

Transparency report 2022

EY AUSTRALIA

October 2022



Building a better
working world

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Message from our 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 2022 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.

Executing high-quality audits continues to be our top priority, and at the heart of our ambition is to serve the public interest by enhancing trust in business and the capital markets, in support of sustainable, long-term value creation.

The health and wellbeing of our people has remained paramount to us during this unprecedented period of disruptions. Our purpose, *Building a better working world*, shines through for us in our response to these social and economic disruptions. Our 2022 results are a testament to the hard work, innovative thinking and dedication to exceptional client service from all our people.



Glenn Carmody
EY Australia and Regional
Assurance Managing
Partner

We continue to invest significantly in tools to improve what we do, creating high-performing, diverse and inclusive teams, and building trust and confidence through the audits we perform.

EY services help clients respond to investors and stakeholders who are seeking more robust and transparent non-financial information. Delivering assurance over the non-financial or environmental, social and governance (ESG) reporting that require measuring and reporting on metrics beyond the customary financial statement elements, assists delivering long-term value. EY is also on its own sustainability journey, which included becoming carbon negative in 2021, following the achievement of carbon neutrality in 2020, and the ambition to be net zero by 2025. EY Australia is doing its part in achieving these goals - Read more on this topic in the [EY Oceania Value Realised Scorecard](#)

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 engagement. We strongly believe a multi-disciplinary firm, with highly experienced subject-matter specialists is key to delivering high-quality audits and meet the audit needs of a complex business.

The strategic review of EY businesses globally has progressed, and we have reached the decision to move forward with partner votes in early 2023, to separate into two distinct, multi-disciplinary organisations. We firmly believe that we can embrace the changing landscape, build businesses that redefine the future of our professions, create exciting new opportunities, and deliver greater long-term value for our EY people, clients and communities. Our priority remains to maintain a multi-disciplinary assurance based practice to provide high-quality professional audit services, objectively and ethically on every audit.

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 2022 as well as some recent relevant events.

EY purpose: *Building a better working world*

The EY organisation is 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 skepticism. In so doing, the EY organisation helps protect and promote sustainable and long-term value for stakeholders.

In this report, you can learn about our commitment to Sustainable Audit Quality (SAQ), including how we instill professional values, the performance of audits and internal quality control, as well as our independence practices and how we are creating long-term value for our people and society.

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
Regional Assurance Managing Partner
EY Australia



2022 Highlights

Quality

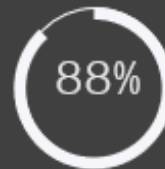
Internal audit quality review



(FY21: 97%)

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

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



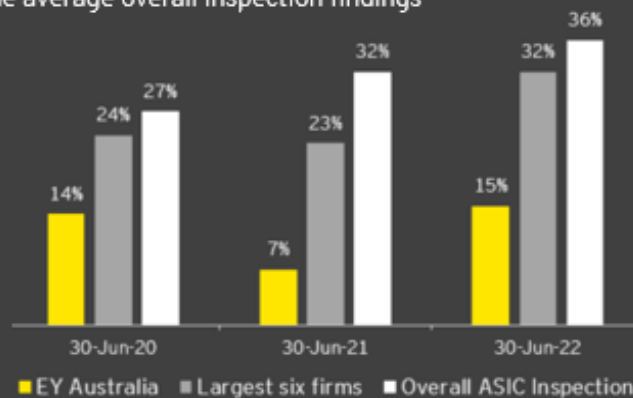
(FY21: 92%)

ASIC inspection results

8 companies inspected during the year ended 30 June 2022 (FY21:8) including 1 non-listed company (FY 21: Nil)

EY Australia **led the Industry for last 3 years with the lowest number of inspection findings** relative to the average overall inspection findings

In **15%** of the **26 key audit areas** reviewed (FY21: 7% of the 30 key areas), ASIC concluded sufficient audit evidence was not obtained to offer reasonable assurance on the related financial report.



Learning

56 learning hours completed in 2022 on an average by each of our partner and staff

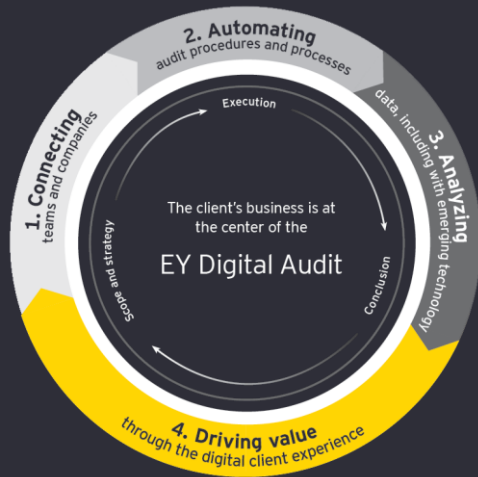
Results

Revenue from audits services to clients **AUD434m** (FY21: 428m) **1%** ↑

Total EY Australia revenue in FY22 **AUD2.75bn** (FY21: AUD 2.31bn) **19%** ↑

Focus on Digital

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



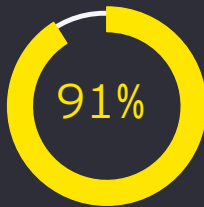
Driving value through the digital client experience

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

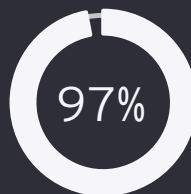
An enhanced focus on risks providing greater trust and assurance to the capital markets.

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

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



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



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



of EY Australia listed clients audit engagements with >1000 hours deploy **EY Helix** Analysers for risk assessment, obtaining audit evidence and providing client insights



About us

About us



Legal structure, ownership and governance

EY Australia is a partnership and is a member firm of Ernst & Young Global (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. EY Australia is part of the Oceania and the FSO Region. EY Australia operates across seven offices in Australia and had 655 partners as at 30 June 2022. The principal governing bodies for the Oceania region and EY Australia are:

Oceania Executive Leadership Team

The Oceania Executive Leadership Team has the authority and accountability for strategy and execution. It comprises the CEO and the Regional Managing Partner and, Deputy CEO and Markets leader, Market segment leaders, Operations leader, service-line leaders for Assurance, Consulting, People Advisory Services, Strategy and Transactions Services and Tax, Risk Management & Independence Leader, Chief Sustainability Officer 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 10).

Asia-Pacific Area

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

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

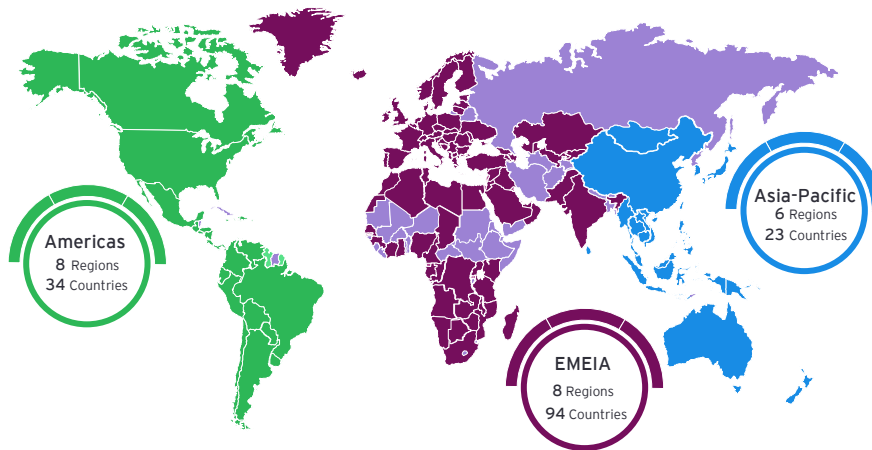
EY is a global leader in assurance, tax, strategy and transactions, and consulting services. Worldwide, over 350,000 people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional skepticism. In today's global market, the integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

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

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

The structure and principal bodies of the global organisation during the fiscal year ended 30 June 2022, 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 focus on stakeholders in the regions, permitting member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.

EY Areas, Regions and Countries*



*Figures are as of 1 July 2022'



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 representatives from any member firm and independent non-executives (INEs). The regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with the ability to be reappointed for one additional three-year term. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the Global Executive (GE), certain matters that could affect EY.



Independent Non-Executives

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

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



Global Executive

The GE brings together EY leadership functions, services and geographies. It is chaired by the Chairman and CEO of EYG, and includes its Global Managing Partners of Client Service and Business Enablement, the Area Managing Partners, the global functional 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 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 strategic objectives and helps drive consistency of execution

across the organisation. Our Oceania CEO & Regional Managing Partner is a member of the GPG.



