit Quality Indicators (AQIs) aligned to the new system of quality management (SQM) ▶ Further refine the framework for annual performance assessment of audit partners and staff incorporating a high audit quality expectation
04	Audit technology and digital	<ul style="list-style-type: none"> ▶ Deliver high quality digital audits across EY Australia ▶ Continual investment in custom analytics and automation for delivering high quality audit evidence and client insights
05	Simplification and innovation	<ul style="list-style-type: none"> ▶ Promote better project management through use of milestones ▶ Continued standardisation of work papers and smart automations
06	Enablement and quality support	<ul style="list-style-type: none"> ▶ Communicate learnings from internal and external inspections on a real time basis ▶ Implement best practice examples from positive quality events

Constantly engaging with audit partners and managers to drive audit quality

At EY Australia, we engage with our audit partners and managers in regular learning forums and events. Such events provide a platform to promote desired audit-quality behaviours and in 2021, the events facilitated the launch of our new digital audit methodology. The structured learning included the following events and forums, focused on audit quality and accounting updates:

<p>Executive events and related web-based learning</p>	<p>Bi-annual structured learning events targeted at reinforcing messages around audit-quality focus areas, as well as upcoming accounting and reporting requirements.</p> <p>The events were conducted in November 2020 and May 2021. The November 2020 event was designed with a focus on the changes made to the EY Global Audit Methodology and EY Canvas for digital audit implementation. The audit executives had to complete a series of mandatory web-based learnings on performing the risk assessments and substantive audit procedures on key accounts using the digital tools. The May 2021 executive event included specific reminders to our audit executives in relation to heightened professional scepticism required when conducting audits remotely, COVID-19 considerations associated with varying social distancing restrictions in Australia and further reminders on digital audits.</p> <p>The executive events were led by the Oceania QEL, with active participation from the risk management leaders and PPD, to ensure consistency of messaging across the practice. The events include messages from the CEO and Regional Managing Partner and Assurance Managing Partner to reinforce the continued focus on audit quality, audit independence, the need to embed digital in audit, drive efficiency through standardisation and provide coaching to improve our people's experience. The key messages from the sessions are separately presented to our seniors.</p>
<p>Audit-quality webcasts</p>	<p>These events are hosted by the Oceania PPD, QEL and IFRS leader to update audit executives on results from external and internal reviews, as well as to present key topical reminders in the lead up to each reporting season. Two webcasts were delivered during the fiscal year in July 2020 and January 2021. Webcast's 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.</p>

Enablement initiatives

Enabling consistent execution of our global audit methodology is an important component of our strategy to deliver sustainable audit quality. Best-practice approaches and documentation are made available to our audit teams. These support efficient, consistent and effective audits while still allowing for the specific requirements of each individual engagement.

During 2021, we continued to roll out standardised enablement and simplified audit tools through an internal efficiency platform that hosts best-practice enablers. The focus was on identifying and creating EY Smart forms leveraging the EY Canvas features to assist documentation on risk assessment, planned audit response and workpapers for digital audit including communications to those charged with governance on individual engagements.

Tone at the top

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 regularly reinforces the importance of performing

quality work, complying with professional standards, adhering to our policies and leading by example. In addition, EY's quality- review programmes assess quality 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 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 partner accountability. These measures include:

- ▶ Mandated areas where partners are required to consult with professional practice (see page 32)
- ▶ Separation of professional practice function from Australian management
- ▶ Independent engagement-quality review partner assigned, where required (see page 33)
- ▶ Approvals required from audit partners prior to engaging in any non-audit services for audit clients (see page 40)

- ▶ Financial penalties for poor audit-quality outcomes
- ▶ Financial penalties for partner independence breaches or noncompliance
- ▶ Partners cannot be and are not incentivised or remunerated for the sale of non-audit services to audit clients (see page 44)

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 clients correctly follow consultation advice, and we emphasise this when necessary.

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. Our Client acceptance and continuance policy (see page 28) is designed to support this principle.

▶ 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 monitor 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 Ethics Hotline provides EY people, our 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 requested, anonymous hotline reporting.

▶ Diversity and inclusiveness

EY has a long-standing commitment to diversity and inclusiveness (D&I). This commitment to building high-performing, diverse and inclusive teams is especially important in audit, where diverse perspectives drive professional scepticism and critical thinking. Greater diversity and inclusive environments drive better decision-making, stimulate innovation and increase organisational agility.

EY has been on a D&I journey for decades, and while substantial progress has been made, under the global NextWave strategy and ambition EY has committed to increasing D&I progress throughout the organisation. The Global Executive has made a visible commitment to EY people and to the market to accelerate D&I at EY through signing the Global Executive Diversity & Inclusion Statement. Not only does this reinforce that D&I is a key business lever, it ensures that EY member firms hold themselves accountable for progress, starting with the tone at the top.

There has been a particular focus on promoting gender diversity over recent years. In 2021, 36.8% of new audit partners, globally, were women. A strong pipeline of female leadership has been built, supported by 52.4% of all audit hires across the globe in 2020 being female.

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 our professionals stay motivated and engaged.

In the November 2020 employee listening survey, 82% of auditors said the EY organisation prepares them to work effectively with clients and colleagues from different countries and cultures, and 86% agreed that the people they work with make them feel that they belong to a team.

Leaders across EY make D&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 D&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. It includes EY leaders with a wide range of backgrounds and perspectives, spanning geographies, service lines and functions.

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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Internal quality control system

Structure

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.

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 our quality and risk management processes so that the quality of our service is at a consistently high level.

We recognise that in today's 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 quality service.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient delivery of audit services. In addition to the investments mentioned, 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, including independent audit regulators. We seek to learn from external and internal inspection activities and to identify the root causes of adverse quality occurrences to continually enable us to improve audit quality. We believe that taking effective and appropriate actions to improve quality is important.

Effectiveness of the quality control system

EY has designed and implemented a comprehensive set of global audit quality control policies and practices. These policies and practices meet the requirements of the International Standard on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB). EY Australia has adopted these global policies and procedures' we have supplemented them as necessary to comply with local laws and professional guidelines, as well as to address specific business needs.

We also execute the EY Audit Quality Review (AQR) programme to evaluate whether our system of audit quality control has operated effectively to provide reasonable assurance that EY Australia and our people comply with applicable professional standards, internal policies and regulatory requirements.

The results of the AQR programme and external inspections are evaluated and communicated within EY Australia to provide the basis for continual improvement in audit quality, consistent with the highest standards in the profession.

The Global Executive has responsibility for the implementation of quality improvement. As such, it reviews the results of the internal AQR programme and external audit firm regulatory reviews, as well as any key actions designed to address areas for improvement.

The recent results of such monitoring, together with feedback from independent audit regulators, provide EY Australia with a basis to conclude that our internal control systems are designed appropriately and are operating effectively.

Audit quality indicators

Audit quality is not defined in professional standards, and stakeholders may have different views on how it should be measured. 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.

Assurance leadership monitors the execution of the EY strategy and vision by local geographies through a combination of metrics or audit quality indicators (AQIs). These include external and internal inspection results; Milestones performance; people surveys; and retention rates.

AQI dashboards help to inform the leadership about whether particular actions are having the intended effect, to provide an early warning where intervention is warranted and to support the

effectiveness of the overall EY system of quality management.

Update to the control framework - ISQM 1

In September 2020, the IAASB approved a quality management standard that includes significant changes to the way professional accountancy firms manage quality. The International Standard on Quality Management 1 (ISQM 1) will replace the current International Standard on Quality Control 1 (ISQC 1) and take a more proactive and risk-based approach. ISQM 1 will be effective as of 15 December 2022 but remains subject to final approval by the Public Interest Oversight Board, in accordance with due process.

ISQM 1 will require firms to design, implement, monitor and assess the overall system of quality management (SQM) that provides reasonable assurance a firm will meet its quality objectives.

The standard includes more robust requirements for the governance, leadership and culture of professional accountancy firms, and a risk assessment process that evaluates risks to achieving quality objectives and identification of controls that address those risks. It also requires more extensive monitoring of the SQM to evaluate the effectiveness and identify deficiencies that require corrective actions and to provide the basis for evaluating the overall effectiveness of the SQM.

Many steps have already been taken to improve the SQM. An effective SQM is the foundation for EY's quality initiatives and is key to quality and operating effectiveness. The EY approach is to implement an SQM that is consistently applied across the entire network of member firms to promote consistent engagement quality and operating effectiveness. This is especially important in a global economy where many audits are transnational and involve the use of other EY member firms.

While the standard requires firms to design and implement a system of quality management by December 2022. EY Australia has commenced work to implement the new standard alongside the EY System of Quality Management transformation programme. Our initial steps have included:

- ▶ Identifying the functions and services lines that provide support for, or perform engagements within the scope of ISQM 1
- ▶ Establishing a programme governance structure to manage the design and implementation of a system of quality management that complies with ISQM 1 with representatives from various functions and service lines

- ▶ Identifying and assessing quality risks, and documenting responses in accordance with the network-developed approach
- ▶ Identifying and understanding network resources and their implementation or use by the country in its SQM
- ▶ Challenging and identifying enhancements to the existing quality control system to achieve compliance with the new standard

We believe that implementing the requirements within ISQM 1 can help to improve quality at the firm and engagement level, because an effective system of quality management is foundational to achieving consistent engagement quality.

Audit quality reviews

The EY Global AQR programme is the cornerstone of the EY process to monitor audit quality. EY Australia executes the Global AQR programme, reports results and develops responsive action plans. The primary goal of the programme is to determine whether systems of quality controls, including those of EY Australia, are appropriately designed and followed in the execution of audit engagements to provide reasonable assurance of compliance with policies and procedures, professional standards and regulatory requirements. The Global AQR programme complies with requirements and guidelines in the International Standard on Quality Control (ISQC) 1, as amended, 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.

Executed annually, the programme is coordinated and monitored by representatives of the Global PPD network, with oversight by the Global Assurance leadership.

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; and 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. In addition, practice-level

reviews are performed to assess compliance with quality control policies and procedures in the functional areas set out in ISQC 1.

The Global AQR programme complements external practice monitoring and inspection activities, such as inspection programmes executed by audit regulators and external peer reviews. It also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

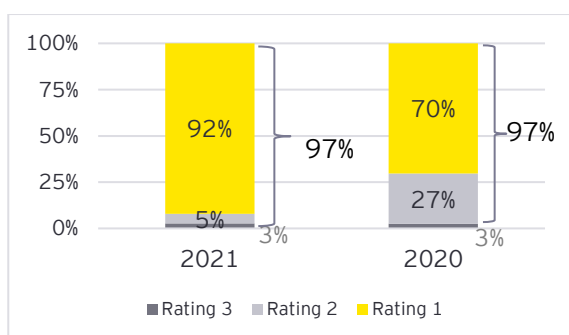
AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, as well as their industry specialisation. They have often participated in the Global AQR programme for a number of years and are highly skilled in the execution of the programme. Team 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 COVID-19 pandemic continues to place restrictions on travel and face-to-face interaction. Utilising EY Canvas and other collaboration tools, and leveraging from the lessons learned in 2020, the AQR programme was effectively completed in EY Australia.

The results of the AQR process 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, regulatory inspections and peer reviews are addressed by Assurance leadership and our PPD. These programmes provide important practice monitoring feedback for our 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 2021, EY Australia's AQR programme resulted in the inspection of 38 (2020: 40) audit engagements and 97% (2020: 97%) of the engagements inspected were rated as having no material findings or deficiencies.



When there are material or minor findings / deficiencies, EY Australia looks at the findings from internal and external inspections to identify root causes, develop action plans and improve audit quality. For audits with material findings arising from our internal reviews, EY Australia develops and implements a remedial action plan. A quality-improvement plan is also developed for EY Australia, which draws on root-cause analysis that we complete. We communicate lessons learnt from the reviews to our audit practice and include them in future training. The results are also built into the work of our SAQ programme (see page 20). AQR results play an important part in our assessment of Partner and staff quality.

External quality assurance review

Australian Securities and Investments Commission

EY Australia is subject to inspection of our audit practice and audit files by ASIC. As part of its inspections, ASIC evaluates quality control systems and reviews the files related to a sample of audit engagements.

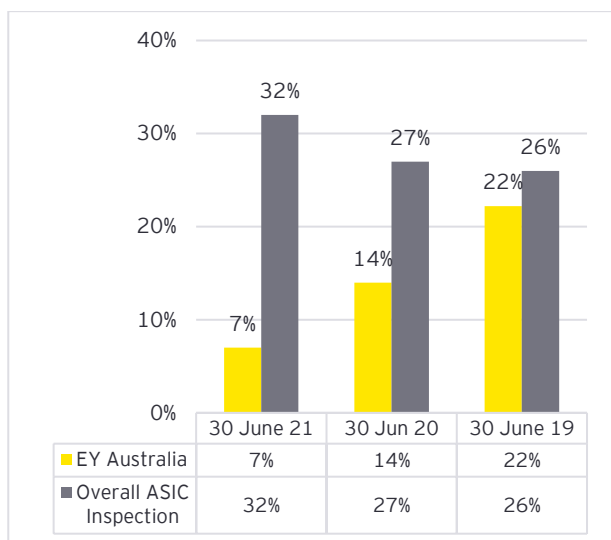
In December 2020, ASIC published a report summarising the results of the previous ASIC inspection cycle for the year ended 30 June 2020. In ASIC's view, in the 12-month period ended June 2020, EY Australia gathered insufficient evidence in 5 out of 35 areas reviewed (2019- insufficient evidence in 10 out of 45 areas reviewed) to offer reasonable assurance that the related financial report was free of material misstatement. ASIC note this does not mean that a financial report was misstated in these areas (See [2020 EY audit firm inspection report](#) for details).

In November 2021, ASIC published a report summarising the results of the most recent inspection cycle covering 8 audits of listed companies over the period from July 2020 to June 2021. In ASIC's view, in the 12-month period ended June 2021, EY Australia gathered insufficient evidence in 2 out of 30 areas reviewed to offer reasonable assurance that the related financial report was free of material misstatement. ASIC note this does not mean that a financial report was misstated in these areas (See [2021 EY audit firm inspection report](#) for details).