EYG member firms

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

Above all, EYG member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, as well as all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 27).

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

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

At EY, we believe sustainability is everyone's business. EY, as an organisation, is effecting change at scale by building alliances, forging collaboration and rallying every one and every part of the business to take part. EY continues to focus on creating, protecting and measuring long-term value across all four dimensions of the NextWave strategy – people value, client value, societal value and financial value. It is by integrating all of these dimensions that EY fulfils its purpose of *Building a better working world*.

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

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

Among other things, this commitment is reflected in:



Corporate responsibility governance structures

Corporate responsibility across EY is coordinated by the EY Corporate Responsibility Governance Council (CRGC). This body includes members of the EY 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 76 million people, aided by:

- ▶ A rigorous focus on three areas (supporting the next generation workforce, working with impact entrepreneurs, and accelerating environmental sustainability) where the distinctive skills, knowledge and experience of EY people can make the biggest difference.

- ▶ A collaboration with other like-minded organisations to build ecosystems that are capable of creating change at scale. For example, the TRANSFORM initiative with Unilever and the UK Foreign, Commonwealth 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.
- ▶ Further collaboration to create lasting positive social impact through activities such as the creation of a text-based learning program for underserved students. EY recently received the 2022 SAP Pinnacle Award for Social Impact, for this work.



Commitment to human rights

The GE recently signed a statement reaffirming its commitment to uphold and protect human rights. The commitment focuses on the rights of all EY people, the impact of client engagements, stakeholders in EY supply chains, and active inclusiveness. Over the past year, EY has focused on strong governance and reporting around this commitment.



The EY carbon ambition

Globally, EY achieved carbon negative status in 2021 and aims to become 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

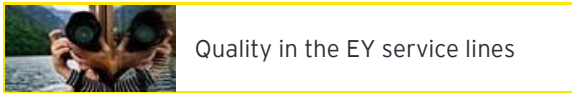
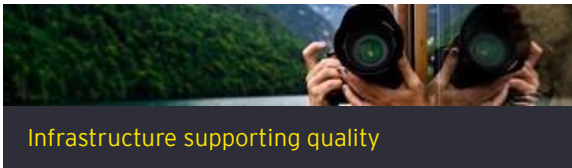
- ▶ Using nature-based solutions and carbon-reduction technologies to remove from the atmosphere or offset more carbon than emitted, every year
- ▶ Providing EY teams with tools to calculate, then work to reduce the amount of carbon emitted in carrying out client work
- ▶ Requiring 75% of EY suppliers, 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

Infrastructure supporting quality



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 enhance trust in business and the capital markets, in support of sustainable, long-term value creation.

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

In response, EY continues to harness the inherent strengths of its member firms' greatest asset in delivering quality and building trust - EY people. By enhancing their skills and experiences, while also transforming the way EY teams work to put data and technology at the centre of the assurance services they provide, they better deliver on the EY purpose of serving the public interest.

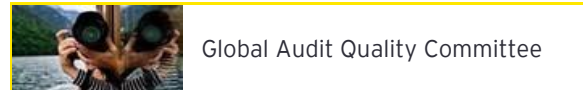
Through a data-first approach, enabled by analytics and digital tools, EY teams continue to deliver high-quality audits with independence, integrity, objectivity and professional skepticism. EY member firms remain future-focused as they transform, including ever more sophisticated data analytics, efficiently delivering greater insight and assurance in support of the high-quality audits that are valued by the companies that EY member firms audit and the capital markets.

By applying cutting-edge technologies, all while serving the public interest, our people are able to connect and contribute meaningfully 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 .



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.



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 on the adoption of audit standards and methodology, monitoring in-process engagements, 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 23), 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 and the Regional Assurance Managing Partner.



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 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(ERM) 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 coordinating risk management.

These priorities cascade to member firms through the ERM programme.

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

As the world emerges from the effects of the COVID-19 pandemic, Global Risk Management has actively sought input from EY member firms on lessons learned from both crisis management and business continuity standpoints. This after action review process has generated significant changes to EY planning around its crisis response and management of crises at the member firm and global levels. The fundamental change is a higher degree of proactiveness especially in identifying emerging risks before they cause significant impact, and the prioritisation of risks by each member firm. This allows the EY Global Security team and Region Security Manager network to work directly with its member firm crisis management teams in preparing for the most likely threats by incorporating training and advanced stages of readiness into its crisis management networks.

Additionally, Global Risk Management has placed more focus on business resiliency in business continuity planning efforts in EY. A key component of this approach is the recognition that many crises do not just “happen”, there are usually indicators of escalating factors as a crisis unfolds. This approach allows EY member firms to begin addressing mitigation of risks while continuing to carry on “business as usual” at the very early stages of a potential business impact situation. The creation of “escalation matrices” around several ongoing and high chance geo-political events allowed EY member firm and Region Risk Management and the crisis management network to respond more rapidly and more effectively as events escalate. Additionally, these escalation matrices and subsequent action item checklists go beyond traditional workforce health and safety issues by delving into factors that could impact a member firm's ability to effectively conduct business, e.g. disruption to banking systems or sustained cyber attacks against internet systems.

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



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).

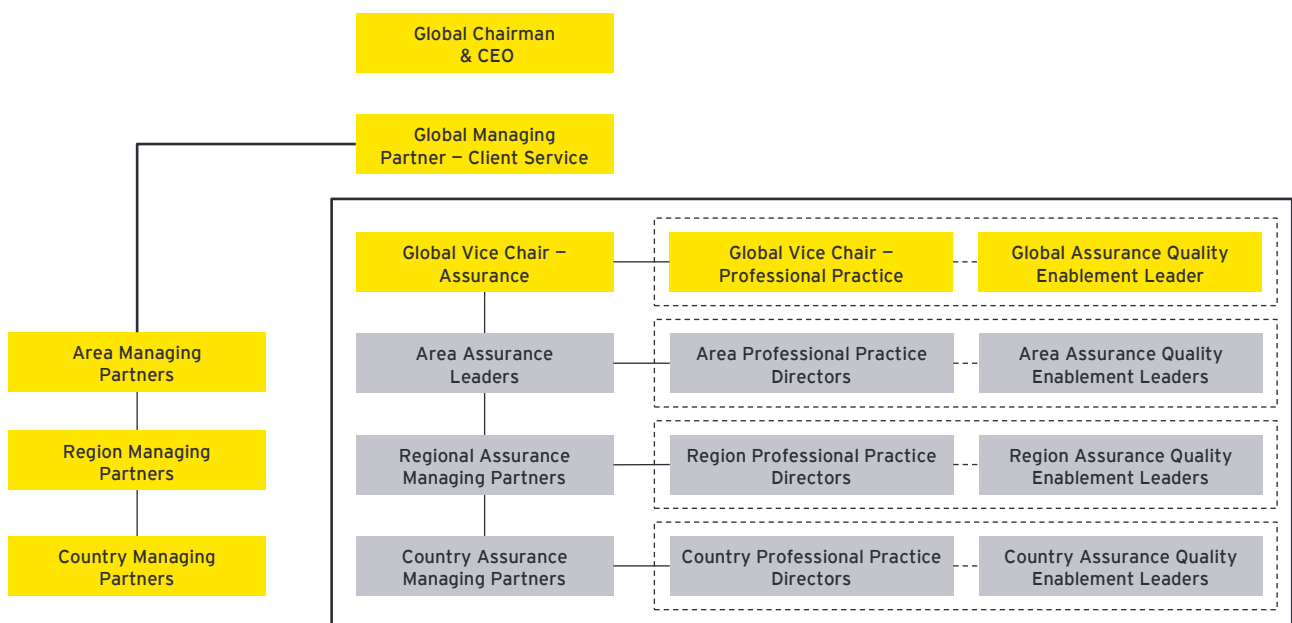
The EY Global Code of Conduct and the global policy on non-compliance with laws and regulations require EY professionals to speak up on observing behaviour that is believed to be a violation of a law or regulation, applicable standard or the EY Global Code of Conduct. This includes the unauthorised or 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. The principles within this global policy are based on the EU General Data Protection Regulation (GDPR) and other local regulations across the globe.

Assurance governance*



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



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.