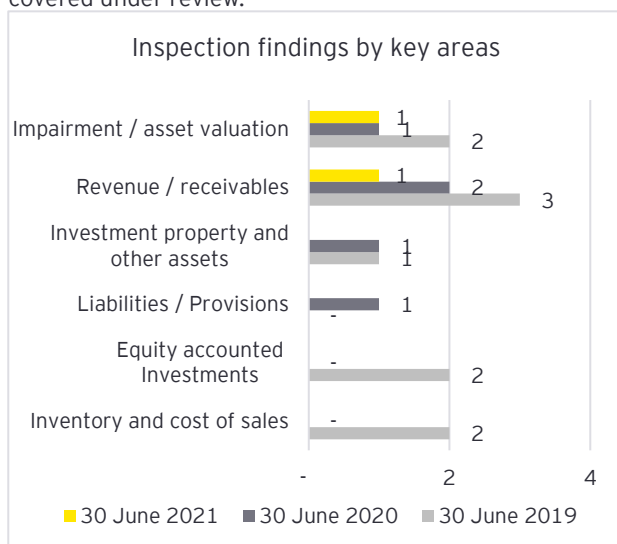
ASIC inspects a risk-based sample of listed company audits every period. ASIC does not review audit engagements in their entirety and does not review a consistent set of areas across all the audit engagements reviewed. ASIC's public report states that they generally select some of the more complex, demanding and challenging audits, as well as some more significant or higher-risk areas of financial reports. Accordingly, drawing conclusions as to broad

measures of audit quality based on these statistics is invalid and, as ASIC note, caution must be taken in generalising results across the entire market.

Comparison of the overall findings of ASIC's inspections across all firms in Australia to the findings reported in EY Australia audits inspected for the periods ended 30 June 2021, 30 June 2020 and 30 June 2019 are summarised in the chart below.



ASIC inspections select areas to be reviewed using a risk-based approach. The table below summarises the instances of inspection findings by key audit areas covered under review.



Public Company Accounting Oversight Board

EY Australia was inspected by the Public Company Accounting Oversight Board (PCAOB) in 2019 and as part of its inspections, the PCAOB evaluated quality control systems and reviewed 3 selected engagements. The Part I of its public inspection report was issued in April 2021 (See [2019 EYA PCAOB inspection report](#) for details). The public report identified deficiencies in respect of one engagement related to not performing sufficient procedures to test the appropriateness of certain information used in a software-assisted analysis for the revenue account. We have undertaken necessary remediation activities to address the deficiencies identified.

Visit www.asic.gov.au and www.pcaobus.org for more information on ASIC and PCAOB, along with publicly available inspection reports. We respect and benefit from ASIC's and PCAOB's inspection processes. We thoroughly evaluate points raised during the inspection to identify areas where we can improve audit quality. Together with the AQR process, external inspections aid us in making our audits and related control processes of the highest quality in the interests of our clients' investors and other stakeholders.

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 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.

Case study

Root-cause analysis and our response to inspection findings related to the audit of revenue recognition.

Area	The audit of revenue with emphasis on substantive analytical procedures (SAPs) and tests of detail.
Our response	<p>Our root-cause analysis of inspection findings related to revenue and receivables in an earlier year indicated inconsistencies in the application of our global audit methodology when performing SAPs. Since then, we have:</p> <ul style="list-style-type: none"> ▶ engaged with our audit teams to provide further guidance around the scoping of SAPs; ▶ encouraged and trained teams to adopt a digital audit for auditing revenue using EY Helix, which considers the entire population of revenue; ▶ issued new guidance and enablers to assist in the application of digital audit methodology; and ▶ issued guidance clarifying the requirements relevant to sampling considerations for tests of detail, determining sample sizes and verification to external evidence. <p>As a result of the improved guidance and measures, we have seen continued improvement in the results from external inspections for the periods ended June 2019, June 2020, June 2021 and in internal AQRs in 2021, which covered audits conducted in more recent periods.</p>

Root cause analysis

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 favourable or unfavourable inspection outcome. This enables the identification of the key factors that can impact audit quality and the taking of responsive actions.

EY Australia's audit practice identifies and evaluates the causal factors when a root cause analysis is performed. Analysing this research enables a better understanding of the drivers behind both positive and negative inspection outcomes. Responsive action plans are developed to address the root causes for significant engagement-related findings. EY Australia's audit practice reviews the nature and prevalence of root causes to determine if systemic issues exist and if so, further action plans are developed. EY's Global Remediation Taskforce is responsible for addressing any pervasive root causes across the network and implementing responsive action plans on a larger scale.

Client acceptance and continuance

▶ Global policy on client and engagement acceptance

The EY global policy on client and engagement acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, 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 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
- ▶ 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 policy on conflicts of interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for 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 policy on conflicts of interest and associated guidance consider 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 International Ethics Standards Board for Accountants (IESBA) standards.

Putting policy into practice

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.

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 determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and if the services the client wants 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 PPD.

In the EY 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 reviews our relationship with the audit client 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 clients are discontinued. As with the client acceptance process, our Oceania PPD is involved in the client continuance process and must agree with the continuance decisions.

Decisions about acceptance or continuance of clients and engagements consider the engagement team's assessment of several risk factors across a broad range of categories including management's attitude, internal controls and related parties.

Performance of audits

EY continuously invests in improving audit methodologies and tools, with the goal of performing the highest-quality audits in the profession. This investment reflects the EY commitment to building trust and confidence in the capital markets, and in economies the world over.

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.

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

EY GAM can be "profiled" or tailored to present the relevant requirements and guidance, depending on the nature of the entity being audited for example, there are profiles for listed entities and for those considered non-complex entities.

EY GAM has been transformed with a new approach that puts data at the heart of the audit. Known as Digital GAM, this methodology facilitates the analysis of full populations of an organisation's data to produce a fuller picture of the business, driving higher quality through a data-first audit approach. Digital GAM enhances and often replaces the traditional audit testing approach with new, risk-based, technology-enabled techniques that simplify and refine the focus of EY auditors on to relevant risks. In turn, EY auditors can analyse whole

populations of an organisation's data from multiple perspectives, building a body of evidence and producing a deeper view into the operational environment.

Other enhancements have been made to address emerging auditing issues and matters, implementation experiences and external and internal inspection results. Recently, enhancements have been made to EY GAM to emphasise the holistic approach to identifying, assessing and responding to fraud risks. This approach includes applying the fraud triangle as a lens on the information obtained from our risk assessment procedures. This approach also emphasises evaluating the results of our audit procedures in the context of responding to the risk of material misstatement in the financial statements due to fraud.

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

Technology

EY audit engagement teams use technology to assist in executing and documenting the work performed in accordance with EY GAM.

EY Canvas, the global EY audit platform, lies at the heart of the audit and enables us to provide a high-quality audit. EY Canvas is built using state-of-the-art technology for web applications. This allows us to provide data security and to evolve our 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 our audit plans customised and up-to-date, and provides direct linkage to our audit guidance, professional standards and documentation templates. 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 inter-office risks and instructions so that the primary audit 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 clients and streamlining their client requests. Mobile applications are integrated with EY Canvas to help our people in their audit work – e.g., in monitoring the status of

the audit, capturing audit evidence securely and performing inventory observations.



of EY Australia listed clients use EY Canvas Client Portal

EY Atlas is the EY global technology platform that enables EY auditors to access the latest accounting and auditing content, including external standards, EY interpretations and thought leadership.

Audit engagement teams use other applications, data analysers and forms during various phases of an audit to assist in executing procedures, making and documenting audit conclusions, and performing analysis. This includes EY Smart Automation, a collection of applications that are being developed and deployed globally through EY Canvas to digitally enable EY audit professionals in executing audit procedures and processes.