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

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



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



EY Australia quality infrastructure

The Audit Quality Governance Committee ('AQGC') was established in EY Oceania, 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 Regional PPD and includes members of the Oceania Executive Leadership team including the CEO and Regional Managing Partner, the Regional Assurance Managing Partner, Oceania Financial Services Assurance Leader, Oceania QEL and Regional Audit Inspection Leader. The Regional Risk Management & Independence leader and other leaders are consulted on specific matters based on the AQGC priorities. AQGC's key focus areas include:

- ▶ Accountability of audit partners for audit quality and considering appropriate Tone at the top messaging.
- ▶ Approving the annual framework for quality and effective risk management performance evaluation for audit partners, and
- ▶ Monitoring progress on parameters used by EY Global to determine the regional audit quality rating.



Oceania Audit & Accounting Policy Committee

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

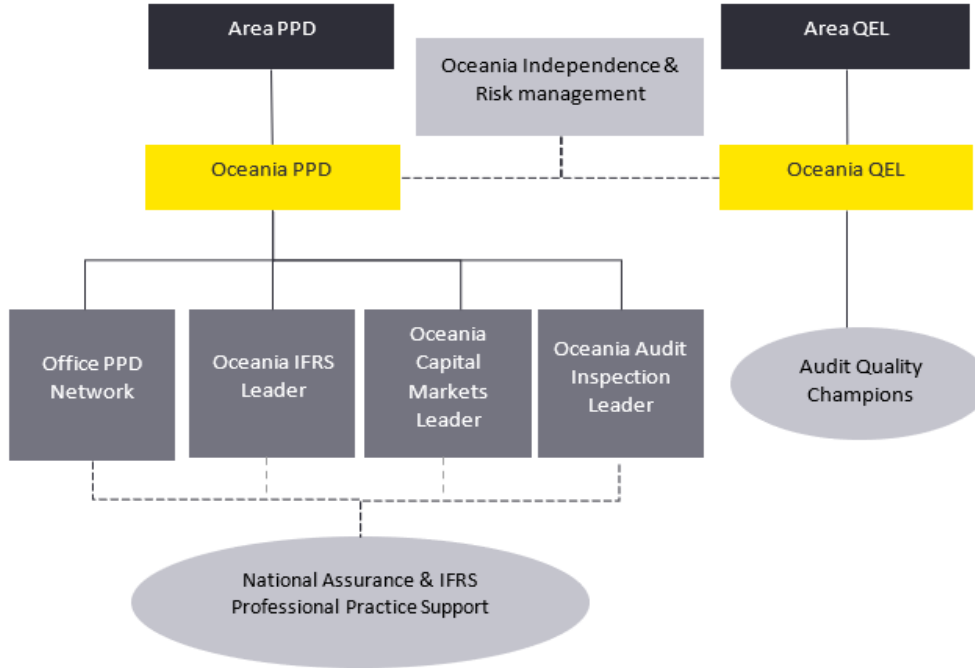
AAPC meetings are held quarterly and are focused on:

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



EY Australia audit-quality infrastructure

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



Meet our EY Australia leadership responsible for audit quality

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

Assurance Leadership is responsible for overall compliance with the system of quality control for the Assurance service line in the region.

David Larocca



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

David has a Bachelor of Economics degree and Graduate Diploma of Applied Finance and Investment, has served as a member of the Infrastructure Partnerships Australia (IPA) Advisory Board, is a member of the Champions of Change Coalition, is a CEO mentor for Kilfinan Australia and supports a number of charity and 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 EY Australia.

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

He holds a Bachelor of Business degree and is a Chartered Accountant and Registered Company Auditor. He is also a member of the Institute of Company Directors and is 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 the EY Oceania IFRS 17 leadership team, a member of the EY 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 and New Zealand and is a Registered Company auditor.

Chris George



Oceania Assurance Professional Practice Director

Chris has over 34 years of audit experience, including signing partner and engagement quality reviewer experience for many large and complex listed company clients. Chris has a central role in developing, monitoring and enhancing the quality of the EY Australia audit practice and in managing the associated risks for the Assurance practice. This includes developing Assurance policies, procedures and methodologies, maintaining effective relationships with standard setters, regulators and establishing and overseeing the consultation protocols our 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, has been a partner for over 13 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 qualified with the Institute of Chartered Accountants of England & Wales, is a member of Chartered Accountants Australia and New Zealand and is a Registered Company auditor.

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

Leigh Walker



Oceania Risk Management Independence 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 & Independence 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.

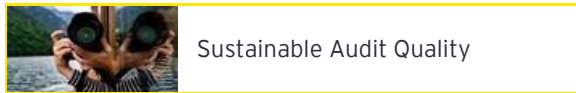
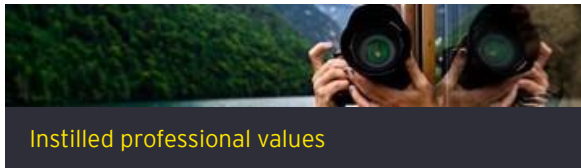
Leigh works with global client service partners, client and engagement teams, on a variety of risk and independence matters from acceptance to service delivery and through to reporting. Leigh is responsible for oversight of Independence across EY Oceania, including consultations, independence processes 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.



Commitment to Sustainable Audit Quality

Commitment to Sustainable Audit Quality



Quality is the foundation of our work and is 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.

SAQ also puts the implementation of the International Standards on Quality Management, namely ISQM 1 and ISQM 2, at EY in a strong position as:

- ▶ SAQ drives consistency and uniformity through various monitoring and remediation activities such as the Global Milestones Program and Global Root Cause Analysis process.
- ▶ SAQ sets out clear objectives and priorities for the distributed assurance leadership team to reinforce a consistent focus - examples of this include the Accountability Framework, Global Audit Quality Indicators and Action Plan response plans

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 (see page 30), 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 key ways 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 understanding, managing and mitigating risk. From an audit engagement perspective, there is a focus 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. From an audit portfolio management perspective, EY is focused on enabling the QEL network with the necessary tools to monitor in-process engagements, identify teams that may need positive intervention.

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 country, 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 quality priorities and other specific initiatives that respond to the causal factors from the root-cause analysis performed. The audit quality initiatives implemented over the years under the SAQ programme have contributed to improvements in audit quality and consistent improvement in audit inspection results both internally and externally.

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. 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 FY23 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

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 2022, we continued to focus on identifying and creating smart automation opportunities, the use of EY Smart forms leveraging the EY Canvas features to assist documentation on risk assessment, planned audit response and workpapers for digital audits including communications to those charged with governance on individual engagements.

Constantly engaging with audit partners and managers to drive audit quality

At EY Australia, we engage with our audit partners, managers and seniors in regular learning forums and events. Such events provide a platform to promote desired audit-quality behaviours and in 2022, these events facilitated in helping executives focus on transformation of our service delivery model to increase centralisation, expand technology and automation and enable data-driven audit. We believe the transformation will deliver trust and value to our clients and deliver an exceptional EY Experience for our people. The structured learning included the following events and forums, focused on audit quality and accounting updates:

Executive events and related web-based learning

Bi-annual structured learning events targeted at reinforcing messages around audit-quality focus areas, as well as upcoming accounting and reporting requirements. The events were conducted in November 2021 and May 2022.

The November 2021 event was designed with a focus on specific reminders on the changes made to the EY Global Audit Methodology and EY Canvas for digital audit implementation. The May 2022 executive event focused on transformation of our service delivery model to better integrate a digital approach and to highlight revisions to ASA 315, *Identifying and Assessing the Risks of Material Misstatement*.

The events included specific reminders to our audit executives in relation to heightened professional scepticism required when conducting audits including considerations supply chain disruptions, inflation etc. and continued COVID-19 considerations associated with varying social distancing restrictions in Australia and Internationally.

The executive events were led by the Oceania QEL, with active participation from the Risk Management & Independence leader and PPD, to ensure consistency of messaging across Australia. 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, inspection results and learnings from inspection findings, 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.

During 2022, our audit executives had to complete a series of mandatory web-based learnings on identification of and designing appropriate responses to fraud risk.

Audit-quality webcasts

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 2021 and January 2022. Webcast participants include Audit Partners, Associate Partners, Senior Managers, Managers and Seniors. These webcasts are subsequently available on our internal resource portal for all engagement teams to coach other staff members.



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, we assess quality of professional services provided as a key metric in evaluating and rewarding EY professionals.

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

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

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

- ▶ Mandated areas where partners are required to consult with professional practice (see page 34)
- ▶ Separation of professional practice function from audit operations management functions
- ▶ Independent engagement-quality review partner assigned, where required (see page 34)
- ▶ Approvals required from audit partners prior to engaging in any non-audit services for audit clients (see page 45)
- ▶ Financial penalties for poor audit-quality outcomes
- ▶ Financial penalties for partner independence breaches or non-compliance
- ▶ Partners cannot be and are not incentivised or remunerated for the sale of non-audit services to audit clients (see page 58)

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



Whistleblowing

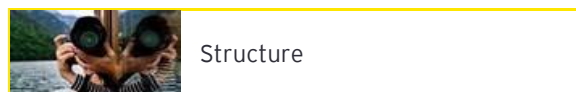
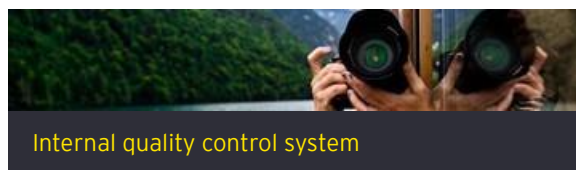
EY Australia has a Whistleblowing policy which sets out the principles for making, receiving, investigating and addressing disclosures raised by whistle-blowers. It outlines the appropriate escalation paths, the relevant legislation and the responsibilities and obligations of eligible recipients and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

The EY Ethics Hotline provides EY people, clients and others outside of the organisation with a means to confidentially report activities that may involve unethical or improper behaviour, and that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. Globally, the hotline is operated by an external organisation that provides confidential and, if desired, anonymous hotline reporting.

In 2022, 23 reports (2021: 17 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.

Our values: who we are

People who demonstrate integrity, respect, teaming and inclusiveness 1	People with energy, enthusiasm and the courage to lead 2	People who build relationships based on doing the right thing 3
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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.

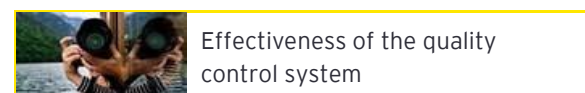
At EY Australia, our role as auditors is to provide assurance as to the fair presentation of the financial statements of the companies we audit. We bring together qualified teams to provide audit services, drawing on our broad experience across industry sectors and services. We continually strive to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

We recognise that in an environment, characterised by continuing globalisation, the rapid movement of capital and the impact of technology changes, the quality of our audit services has never been more important. As part of our strategy, we continue to invest heavily in developing and maintaining our audit methodology, tools and other resources needed to support service.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient delivery of audit

services. 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.



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 and 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.

Elements monitored and measured through the AQI dashboard are consistent with the EY accountability framework and are subject to an annual review to ensure they remain relevant and responsive to quality initiatives.

The Global AQI dashboard helps to inform the leadership about whether particular actions are having the intended effect, to provide an early warning where intervention is warranted and to support the effectiveness of the overall EY system of quality management.



Implementation of ISQM 1

In September 2020, the IAASB approved a quality management standard that includes significant changes to the way professional accounting 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. The Australian Auditing and Assurance Standards Board (AuASB) issued an equivalent Auditing Standard ASQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* (ASQM 1), which conforms with requirements of the ISQM 1 and will be effective as of 15 December 2022. ISQM 1 remains subject to final approval by at the Public Interest Oversight Board, in accordance with due process.

ASQM 1 will require firms to design, implement, monitor and assess the overall system of quality management (SQM), including annually concluding on the effectiveness of the SQM.

The standard includes more robust requirements for the governance, leadership and culture of

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

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

The EY approach is to implement 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.

EY has developed consistent frameworks and enablement for implementing the SQM within EY Australia. For example, EY has established an approach to the required risk assessment process that includes input and feedback from across EY services lines, functions and geographic areas to develop global baseline minimums, including quality objectives (based on ISQM 1 requirements), and quality risks and responses (including key controls) assumed to be applicable to EYG member firms.

EYG member firms have the responsibility to evaluate the global baseline minimums (e.g. quality risks, policies, technologies and key controls), and determine if the global baselines need to be supplemented or adapted by the member firm to be appropriate for use (e.g. additional quality risks, if the policy needs to be amended to comply with local laws and regulations and additional key controls).

Utilising this approach for ISQM 1 implementation, EY is building on responses already in place in the current ISQC 1 framework to establish the SQM under ASQM 1.

In addition, frameworks for performing monitoring and remediation activities (such as identifying and evaluating deficiencies, performing root cause analysis and developing remediation plans) have been developed as well as a framework for performing the annual evaluation process. These frameworks are supported by IT applications to drive consistency in the implementation of SQM throughout the EYG member firms.

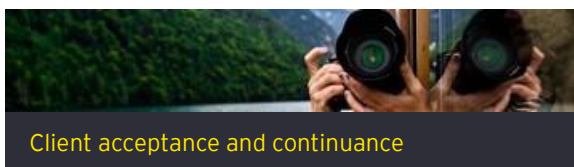
We believe that implementing ASQM 1 will be useful to improving quality at the firm and engagement level

because an effective SQM is foundational to achieving consistent engagement quality. In addition, it builds upon strong EY processes and controls to take quality to the next level, and is the next phase in the journey of continuous improvement, which started with the EY Sustainable Audit Quality program.

EY member firms are ultimately responsible for the design, execution and operation of their SQM, including the annual evaluation conclusion.

The standard requires firms to design and implement a system of quality management by December 2022. EY Australia continues to work to implement the new standard alongside the EY System of Quality Management transformation programme. Key steps have included:

- ▶ Reviewing global baseline quality objectives and quality risks to identify whether additional quality objectives and / or quality risks are needed
- ▶ Reviewing and understanding global resources (i.e. global policies and technologies) and their implementation or use
- ▶ Reviewing and customising global baseline key controls
- ▶ Identifying and documenting any additional key controls required at EY Australia
- ▶ Performing walkthroughs and sample testing
- ▶ Identifying enhancements to the existing quality control system to achieve compliance with the new standard



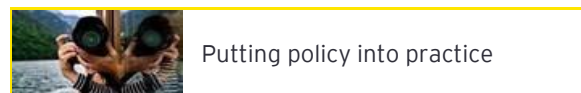
The EY global policy on client and engagement acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement, or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people 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.



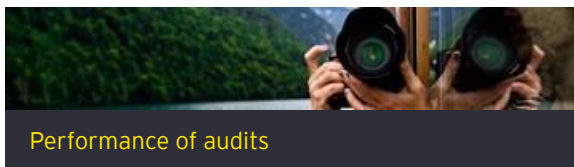
We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and member firm policies. PACE takes users through the acceptance and continuance 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 EY Australia PPD or their delegates, and the Assurance Managing Partner or their delegates.

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 review 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.



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.



EY is on a mission to become the most trusted global Assurance services provider, furthering the public interest by proactively addressing stakeholders' needs for trust and confidence in the capital markets. This will be supported through digitally-empowered teams and services that deliver leading-edge insights and value.

EY has invested in the EY Digital Audit, which includes leading-edge technology, data capture processes, and a data-driven, end-to-end, audit approach. The EY Digital Audit helps create higher audit quality through better focus on risks of material misstatement and higher quality audit evidence to respond to those risks.

EY Digital technology focuses on three core areas: Connecting, Automating and Analysing.

1. **Connecting** teams and companies

Connecting teams to one another and to the companies they audit creates a secure platform for a digital-first approach:

- ▶ EY Canvas
- ▶ EY Canvas Client Portal
- ▶ EY Canvas Mobile Application Suite
- ▶ EY Canvas Dashboard

2. **Automating** audit procedures and processes

By automating audit procedures and processes, EY teams reduce client burden and are able to focus on areas requiring judgment:

- ▶ Centralisation: data capture
- ▶ Standardisation: Global Delivery Services
- ▶ Automation: EY Smart Automation

3. **Analysing** data, including with emerging technology

EY teams analyse data with advanced and emerging technologies, and build audit evidence to support conclusions:

- ▶ EY Helix data analyser library
- ▶ Artificial intelligence
- ▶ EY Blockchain Analyser
- ▶ Digital Global Audit Methodology

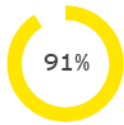
Connecting

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. The majority of forms that enable audit documentation are integrated into EY Canvas, leveraging the profile questions to deliver the relevant audit procedures and related documentation requirements. EY Canvas is built with a user interface that allows the team to visualise risks and their relationship to the planned response and work performed in key areas. It also enables a linkage for group audit teams to communicate relevant information and instructions to component auditors so that group auditor 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.



91% of EY Australia PIE clients use EY Canvas Client Portal

Automating

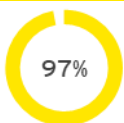
Organisations see robotics as an opportunity to enhance individual processes using technology. The EY Digital Audit leverages the global connectivity of EY Canvas to deploy automation globally. This strategy builds on the powerful automation already embedded within EY Canvas through the advanced coding that powers the platform.