Data analytics and the EY Digital Audit

At EY, we are making data analysis integral to our audits. Our use of data and analysis is not about additive procedures or visualisations. It is about taking large populations of company data and applying our globally consistent technology (EY Helix) and methodology (EY GAM) to audit that data.

EY Helix is a library of data analysers for use in audits. These data analysers are transforming the audit through the analysis of larger populations of audit-relevant data; identifying unseen patterns and trends in that data; and helping to direct audit efforts. The use of data analytics also allows us to obtain better perspectives, richer insights, and a deeper understanding of transactions and areas of risk.

EY member firms are deploying data analysers to analyse the business operating cycles of audited companies, supported by analytics-based audit programmes to aid the application of these data analysers.



of EY Australia listed audit engagements deploy EY Helix for risk assessment, obtaining audit evidence and providing valuable insights

Using the EY Helix library of data analysers, EY audit engagement teams can enhance their audit risk assessment, enabling the audit of higher-risk transactions, and assisting EY people in asking better

questions about audit findings and evaluating the outcomes.

In addition to the globally approved library of EY data analysers, custom analytics and automation continues to be an area of significant investment for EY Australia. Custom solutions facilitate development of analytics and automation with specialised application for a client, an industry or a significant class of transactions. EY Australia has implemented a certification framework to embrace innovation while managing risk to the firm. The automation solutions aim to complete certain routine or high-volume activities in an audit as efficiently as possible and drive consistency across our audits, thus allowing more time for analysis and investigation.

As the clients develop and implement their own digital transformation, EY teams work together with them to develop a deployment roadmap for EY Digital Audit technology. In developing the Digital deployment roadmap, EY teams discuss with the management and audit committees and gain alignment on the deployment of relevant EY Digital Audit technology to be used on the audit. They also agree to appropriate data capture techniques.

Formation of audit engagement teams

The assignment of professionals to an audit engagement is also made under the direction of our Assurance leadership. Factors considered when assigning people to audit teams include engagement size and complexity; 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 expertise is needed to supplement or enhance the audit engagement team.

In many situations, internal specialists are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining appropriate audit evidence. These professionals are used in situations requiring special skills or knowledge, such as tax, forensics, information systems, asset valuation and actuarial analysis.

When certain conditions exist, EY Australia's policies require the approval of the assignment of individuals to specific audit roles by our Assurance leadership and the Oceania PPD. This is carried out, among other things, to make sure that the professionals leading audits of listed entities and other public-interest entities possess the appropriate competencies (e.g., the knowledge, skills and abilities) to fulfil their engagement responsibilities and are in compliance with applicable auditor rotation regulations.

Fraud

As part of ongoing improvement efforts, there is recognition of the need to evolve how audits are performed to better address fraud. At a global level, EY is committed to leading the profession more widely to address stakeholder 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 ideally placed to carry out this role and 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 detection. The EY organisation is taking additional actions to address this important area of the audit, including:

- ▶ Mandating the use of data analytics for fraud testing in audits for all listed entities globally
- ▶ Using additional internal and external data and information to enable more nimble responses to external risk indicators, such as short selling and whistleblowers
- ▶ Using 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 experiences of EY forensics professionals
- ▶ Assessing the need for forensic specialists in the audit on a targeted-risk basis

Environmental, social and governance (ESG) reporting

EY member firms provide assurance services on a wide range of ESG-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 client 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 Standard on Assurance Engagements and is supplemented in EY Australia to comply with local assurance standards and regulatory or statutory requirements.

As part of our obligation for high-quality assurance services related to ESG reporting, EY has developed guidance, training and monitoring programmes, and processes used by member firm professionals to execute such services consistently and effectively. 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 and Regional PPDs, EY quality functions and IFRS desks, together with other professionals who work with teams in each member firm, are knowledgeable about EY people, clients and processes, and are readily accessible to support ESG assurance engagement teams.

EY provides input to several public and private initiatives to improve the quality, comparability and consistency of ESG reporting, including climate-risk. These activities take place at a global, regional and national level. Examples include drafting ESG metrics and ESG reporting proposals for the Embankment Project on Inclusive Capitalism (EPIC) and the World Economic Forum's International Business Council (WEF-IBC). EY also makes resources available to standard-setters in the area of sustainability reporting.

Review and consultation

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. 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 certain other companies, an engagement quality reviewer (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the company we audit and our 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 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 roles and responsibilities of each audit engagement team member for managing, directing and supervising the audit, as well as the requirements for documenting their work and conclusions.

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 globally connected, 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 teams reach appropriate conclusions.

The EY culture of consultation enables 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 client 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 audit and assurance engagements. Engagement quality reviewers are experienced professionals with significant subject-matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgments the engagement team made, and the conclusions reached in formulating the auditor's report. The performance of an engagement quality review, however, does not reduce the responsibilities of the partner in charge of the engagement for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance 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 or assurance report.

For audits, engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies, certain public-interest entities and those considered to need close monitoring. The Regional AMP and the Oceania PPD approve all required audit engagement quality review assignments.

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 a client 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 engagement partner 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.

Rotation and long association

EY supports mandatory audit partner rotation to help reinforce auditor independence. EY Australia complies with the audit partner rotation requirements of the IESBA Code, APES 110 Code of Ethics for Professional Accountants (including Independence Standards), issued by Australian Accounting Professional & Ethical Standards Board (APESB); **Corporations Act 2001** as well as the Australian Prudential Regulatory Authority; and 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 expertise 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 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, (the 'other' key audit partners), to be rotated after seven years. The lead 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 EY Independence and Oceania PPD. Following rotation, the lead engagement partner and the engagement quality reviewer may not resume any role in the engagement until at least three years have elapsed, and for the other key audit partners, until two years have elapsed (the 'cooling-off period').

During the cooling-off period, there are restrictions on the role partners can play in relation to the client if that role involves having significant or frequent interaction with senior management or those charged with governance of the client or exerting

direct influence on the outcome of the audit engagement.

In addition to the audit partner rotation requirements applicable to PIE audit clients, EY has established a long association safeguards framework that, consistent with the requirements of the IESBA and APESB Code, includes consideration of the threats to independence created by the involvement of professionals over a long period of time on an audit 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 judgement 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.

Compliance with legal requirements

The EY Global Code of Conduct provides clear guidance about EY actions and business conduct. EY Australia complies with applicable laws and regulations, and EY's values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

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.

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 we are aware of the ever-changing situation with respect to international economic and trade sanctions. EY monitors international trade sanctions issued in multiple geographies and provides guidance to EY people on impacted activities.

Data privacy

The EY Global Personal Data Privacy Policy sets out the principles to be applied to the collection, use and protection of personal data, including relating to current, past and prospective personnel, clients, suppliers and business associates. This policy is consistent with the strict requirements of the EU's GDPR. EY also has binding corporate rules approved by 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.

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. Any party seeking to make a whistleblowing disclosure can do so through the EY Ethics Hotline.

In 2021, 17 reports (2020: 18 reports) were submitted to the EY/Ethics Hotline. When a report comes into the EY Ethics Hotline, either by phone or email, it receives prompt attention. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved in addressing the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

Document retention

EY Record Retention global and related local policies on records and information retention and disposition apply to all engagements and personnel. The local policy addresses Australian legal requirements, applicable to the creation and maintenance and retention of all records.