EY Smart Automation is the library of smart automation solutions that automate audit procedures and processes. EY Smart Automation is deployed through an automation hub directly integrated within EY Canvas. It maximises the use of robotics and advanced automation techniques to automate administrative and repetitive tasks, including those traditionally executed manually. This, in turn, helps EY member firms' audit teams to focus their time on areas requiring their professional judgment and insight.

Examples of EY Smart Automation include

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

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



97% of our audit teams on EY Australia PIE clients use EY Smart Automation tools

Analysing

EY member firms' audit teams are making data analytics 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 Digital GAM) to audit that data, replacing or supplementing more traditional audit procedures, such as sampling.

EY Helix is a library of data analysers, supported by specific audit programs and enablement. These data analyzers are transforming audits through the analysis of larger populations of audit-relevant data, identifying unusual patterns and trends in that data, and helping to direct audit effort.

Using the EY Helix library of data analysers, EY audit teams can enhance their audit risk assessment, enabling the audit of higher-risk transactions, and assisting EY audit teams in asking better questions about audit findings and evaluating the outcomes.

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



80% of EY Australia listed audit client engagements with greater than 1,000 audit hours use EY Helix Analysers



Audit methodology

Driving the application of this innovative technology is EY Digital GAM. Designed based on extensive research with audit practitioners, this is the profession's first data-driven audit approach. All procedures, including risk assessment and substantive procedures start with a data-first mindset, by analysing relevant financial and non-financial data and supplementing this with traditional audit techniques such as inquiries, observations and inspection.

EY Digital GAM is one of a number of audit approaches available to audit teams to meet the needs of the wide range of entity types audited, and sits under the umbrella of EY GAM.

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

EY GAM contains a number of audit approaches which are “profiled” within EY Atlas to present the relevant requirements and guidance, depending on the nature of the entity being audited – e.g. there are profiles for Digital GAM or Core GAM and further profiles to address listed entities including public interest entities (PIEs) and for those considered non-complex entities.

EY continues to develop the methodology to meet changes and revisions in auditing standards and changes within entities’ financial reporting processes, such as the adoption of emerging technologies. Other enhancements have been made to address revised standards, emerging auditing issues and matters, implementation experiences, and external and internal inspection results. Recently, EY GAM was updated for the requirements of ASA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement* and a suite of enablement to implement the new and revised requirements was issued.

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

With respect to the conflict in Ukraine, and related sanctions on Russia, we have issued accounting and auditing considerations when auditing entities that are exposed to risk due to the recent events in these countries.



Certification of technology

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

Certification addresses a range of areas, including that the solution has a clear audit evidence objective, has been widely tested, that methodology and enablement is available to support appropriate application and effective learning is available to practitioners. There are also checks to ensure that data is securely maintained and that there is compliance with relevant data privacy requirements.



Formation of audit teams

The assignment of professionals to an audit engagement is made under the direction of our Assurance leadership. The factors considered when assigning people to audit teams include engagement size and complexity, engagement risk ratings, 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 Oceania PPD or their delegates. 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 fulfill their engagement responsibilities, and are in

compliance with applicable auditor rotation regulations.



Identify and assess fraud risk

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

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

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

- ▶ The use of data analytics for fraud testing in audits
- ▶ Using additional internal and external data and information to enable more nimble responses to external risk indicators, such as short selling and whistleblowers
- ▶ Utilising electronic confirmations for audit evidence wherever possible
- ▶ Developing a proprietary fraud risk assessment framework for use with audit committees and those charged with governance
- ▶ Requiring the use of forensic specialists in the audit on a targeted-risk basis

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



Non-financial reporting

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

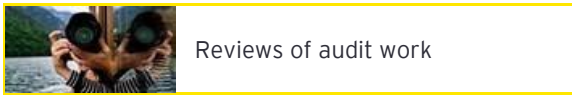
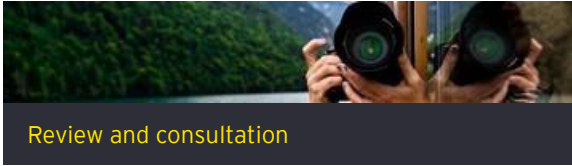
sustainability information. EY SAM provides for the delivery of high-quality assurance services through the consistent application of thought processes, judgments and procedures in all engagements, regardless of the level of assurance required. EY SAM is also adaptable to the nature of both the ESG reporting, and the criteria applied by the reporting entity in producing that report.

The methodology emphasises applying appropriate professional scepticism in the execution of procedures inclusive of the changing landscape in ESG reporting and criteria. EY SAM is based on the International Standards on Assurance Engagements (ISAEs) and is supplemented in 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 nonfinancial reporting, EY has developed guidance, training and monitoring programs, and processes used by member firm professionals to execute such services consistently and effectively. This includes the EY Climate Change and Sustainability Services – a dedicated team of sustainability professionals. Guidance has also been developed for audit engagement teams to assess the impact of climate risk on financial reporting under International Financial Reporting Standards (IFRS) or other financial reporting frameworks. The Global, Area and Regional PPDs, EY quality functions and IFRS desks, together with other finance and sustainability professionals, who work with teams in each member firm, are knowledgeable about the changing regulatory nonfinancial reporting landscape, EY people, clients and processes. They are readily accessible to support assurance engagement teams.

Additionally, EY has enhanced quality control related processes to address such aspects as the engagement acceptance process, training and accreditation requirements, and resource assignments specifically related to attestation services over nonfinancial reporting matters.

EY provides input to a number of public and private initiatives to improve the quality, comparability and consistency of nonfinancial 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, including the development of the Taskforce on Nature-related Financial Disclosures (TNFD) framework.

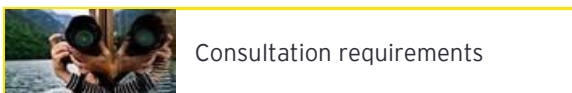


EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed. Supervisory members of an audit team perform a detailed review of the audit documentation for technical accuracy and completeness. Senior audit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

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

- ▶ Risk, materiality, subjectivity and complexity of the subject matter
- ▶ Ability and experience of audit 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.



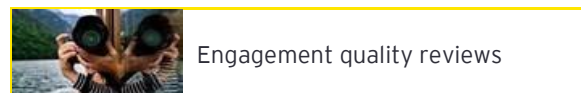
EY consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. As the environment in which EY member firms work has become more complex and globally connected, the EY culture of 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 entity to which the consultation relates. In these circumstances, other appropriately qualified individuals would be assigned.

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



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.

Certain policies and practices related to the assignment and eligibility of professionals to serve as engagement quality reviewers, as well as related accreditation and training requirements, and enablement to support execution of the reviews are being modified to conform with the requirements of International Standard on Quality Management (ISQM) 2, *Engagement Quality Reviews*.

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 other public-interest entities and those considered to need close monitoring. The Regional Assurance Managing Partner and Oceania PPD approves all the required audit engagement quality review assignments.



Audit engagement team resolution process for differences of professional opinion

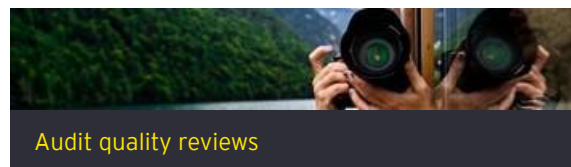
EY has a collaborative culture that encourages and expects people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to an engagement. Policies and procedures are designed to empower members of an audit engagement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

These policies are made clear to people as they join EY, and we continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard and seek out the views of others.

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

Furthermore, if the engagement quality reviewer makes recommendations that the 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.



The EY Global AQR program is the cornerstone of the EY process to monitor audit quality. EY Australia executes the Global AQR program, 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 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.

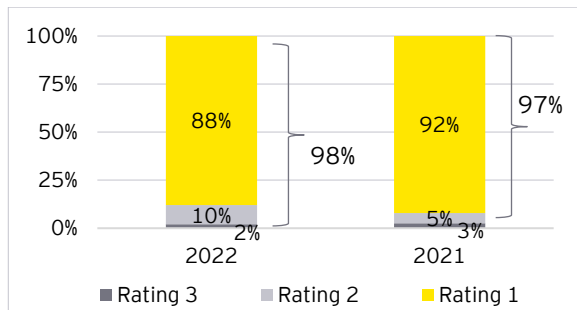
The Global AQR programme complements external practice monitoring and inspection activities, such as inspection programmes executed by audit regulators and external peer reviews. It also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

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. Utilising EY Canvas and other collaboration tools, and leveraging from the lessons learned through COVID-19 restrictions, the AQR program was effectively completed in EY Australia through remote reviews when required.

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 2022, EY Australia's AQR programme resulted in the inspection of 40 (2021: 38) audit engagements and 98% (2020: 97%) of the engagements inspected were rated as having no material findings or deficiencies.



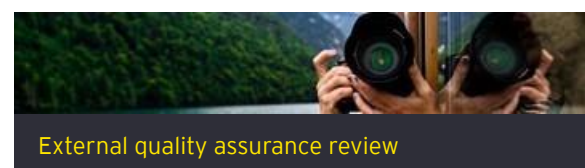
When there are material or more than minor findings / deficiencies, EY Australia looks at the findings from internal and external inspections to identify root causes, develop action plans and improve audit quality. For audits with material findings arising from our internal reviews, EY Australia develops 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 23). AQR results play an important part in our assessment of Partner and staff quality.

Case study to illustrate our responses to AQR findings.

Root-cause analysis and our response to AQR findings in 2022 related to the audit of inventory.

Area of finding	The audit of inventory with emphasis on testing existence of inventory as at the balance sheet date.
Causal factors and our action plan	<p>Our root-cause analysis related to inventory findings in the recent AQRs indicated inconsistencies in the application of our global audit methodology when planning for inventory existence testing. Since then, we have:</p> <ul style="list-style-type: none"> ▶ engaged with our audit partners and their teams through focused training sessions to provide further guidance on planning and execution of inventory existence testing ▶ encouraged teams to plan the testing approach early in the audit cycle including assessment of reliance on controls designed to support inventory existence ▶ reminded the importance of executive involvement in planning the inventory testing approach and during observation of inventory count in certain circumstances ▶ issued guidance and enablers to remind audit teams of key considerations in when testing inventory existence including determining sample sizes ▶ included a consultation requirement with professional practice partners to clarify application of audit methodology in more complex circumstances. <p>Our professional practice partners and quality champions continue to assist engagement teams with application of these guidance and will monitor in upcoming AQRs for the application of inventory guidance in the ongoing audit engagements.</p>



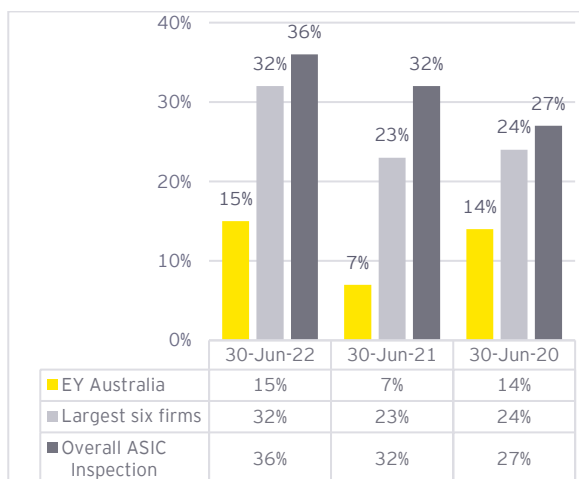
EY Australia is subject to inspection of our audit practice and audit files by ASIC. As part of its inspections, ASIC evaluates quality control systems and reviews the files related to a sample of audit engagements.

In October 2022, ASIC published its report summarising the results of the most recent inspection cycle for the period from July 2021 to June 2022 (See [2022 ASIC Audit Inspection report](#) for details) covering 8 EY audits comprising 7 listed companies and 1 non-listed public interest entity. In ASIC's view, in the 12-month period ended 30 June 2022, EY Australia did not obtain reasonable assurance that the financial report was free of material misstatement in 4 out of 26 areas reviewed. ASIC note this does not mean that a financial report was materially misstated in these areas (See [2022 EY audit firm inspection report](#) for details).

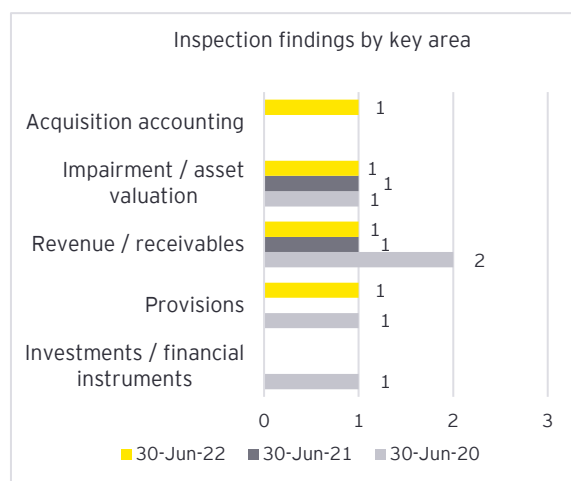
In November 2021, ASIC published its report summarising the results of the inspection cycle for the period from July 2020 to June 2021 covering 8 EY audits of listed companies. In ASIC's view, in the 12-month period ended June 2021, EY Australia did not obtain reasonable assurance that the financial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

ASIC inspects a risk-based sample of 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 the more complex, demanding and challenging audits, as well as 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, and the largest six firms, to the findings reported in EY Australia audits inspected for the periods ended 30 June 2022, 30 June 2021 and 30 June 2020 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.



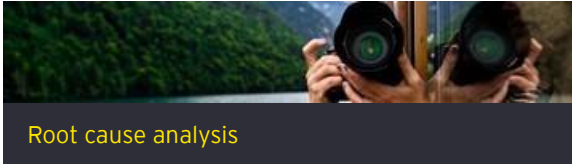
Public Company Accounting Oversight Board

EY Australia was inspected by the Public Company Accounting Oversight Board (PCAOB) in 2022. As part of its inspections, the PCAOB evaluated quality control systems and reviewed 2 selected engagements. The report is being finalised by the PCAOB.

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

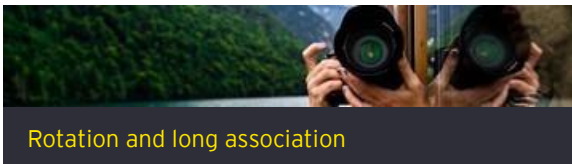
EY Australia is also registered with the Canadian Public Accountability Board, New Zealand's Financial Markets Authority, Luxembourg's Commission de Surveillance, the UK's Financial Reporting Council, Japan's Financial Services Authority, Spain's Instituto de Contabilidad y Auditoría de Cuentas and Hong 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.



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. The EY Global Root Cause process is designed to drive consistency in execution and timeliness of completion as well as execution of responsive action plans, actively monitored.

EY Australia's audit practice identifies and evaluates various conditions and events that may have contributed to the favourable or unfavourable outcome. 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 findings and root causes to determine if systemic issues exist, and if so, further action plans are developed. EY Global Remediation Taskforce is responsible for addressing the most serious pervasive findings and root causes across the network and implementing responsive action plans on a larger scale.

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



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 partner in charge of the audit 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 Australia Independence Leader and Oceania PPD. Following rotation, the partner in charge of the audit 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 judgment related to the application of the rotation rules or the engagement is considered high risk. We monitor our tools and process to ensure they are updated in a timely manner for required changes in regulatory requirements, including any announcements from IESBA and APESB.



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. In recognition of the growing global impact of bribery and corruption, efforts have been sustained to continue to embed anti-bribery measures across EY.



Insider trading

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

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



Economic and trade sanctions

It is important that we are aware of the ever-changing situation with respect to international economic and trade sanctions. EY monitors sanctions issued in multiple geographies both at the point when business relationships are accepted and as they continue. Guidance is provided to EY people on impacted relationships and activities.



Data protection

The EY global policy on personal data protection sets out the principles to be applied to the collection, use and protection of personal data, including personal data 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 UK and EU regulators in place to facilitate the movement of personal data within the EY network.

Furthermore, EY Australia has a policy addressing specific Australian data privacy requirements and business needs.



Document retention

EY Record Retention global and related local policies on records and information retention and disposition apply to all engagements and personnel. These policies address document preservation whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena or other government proceedings involving us or one of our clients that may relate to our work. The local policy addresses Australian legal requirements, applicable to the creation and maintenance and retention of all records.



Commitment
to quality and
independence
in our service
lines

Commitment to quality and independence in our service lines

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

We are committed to providing exceptional client service objectively and ethically on every audit. We are guided by the EY Global Independence Policy (see page 43) which contains robust independence requirements predicated on the IESBA Code and supplemented by more stringent requirements in our local APESB Code. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. EY Australia ensures that our audit teams and other specialists across functions are all bound by the same standards of quality, independence and ethics, share common professional values, and are intertwined in a culture and brand built on a reputation for high-quality audits. Specialists participating in audits are subject to the heightened independence rules applicable to audit team members.