Update on Parliamentary Joint Committee on Corporations and Financial Services' inquiry into the regulation of auditing in Australia

An inquiry into the regulation of auditing in Australia by the Parliamentary Joint Committee on Corporations and Financial Services (the 'Committee') was announced by the Federal Government in August 2019. Audit quality, auditor independence, audit scope and reporting, financial reporting and the role of all stakeholders in the financial reporting chain, including management, directors, auditors, regulators and investors were the subject of written submissions to the Committee and a series of public hearings the Committee has held to date.

EY Australia believes that the inquiry provided an opportunity to consider the continued improvement of audit quality and enhancing capital-market confidence. In October 2019, EY Australia submitted its written submission, which contained recommendations to the Committee (the EY submission can be downloaded [here](#)) and participated in the public hearings held by the Committee in December 2019. We further responded to numerous questions on notice asked by Committee members, all of which are detailed on the Committee's website.

The Committee tabled its final report in December 2020. We believe these recommendations can generally contribute to enhanced audit quality and increased confidence in financial reporting. We are pleased that most of the recommendations we made to the Committee have been adopted and reflected in the final recommendations of the Committee.

We are pleased that in the final report, the Committee has expressed a view that multidisciplinary firms with specific expertise in specialised areas are best placed to deliver high-quality audits that address the needs of modern businesses. See page 36 for EY Australia commitment to quality in the service lines.

We note and support the recommendation of the Committee for ASIC to develop a revised framework for reporting its audit inspection programme findings, with a focus on the transparency and relative severity of identified audit deficiencies.

We believe that adopting an approach of categorising inspection findings and acknowledging where differences in professional judgement between ASIC and an audit firm reasonably exist, will provide greater transparency and a better understanding of the nature of inspections.

We have commenced working with our clients to implement certain of the recommendations, where appropriate, ahead of any future regulatory change. An example of this is enhanced audit fee disclosures which many of our listed clients have recently adopted to improve transparency and provide for better market consistency. We believe that consistency of disclosure would aid transparency and provide clarity to the debate around the appropriate nature and value of permissible non-audit services.



Commitment for quality in our service lines

Our multidisciplinary-firm model operates through the four service lines of Assurance, Tax, Strategy and Transactions and Consulting, with staff reporting to partners who are associated with one of these four service lines. A multidisciplinary firm enhances audit quality as it provides ready access to the wide range of industry and subject-matter specialists necessary to deliver quality audits now and into the future - which often are required at short notice - who understand the role of audit, our audit methodology and who understand and comply with the strict audit independence requirements (see page 29).

The requirements of ASA 540 (revised), Auditing Accounting Estimates and Related Disclosures and the uncertainties caused by the impact of COVID-19 increase the need for specialist skills to effectively audit 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 multijurisdictional tax regimes, tax reform, executive remuneration valuation protocols, data extraction and analysis, complex modelling and information technology are all integral to the delivery of an audit. These specialist skills exist within our non-Assurance service lines.

For our audit practice and the delivery of high-quality audits, a multidisciplinary firm means having a service-line model that facilitates the growth and training of highly experienced subject matter specialists. They supplement the skill and expertise of our core audit teams to conduct high-quality audits, exercising professional scepticism where additional subject matter expertise is required.

We are committed to a multidisciplinary model because it provides the structure, breadth and depth of technical skills and industry expertise necessary to deliver audits now and into the future. Expertise in artificial intelligence, cyber, analytics, robotics, blockchain and other emerging disciplines are

becoming required as the business environment become increasingly complex. We see a continuing trend for increased involvement of specialist resources in these emerging concepts, for which the skills often reside in the non-Assurance service lines.

Using specialists across functions within EY Australia ensures, that they 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. When specialists from the other service lines participate in audits, they become subject to the heightened independence rules applicable to audit team members.

Benefits of a multidisciplinary model include:

- ▶ Enabling investment in research and development in specialist areas given economies of scale
- ▶ Growth in other service lines strengthens the audit practices with additional resources invested in highly skilled individuals
- ▶ Sharing the development of technology solutions, including analytics and robotics, across service lines enables solutions built on the same platforms to support each discipline and reduces the cost within each service line
- ▶ Increased financial stability as revenue is diversified across different sectors, service lines and through services that experience different demand cycles from clients
- ▶ More sustainable operating model as the firm is less vulnerable to economic shocks.

Multidisciplinary 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 40). This ensures our auditors are incentivised to deliver 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 noncompliance
- ▶ Audit partners' performance and 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 the firm.

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.

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 audit clients; 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's 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 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.

> Global Independence System (GIS)

The Global Independence System 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 clients and their affiliates, but they can also be other types of attest or assurance clients. The tool includes family-tree data relating to affiliates of listed audit clients and 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.

> Global Monitoring System (GMS)

The Global Monitoring System 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 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.

➤ Independence compliance

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

➤ Independence confirmation

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

All EY professionals, and certain others, based on their role or function, are required to confirm compliance with independence policies and procedures at least once a year. All partners are required to confirm compliance 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 prior to becoming an EY partner. The DAP is also required to confirm his/her 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 member firms.

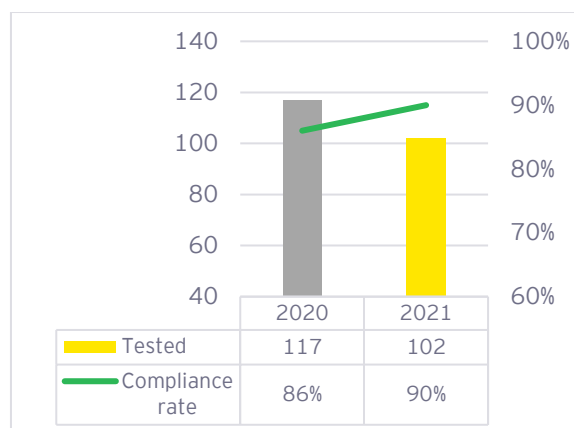
➤ Personal independence compliance testing

Each year, the EY Global Independence team establishes a programme for testing compliance with personal independence confirmation requirements and with reporting of information into GMS.

The table below summarises the planned coverage under the programme.

Role	Testing frequency
Partner in Leadership	Every three years
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

For the 2021 testing cycle, EY Australia tested 384 partners and other personnel as part of the Personal Independence Compliance Testing. We continue to focus on educating our professionals regarding their responsibilities, ensuring compliance with EY policies, and are focused on continued improvement in our compliance. Results of the Personal Independence Compliance Testing for partners is summarised below:



During 2021, we identified one breach of APES110 and/or the Corporations Act 2001. This related to an immediate family member of a partner holding a superannuation financial interest in an audit client where the lead audit engagement partner was located in the same office. The partner did not provide any services to the audit client nor was the partner a member of the audit team. The matter was self-reported when the partner became aware of the immediate family member's superannuation. In line with our policies, the financial interest was disposed of and the matter was reported to those charged with governance at the audit client.

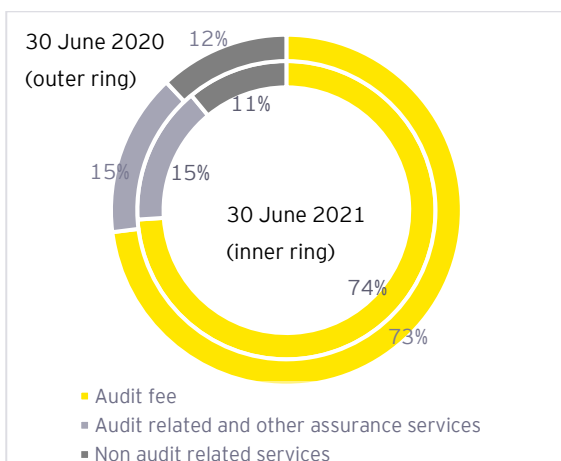
Non-audit services

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 audit clients through a variety of mechanisms. These include the use of tools, such as PACE (see page 29) and 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 compliance 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 44) to audit clients.