We are committed to a multi-disciplinary model as we progress in the strategic review of the EY business globally. EY leaders have reached the decision to move forward to seek partner votes in early 2023 to separate into two distinct, multi-disciplinary organisations. We are focused on building an Assurance practice with the breadth and depth of technical skills and industry expertise necessary to deliver high quality audits now and into the future.

The requirements of ASA 540 (revised) on *Auditing Accounting Estimates and Related Disclosures*, ASA 315 (revised) on *Identifying and Assessing the Risks of Material Misstatement* increases 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 multi-jurisdictional tax regimes, complex modelling, tax reform, executive remuneration valuation protocols, data analysis,

artificial intelligence, cyber, robotics, blockchain and other emerging disciplines are all integral to the delivery of a high-quality audit as the business environment become increasingly complex.

Multi-disciplinary does not mean that we provide all our services to our audit clients. There are significant restrictions on non-audit services that can be provided to audit clients (see page 45). This ensures our auditors are focus on delivering high quality audits and that the decisions they make in the conduct of their audits are not influenced by other commercial outcomes the firm may experience in either Assurance or any of its other service lines. Our policies include:

- ▶ The principal element of partner performance incorporates, outcomes from audit inspection programmes (both internal and external), with financial penalties for poor-quality outcomes and independence breaches or non-compliance
- ▶ Assessment of audit partners' performance and their remuneration exclude any consideration of selling non-audit services to audit clients
- ▶ Risk-management and audit-quality responsibilities reside within a professional practice group that is separate from the operational leadership of EY Australia.



Independence practices

Independence practices

The EY Global Independence Policy requires EY Australia and our people to comply with the independence standards applicable to specific engagements, e.g. the IESBA and APESB Code of Ethics.

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 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 audit client, based on the professional's recorded financial interests, before the professional is assigned to a client engagement, whether for an audit engagement or a non-audit engagement. Identified exceptions are reported through the Global Independence Consultation database for regulatory matters.

GMS also facilitates annual and quarterly confirmation of compliance with independence policies, as described below.



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

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 client service managers and above, including 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 of 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

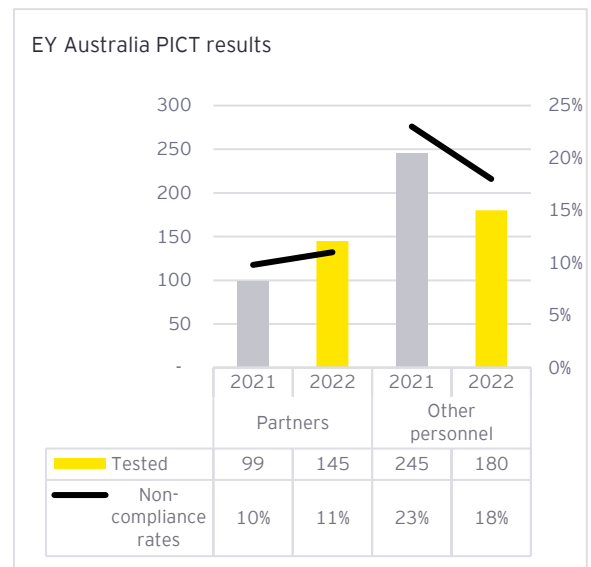
Each year, the EY Global Independence team establishes a programme for testing compliance with personal independence confirmation requirements and with reporting of information into GMS.

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

Role	Testing frequency
Random 3% sample of other professionals (Managers and above, not Partners)	Annually

EY Australia tested 325 partners and other personnel (2021: 344) 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 is summarised below:



During 2022, we identified two breaches of APES110 and/or the Corporations Act 2001. These related to instances of an immediate family member of a partner holding an insignificant superannuation financial interest in an audit client where the lead audit engagement partner was located in the same office. The partners did not provide any services to the audit client nor was the partner a member of the relevant audit team. One 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. In the second instance, the breach was identified as part of the partner's personal independence compliance testing, at which point the entity was no longer an EY audit client.



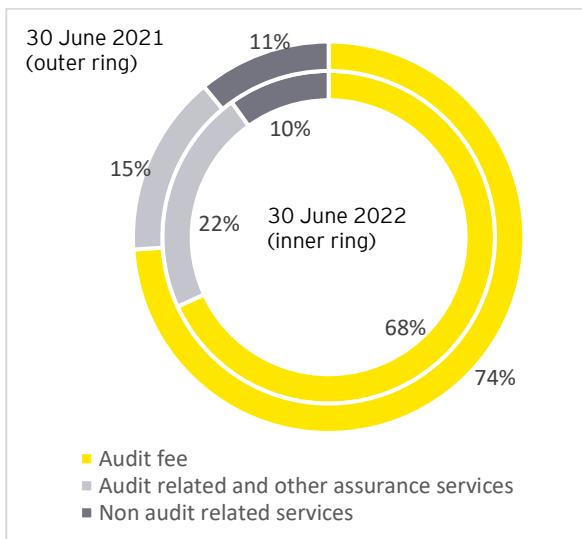
Non-audit services

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

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

In addition, we perform testing procedures of 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 2022 and 30 June 2021



The audit related other assurance services include fees for other assurance reports including agreed-upon procedures required under legislation or

contractual arrangements. Tax compliance services are generally the largest component of the non-audit services.



Global independence learning

EY develops and deploys a variety of independence learning programmes. All 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 also provides additional training in the executive events of learnings from independence compliance testing and external inspections during the period.

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



Service Offering Reference Tool (SORT)

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

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



Business Relationships Independence Data Gathering and Evaluation (BRIDGE)

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



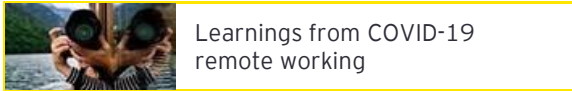
Audit committees and oversight of independence

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.



Investing in
exceptional
talent and their
wellbeing

Investing in exceptional talent and their wellbeing



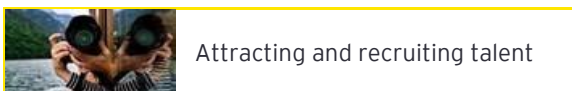
The continuing EY commitment to investing in talent will drive further advances in audit quality, creating real value and insights for companies that are audited by EY teams. Even during a period of unparalleled disruption, EY member firms have continued to invest time and resources in our people, so that they can draw out the very best in them.

The shift to remote working at the start of the COVID-19 pandemic accelerated a trend that was already in place in the auditing profession. Auditors are moving to more flexible ways of working based on the requirements of the audited entity, the audit firm and the individual.

This changing working environment has accelerated the need for auditors to make greater use of available technology, to have an agile mindset that embraces change and disruption, and to operate effectively in teams.

There has also been an increased focus during the pandemic on how teams work together and on improving communication. As part of this, we are using the power of our global network to share best practice ideas across key themes - onboarding, smart ways of working, wellbeing, coaching and mentoring, and engaging and enhancing team experiences.

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

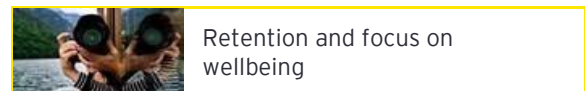


Competition for talented people with the relevant skills has never been higher and finding the next generation of high-quality auditors is a top priority. We put a great deal of effort into keeping our network of recruiters around the world up to speed with current trends and hot topics in audit so that they are armed with the information to talk to candidates. We are also exploring several innovations in recruitment that have the potential to make us more attractive to diverse audiences and improve the candidate experience.

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

Workforce planning is an important enabler as EY seeks to understand, anticipate and lead the changes that will impact the profession. Planning tools enable the business to model different assumptions and identify the actions needed on both a short- and long-term basis.

The tools help to connect the different talent initiatives, starting with recruitment - identifying the number of people and the skills required - and then linking to career development. This knowledge enables the EY organisation to offer meaningful career progression and opportunities.



Having recruited the talent, retaining it within the business is a key contributor to the delivery of high-quality audits. Retention can vary based on external drivers such as market conditions. However, there is one factor that is globally consistent: employee expectations.

The issue of work-life balance is becoming increasingly important for EY people. People are now far more focused on getting the balance right between their professional and personal lives. An increasingly important talent priority has, therefore, been on wellbeing and improving the day-to-day experience of EY people. The better the organisation can support people's wellbeing, the more likely it is to provide them with compelling reasons to continue their career journey within the EY network.