In addition, we perform testing procedures of ongoing 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 2021 and 30 June 2020



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 professionals and certain other personnel are required to participate in annual independence learning to help maintain our independence from the companies we 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 supplements this programme with local content to cover local independence requirements under Corporations Act 2001 and the independence standards of APESB that differ from the EY Global Independence Policy. 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, to provide guidance on specific topics.

Service Offering Reference Tool (SORT)

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

Business Relationship Evaluation Tool (BRET)

Our people are required to use the Business Relationship Evaluation Tool (BRET) in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with a client and an assessment, whether the relationship with an audit client, thereby supporting our compliance with independence requirements.

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 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.

Continuing education and investing in exceptional talent

Development of EY people

Professional development

The continuous development of our people's skills and knowledge is critical to achieving our purpose of enhancing confidence in the capital markets.

Providing opportunities for the right experiences, learning and coaching helps our people grow and achieve their potential at a variable pace of progression. The day-to-day experiences gained are assigned locally in a systematic way, while the EY audit learning core curriculum is globally consistent. This is supported throughout by on-the-job coaching from more experienced professionals that helps to transform knowledge and experience into practice.

Learning is delivered through the award-winning Audit Academy, which combines "on-demand" e-learning modules with interactive physical or virtual classroom-based simulations and case studies, plus relevant reinforcement and application support. This is supplemented by learning programmes that are developed in response to changes in accounting and reporting standards, independence and professional standards, new technology and emerging issues.

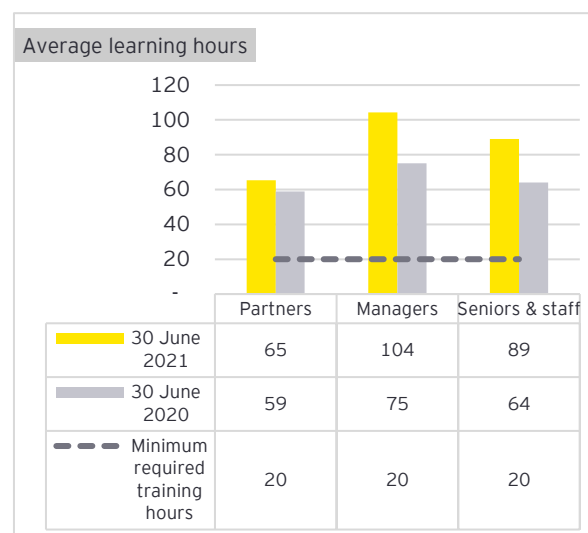
Where an EYG member firm audits and reviews International Financial Reporting Standards (IFRS) financial statements, relevant team members undertake learning to become IFRS-accredited.

We remind our staff on 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.

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 is 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.

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% (minimum eight hours each year and 48 hours over a three-year period) must cover technical subjects related to accounting and auditing. Our investment in training continues to support our audit-quality focus and we continue to make significant investment in our training curriculum. Our people believe the training programmes enable them to deliver high-quality audits. The chart summarises the average training hours completed at each level, which include topics on audit, financial reporting standards, independence and ethics and excludes leadership and behavioural training.



With the increased focus on EY Digital audit, there has been significant investment in coaching on transformation, analytics and more on-demand learnings available in our learning portals. There are targeted learning programmes for lateral hires on GAM and relevant tools. These initiatives resulted in increased learning hours for Staff, Seniors and Managers.

EY Badges

Our EY Badges programme allows audit professionals to develop future-focused skills and gives access to experiences that can shape their career. Preparing for the future means helping our staff be better equipped and differentiated in the market and EY Badges helps attain new skills that will help us stay relevant in today's dynamic working world.

EY Badges demonstrate our continued commitment to supporting our people and their development. In 2020, EY announced a collaboration with Hult International Business School, a triple-accredited business school, to offer the EY Tech MBA. It is the first-ever fully accredited corporate MBA that is available regardless of role or position and entirely for free to all our 300,000-plus employees in over 150 countries. This programme is self-paced, adaptable to your preferred topics, focuses on business, leadership and technical training and skills.

Take-up of the EY Badges program is increasing as more staff recognise the importance of managing their own skills portfolio. In 2021, the more popular learning domains have been Data analytics and sector-based learnings. This programme helps to ensure our talented people keep developing the skills they need to deliver a high-quality audit.

Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing client 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. This has been of increasing importance to address emerging risks arising because of the pandemic. 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 – weekly update covering assurance and independence policies, developments from standard-setters and regulators, as well as internal commentary thereon
- ▶ Oceania Accounting and Audit News - a monthly update covering local auditing, accounting and financial reporting development, reminders of key internal policies and announcements, as well as periodic updates on risk management.
- ▶ EY Digital Audit launching pad, which directly links teams to our audit platforms - EY Canvas, the EY Helix data-analyser library and EY Atlas - and provides access to our most recent and relevant learning, enablement and support for digital audit.
- ▶ Practice alerts and webcasts covering a range of global and country-specific matters designed for continuous improvement in member firms' Assurance practices

Performance management

LEAD is a framework that connects EY people's career, development and performance. Through ongoing feedback, development, counsellor excellence and career conversations, LEAD aligns individuals with the NextWave strategy and enables a focus on the future. It supports the growth and development of EY people at all stages of their

careers. An individual's dashboard provides a snapshot of performance against the Transformative Leadership dimensions, including quality, risk management and technical excellence, and assesses performance against peers. Feedback received during an annual cycle is aggregated and used as an input to compensation and reward programmes.

Regular discussions with a counsellor, on topics such as diverse career journeys, applying emerging technology, experiencing new teams and learning, help identify opportunities for further development and to build future-focused skills.

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 and consolidated financial statements of PIEs in the EU
- ▶ Revenues from the statutory audit of annual and consolidated financial statements of other entities
- ▶ Revenues from permitted assurance and non-audit services to entities that are audited by the statutory auditor and the revenues from non-audit services to other entities

Financial information for the period ended on 30 June 2021 and 30 June 2020 (expressed in millions of Australian dollars)

Service	2021 Revenue	%	2020 Revenue*	%
	(\$m)		(\$m)	
Audits and directly related services for audit clients #	428	19%	417	20%
Other Assurance and permissible non-audit services to audit clients	121	5%	117	5%
Non-audit services provided to other entities	1,761	76%	1,596	75%
Total revenue	2,310	100%	2,130	100%

Includes revenue AUD 16 million (2020: AUD 16 million) from audits and directly related services for audit clients listed in EU.

* comparative figures are restated in order to comply with the current period's presentation of the financial information.

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 includes specific quality and risk management indicators, covering both actions and results.

LEAD for partners, Associate Partners, Executive and Directors (PPEDDs) applies to all EYG member firms around the world. LEAD for PPEDDs 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 performance review, and is tied to partners' recognition and reward. Documenting partners' goals and performance is the cornerstone of the evaluation process. A partner's goals are required to reflect various global priorities, the most important of which is quality.

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. There are no incentives to audit partners to sell non-audit services to audit clients. This reinforces to EY Partners their professional obligation 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 EY partner compensation philosophy calls for meaningfully differentiated rewards based on a Partner's level of performance, as measured within the context of LEAD. Partners are assessed annually on their performance in delivering quality, exceptional client service and people engagement, alongside financial and market 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. Partner's performance reviews include an annual assessment on audit quality based on an approved framework for quality and effective risk management metrics (Q&ERM) performance evaluation. Oceania PPD and the Oceania Assurance Managing Partner have an overall responsibility for the process and outcome of the Q&ERM rating for audit partners.

The importance of independence is also recognised in our performance-review processes. Independence breaches or reporting omissions can result in financial penalties for 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 performance evaluation, 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

EY Australia PIE audit clients

In the fiscal year that ended on 30 June 2021, 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 (*).

1851 Emerging Companies Fund	Aioi Nissay Dowa Insurance Company Australia Pty Ltd
360 Capital Active Value Equity Fund	AJ Lucas Group Limited
360 Capital Credit Income Fund	Alexander Credit Opportunities Fund
360 Capital Enhanced Income Fund	Allan Gray Australia Balanced Fund
360 Capital Group Limited	Allan Gray Australia Equity Fund
360 Capital RE Limited	Allan Gray Australia Stable Fund
360 Capital REIT	ALS Limited
360 Capital Residual Stock Fund	Amaysim Australia Limited
360 Capital Total Return Active Fund	Americold Australian Holdings Pty Ltd
360 Capital Total Return Passive Fund	AMP Bank Limited
3P Learning Limited	AMP Capital Funds Management Limited
AAPC Management Limited	AMP Capital Schemes - December
Abacus Group Holdings Limited	AMP Capital Schemes - June
Abacus Group Projects Limited	AMP Eligible Rollover Fund
Abacus Income Trust	AMP ERF
Abacus Storage Operations Limited	AMP Group Finance Services Limited
Abacus Storage Property Trust	AMP Limited
Abacus Trust	AMP Retirement Trust
Abacus Wodonga Land Fund	AMP SST
Acorn Capital Investment Fund Limited	AMP Superannuation Savings Trust
Actinogen Medical Limited	Antares Capital Partners Ltd
Adairs Limited	Antisense Therapeutics Limited
Adelaide Cash Management Trust	Aon Risk Services Australia Limited
Adveritas Limited	Aoris International Fund
Afterpay Limited	Arab Bank Australia Limited
Agrim Limited	Ardent Leisure Group
Agua Resources Limited	Argo Global Listed Infrastructure Limited
AIC Mines Limited	Argonaut Resources NL
AIM Global High Conviction Fund	AUB Group Limited

Aurecon 37 Limited	Carindale Property Trust
Aurelia Metals Limited	Carnarvon Petroleum Limited
Australian Finance Group Limited	Catholic Church Insurances Ltd
Australian Meat Industry Superannuation Trust	Challenger Life Company
Australian Rail Track Corporation Limited	Challenger Limited
Australian Vintage Limited	Challenger Retirement and Investment Services Limited
Auteco Minerals Limited	Challenger Retirement Fund
Ava Risk Group Limited	Champion Iron Limited
Avenira Limited	Christian Super
Aventus Holdings Limited	CI Resources Limited
Aventus Retail Property Fund	Cleanaway Waste Management Limited
AVJennings Limited	Club Plus Superannuation Pty Ltd
AvSuper	Cobre Limited
Awale Resources Limited	Coca-Cola Amatil Limited
Baby Bunting Group Limited	ColInvest Limited
Bank Australia	Coles Group Limited
Bank of China Limited	Columbus Capital Pty Limited
Bank of Taiwan	Commonwealth Steamship Insurance Co. Pty Limited
Bannerman Resources Limited	Construction and Building Unions Superannuation Fund
Bastion Minerals Limited	Contango Asset Management Limited
Beach Energy Limited	Cooper Energy Limited
Bellevue Gold Limited	Copia Investment Partners Limited
Bendigo and Adelaide Bank Limited	Coronado Global Resources Inc.
Bendigo Balanced Index Fund	Cradle Resources Limited
Bendigo Balanced Wholesale Fund	Crescent Wealth Superannuation Fund
Bendigo Conservative Index Fund	CSL Ltd
Bendigo Conservative Wholesale Fund	Cuscal Limited
Bendigo Defensive Index Fund	Danakali Limited*
Bendigo Socially Responsible Growth Fund	De Grey Mining Limited
Bendigo Superannuation Plan	Deep Yellow Limited
Berkeley Energia Limited*	Delecta Limited
Beston Global Food Company Limited	Deutsche Bank Aktiengesellschaft
BHP Group Limited	Devine Limited
BlueScope Steel Limited	DMG Diversified Portfolio Fund
BOC Gases Superannuation Fund	Domain Holdings Australia Pty Limited
Brainchip Holdings Ltd	DPM Retirement Service
Bravura Solutions Limited	Dragon Mining Limited
Brewdog Group Australia Limited	Dusk Group Limited
Brickworks Ltd	Eley Griffiths Group Emerging Companies Fund
Brisbane Broncos Limited	Eley Griffiths Group Small Companies Fund
Brockman Mining Limited	Ellerston Asian Investments Limited
BUSS Queensland Pooled Superannuation Trust	Ellerston Australian Market Neutral Fund
Canadian Imperial Bank of Commerce - Sydney Branch	Ellerston Capital Limited
Capricorn Society Ltd	Ellerston Global Equity Managers Fund
CAQ Holdings Limited	Emmerson Resources Limited
Carbonxt Group Limited	

Energy World Corporation Ltd	Integrated Research Limited
EQT Responsible Entity Services Ltd.	Investec Bank Plc, Australia Branch
Equatorial Resources Limited	Investors Mutual Limited
Eric Insurance Limited	Ioneer Limited
ESTIA Health Limited	ipac Asset Management Limited
E-Sun Bank Limited	ISPT Pty Ltd
Eureka Group Holdings Limited	Jervois Mining Limited
Fairlight Global Small & Mid Cap (SMID) Fund	Jupiter Energy Limited
Fidante Partners Limited	K & S Corporation Limited
Fidante Partners Services Ltd	Katana Capital Limited
First Commercial Bank Limited - Brisbane Branch	King River Resources Limited
Flight Centre Travel Group Limited	Kingsrose Mining Limited
FM Insurance - NZ Branch	L1 Capital Long Short Fund
FM Insurance Company Limited	L1 Long Short Fund Limited
Forager Australian Shares Fund	Lefroy Exploration Limited
Forager International Shares Fund	Legend Mining Limited
Future Funds Management Limited	LG Super
G&C Mutual Bank Limited	Liberty International Underwriters
G8 Education Limited	Lion Energy Limited
Genex Power Limited	Lithium Power International Limited
Geopacific Resources Limited	Livehire Limited
Global Data Centre Group	Lynas Rare Earths Limited
Global Data Centre Securities Fund	M8 Sustainable Limited
Global Energy Ventures Limited	Macquarie ADF Superannuation Fund
Globe Metals & Mining Limited	Macquarie Alternative Assets Management Limited
Great Lakes Insurance SE - Australian Branch	Macquarie Financial Products Management Limited
Great Lakes Insurance SE - New Zealand Branch	Macquarie Investment Management Australia Limited
Growthpoint Properties Australia Limited	Macquarie Investment Management Ltd
Guild Insurance Limited	Macquarie Superannuation Plan
Guild Retirement Fund	Magellan Financial Group Ltd
Halidon Asset Management Ltd	Mainsteam Group Holdings Limited
Hamilton Lane Global Private Asset Fund	Man Investments Australia Ltd
Hannans Ltd	Mandalay Resources Australia Pty Limited
Harvey Norman Holdings Ltd	Manildra Flour Mills Retirement Fund
HBF Health Limited	Maritime Super Pty Limited
HCF Life Insurance Co Pty Limited	Mayne Pharma Group Limited
Healius Limited	MDA National Insurance Pty Ltd
Health and Plant Protein Group Limited	Medical Indemnity Protection Society
Helloworld Travel Limited	Metals X Limited
Heron Resources Limited	Metcash Limited
Homesafe Solutions Pty Ltd	Metro Mining Limited
Hua Nan Commercial Bank Ltd.	MFF Capital Investments Limited
ICar Asia Limited	MGC Pharmaceuticals Limited
Ignite Energy Resources Limited	Michael Hill International Limited
ImpediMed Limited	Mizuho Corporate Bank Ltd
Ingenia Communities Group	MLC Investments Limited
Instinet Australia Pty Limited	

MLC Limited	Orocobre Limited
MLC Super Fund	OzAurum Resources Limited
MLC WRAP Funds	Ozgrowth Limited
Monadelphous Group Ltd	Packer & Co Investigator Trust
Monash Absolute Investment Co Limited	Pact Group Holdings Ltd
Montgomery Global Equities Fund	Panoramic Resources Limited
Montgomery Global Fund	Pantoro Limited
Morningstar Investment Management Australia Limited Schemes	Parkway Minerals NL
Mount Gibson Iron Limited	Payright Limited
Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft - Australian Branch	Peak Resources Limited
Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft - New Zealand Branch	Peet Limited
Munich Reinsurance Company of Australasia Limited	Pengana International Equities Limited
Munich Reinsurance Company of Australasia Limited - New Zealand Branch	Pengana Private Equity Trust
Murray River Organics Group Limited	PEXA Group Limited
Namoi Cotton Limited	Platinum Asset Management Limited
Nanosonics Limited	Police Health Limited
Nanuk New World Fund	Polynovo Limited
National Australia Bank Limited*	PostSuper
National Mutual Life Association	PPK Group Limited
National Mutual Pro-Super Fund	Prairie Mining Limited*
National Mutual Retirement Fund	Premier Investments Limited
National Storage REIT	Prime Financial Group Limited
Navigator Australia Limited	Prime Media Group Limited
Navigator Global Investments Limited	Prime Super
Navy Health Ltd	Pro Medicus Limited
New South Wales Electrical Superannuation Scheme	Pro-Pac Packaging Limited
Newcrest Mining Limited	PSC Insurance Group Limited
News Australia Holdings Pty Ltd	RAC Insurance Pty Limited
Nick Scali Limited	Ramsay Health Care Limited
Nine Entertainment Co Holdings Limited	REA Group Ltd
NMMT Limited	Redbubble Limited
Nomura Australia Limited	Regal Investment Fund
Novo Resources Corporation	Regis Healthcare Limited
Nuchev Limited	Rei Superannuation Fund Pty Limited
Nucoal Resources Limited	Renaissance Re (Australia)
Nurses & Midwives Health Pty Ltd	Resolute Mining Limited*
NXEA Pty Limited	Rhipe Limited
Omni Bridgeway Limited	RMG Limited
One Path General Insurance Pty Limited	Salt Lake Potash Limited
One Path Life Limited	Sandfire Resources Limited
Ophir Global Opportunities Fund	Sandhurst Balanced Fund
Ophir High Conviction Fund	Sandhurst Cash Common Fund
Orbis Global Equity Fund (Australia Registered)	Sandhurst Conservative Fund
Origin Energy Limited	Sandhurst Future Leaders Fund
	Sandhurst Growth Fund
	Sandhurst IML Industrial Share Fund
	Sandhurst Industrial Share Fund

Sandhurst Investment Term Fund	Tyro Payment Limited
Sandhurst Select Mortgage Fund	UBS AG, Australia
Sandhurst Strategic Income Fund	UBS Global Asset Management (Australia) Ltd
Santos Limited	Unisuper Limited
Scentre Group	United Overseas Bank Australia Limited
Schaffer Corporation Limited	Van Eck Australia Pty Ltd
Sealink Travel Group	Vector Resources Limited
Seeing Machines Limited	Vicinity Centres
Senex Energy Limited	Vision Super
Shinhan Bank Sydney Branch	Volkswagen Financial Services Australia Limited
Slater & Gordon Limited	Washington H. Soul Pattinson And Company Ltd
Smarter Money - Active Cash Fund	WCM Global Growth Limited
Smarter Money - Higher Income Fund	Wealth Personal Superannuation and Pension Fund
Smarter Money Long-Short Credit Fund	Wesfarmers Limited
Stanmore Resources Limited	Westgold Resources Limited
State Bank of India	Westoz Investment Company Limited
State Street Bank & Trust Company	Whispir Limited
State Street Global Advisors, Australia, Limited	Whitehaven Coal Ltd
Stewart Title Limited	Wholesale Australian Property Fund
Super Directions Fund	Woodside Petroleum Limited
Swick Mining Services Ltd	Woori Bank Sydney Branch
Switzer Asset Management Limited	Worley Limited
Tabcorp Holdings Limited	Xanadu Mines Ltd
Taishin International Bank Co. Ltd	Zicom Group Limited
Taiwan Business Bank	Zurich Australia Insurance Limited
Taiwan Cooperative Bank Limited	Zurich Australia Limited
Tamboran Resources Limited	
Teachers Federation Health Ltd	
Technology One Limited	
Telstra Corporation Limited	
Telstra Super	
Temple & Webster Group Limited	
TerraCom Limited	
The Hospitals Contribution Fund of Australia Limited	
The Montgomery Fund	
The Retirement Plan	
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	
Top Shelf Internationa Holdings Ltd	
Transatlantic Reinsurance Company	
Tribeca Global Natural Resources Limited	
TWU Nominees Pty Ltd	
TWU Super Fund	

Appendix 2: approved EYG member firms

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

As of 30 June 2021, 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 mbH
Belgium	EY Assurance Services SRL
	EY Bedrijfsrevisoren SRL
	EY Europe SCRL
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 Grønland Statsautoriseret Revisionspartnerselskab
	EY Net Source A/S
Estonia	Ernst & Young Baltic AS
	Baltic Network OU
Finland	Ernst & Young Oy
France	Artois
	Auditex
	Ernst & Young Audit
	Ernst & Young et Autres
	EY & Associés
Picarle et Associés	

Member State	Statutory auditor or audit firm
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Treuhand-Süd GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Ernst & Young (Hellas) Certified Auditors Accountants SA
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Iceland	Ernst & Young ehf
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.
Latvia	Ernst & Young Baltic SIA
Liechtenstein	Ernst & Young AG, Basel
	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young AG, Vaduz
Lithuania	Ernst & Young Baltic UAB
Luxembourg	Compagnie de Révision S.A.
	Ernst & Young Luxembourg S.A.
	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 spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe spółka komandytowa
	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 S.r.l.
	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 2021 for these EYG member firms, (and for the UK and Gibraltar firms up to the end of the Brexit transition period of 31 December 2020), resulting from statutory audits of annual and consolidated financial statements was approximately €2.6 billion.

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