An overarching goal of the recently launched EY Global Wellbeing Strategy is to embed a wellbeing culture through the commitment of leadership and the provision of appropriate resources and opportunities to achieve optimal health and performance. The aim is to increase job satisfaction, help people take care of themselves and be more effective.

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

As part of this commitment, there is a stronger focus on experience management, scheduling auditors onto engagements where they can find opportunities to expand their knowledge, as part of longer-term career progression.



Personalised careers with diverse experiences

As the workforce becomes more diverse in terms of background, skill sets and education, aspirations also change. With more people with specialised skills entering the organisation, EY member firms are creating a more varied, flexible and agile set of career paths for professionals that are based on a future-focused service delivery model.

New entrants to the workforce may have different career hopes, so they are being provided with the necessary tools and processes to manage their progression. A more individualised career structure is vital in attracting new talent and in helping to develop and retain the existing workforce.

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

We are seeing great success through these redesigned career paths. In the March 2022 global employee listening survey, 76% of respondents agreed that at EY, there are diverse career paths to help them build the career that is right for them (up 7% from 2021).



Diversity, equity and inclusiveness

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

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

EY also recently launched the Global Assurance DE&I baseline expectations model in the audit practice to accelerate progress. This includes a set of globally applicable baseline expectations for DE&I across all Assurance talent processes, and consists of ideas and initiatives for what can be done to advance DE&I within these processes.

There continues to be a strong focus on building diverse teams across EY, including in our Assurance practice. Forty-five percent of new audit partners promoted and thirty-eight percent of newly appointed Associate Partners in EY Australia, on 1 July 2022, were women and a strong pipeline of female leadership has been developed.

Inclusive organisations maximise the power of all differences. Employees need to feel they are working for an organisation that not only values them as individuals, but also sees differences as strengths and values their contributions. Fostering this sense of belonging is critical to helping the EY organisation attract the most talented individuals, and helping our professionals stay motivated and engaged.

In the March 2022 global employee listening survey, 78% of auditors said the EY organisation prepares them to work effectively with clients and colleagues from different countries and cultures where they feel free to be themselves, an increase of 2% when compared to the March 2021 survey.

Leaders across EY make DE&I a priority and it is a key metric across all the organisation's talent management programmes. To enable greater accountability across the EY organisation, the Global DE&I Tracker helps track progress with consistent diversity and inclusiveness metrics and reporting across the organisation globally. EY also created the Global Social Equity Task Force (GSET) to develop cohesive action plans, specifically addressing inequity and discrimination, including racism. As a global organisation, EY has an opportunity to address the impact of inequities and injustice, and push for progress within EY and beyond. EY commits to advancing social equity and inclusive growth and standing against injustice, bias, discrimination and racism. Social equity means that we aim for each

person at EY Australia to have access to the resources and opportunities they need, given different starting points and different needs. It also means removing barriers to opportunities and inclusive experiences, that may lead to unequal outcomes. EY believes businesses have direct influence to address these gaps and build a better working world, through teaming, leadership and culture on teams, and the assignment and value of work, and how performance evaluation, advancement and appointment decisions are made.

We respect
 one another, we value differences and we strive for an inclusive environment free from discrimination, intimidation and harassment. Mistreatment based on age, disability, gender and gender identity/ expression, nationality, religion, sexual orientation, other identity dimensions defined and constructed by some societies in ethnic, color, cultural, or racial terms, or any other form of mistreatment of people based on perceived differences in human characteristics is not tolerated.

We leverage
 our differences to create an inclusive environment where all people feel, and are valued, for who they are, have a sense of belonging, and are inspired to contribute their best in every encounter.

We are committed
 to building diverse teams and maximising the power of different perspectives and backgrounds in our teams.

EY leadership reaffirms zero tolerance to incidents of bullying, harassment, and racism. Our staff have access to the Whistleblowing policy, and the EY Ethics Hotline (See page 26) is available internally to all EY personnel and externally to third parties to report any activity that may involve unethical or improper behaviour, and that may be in violation of or otherwise inconsistent with the EY shared values or Global Code of Conduct.



EY has a performance management framework that connects people's career, development and performance. Through ongoing feedback, counsellor insights and development conversations, it aligns individuals with the EY strategy and enables a focus on the future. An individual's dashboard provides a snapshot of performance against the Transformative Leadership dimensions, including quality, risk management and technical excellence, and assesses performance against their peers. Feedback received

during an annual cycle is aggregated and used as an input to compensation and reward programmes.

At the centre of the framework are conversations between counselee and counsellor, covering topics such as diverse career journeys, applying emerging technology, experiencing new teams, and learning. These conversations help to identify opportunities for further development and to build future-focused skills.

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



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

Engagement levels are regularly monitored through a variety of channels, and the March 2022 global employee listening survey showed that 72% of audit professionals had a favourable attitude in terms of engagement, a figure that continues to rise.

Listening to the views and concerns of EY people is a key element in increasing engagement. The EY professionals listening strategy gives our people a voice at every step of their EY experience, so that we know what they need and what EY can do to help build exceptional experiences. Understanding the evolving perspectives and experiences of EY people is essential to delivering our employer value proposition - *The Exceptional EY Experience. It's Yours To Build.* The EY People Pulse survey is run three times per year to gather feedback on key elements that drive engagement and retention. Each survey focuses on different strategic drivers (Careers, Learning and skills, etc.) and includes other relevant topics.

The EY Team Experience survey is another critical element of our employee listening strategy, aimed at improving and unifying the day-to-day experience for

our engagement teams. Eligible team members provide feedback on their experience of an engagement across a variety of questions, rated on a five-point scale. This feedback provides actionable insights and pathways for tangible change at the engagement team level.

For discussion of wider issues, the Global Voices network was established in 2021. A group of 200 high-performing people from all levels and all Assurance sub-service lines provide feedback on, or contribute ideas to, a range of different strategic priorities. It effectively works as a “shadow board,” providing valuable perspectives and insights, and helping to shape strategy. The initiative also provides an opportunity for senior leadership to detail their vision of the future and then allow that to cascade throughout the organisation.



Mobility

In an organisation that spreads across more than 150 jurisdictions, the opportunities to experience work and life are equally widespread. People join EY for exceptional experiences, including geographical mobility. The increased desire for variety and flexibility mean that it is now even more important to have the right people in the right place at the right time, and enough people with enough time to execute audit engagements.

Inevitably, travel restrictions during the pandemic have meant that many cross-border experiences had to be paused. However, in September 2021, legacy mobility programs were streamlined into one new offering – Mobility4U – which provides assurance professionals with a single point of entry to locate global opportunities. Both physical and virtual assignments are covered, including job swaps, where individuals can exchange roles with an EY peer on either a long or short-term basis. In the March 2022 global employee listening survey, 84% of respondents said they feel they have access to the work experiences they need to build their career, and in the survey four months earlier, 82% people said they feel EY prepares them to work effectively with clients and colleagues from different countries and cultures.



EY Australia talent and wellbeing focus



Agility and teaming 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 continued to deliver audits remotely where required, 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 recognises the contribution of its audit professionals who continued to deliver high quality audits and meet stakeholders’ expectations in these most challenging periods with remote working, and severe shortage in talent due to strict border restrictions impacting our ability to recruit skilled audit professionals from overseas.

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

The shift to remote and hybrid working has provided new challenges for our people. Maintaining vitality to work in a virtual team over long periods and adopting an agile mindset that embraces change has been critical. These circumstances have further highlighted the need to maximise the use of available technology.

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

EY Oceania Executive team, and the partner groups are supported by a dedicated Chief Mental Health Advisor, as they prioritise mental health, wellbeing and psychology of our people.



Bystander intervention workshops

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



Continued Wellbeing focus and support

Supporting the wellbeing of our people has been a strong focus for us at EY and remains integral to how we reimagine the way we work and reward our people. EY Australia is committed to going above and beyond with the benefits package we offer, continually listening to our people and delivering benefits that have a meaningful impact to the health and financial wellbeing of our people. Some of the initiatives in 2022 include:

<p>Physical & mental wellbeing</p> <ul style="list-style-type: none"> ▶ <i>EY Unplugged days</i> - to give our people regular opportunities to unplug, disconnect and focus on their wellbeing. ▶ <i>Employee Assistance Program</i> - Free and accessible for all employees and partners ▶ <i>360Health Virtual Care</i> - offers EY personnel and their family confidential access to leading world specialists, general practitioners and mental health clinicians ▶ <i>Trained EY Mental Health First Aiders</i> in Audit to help staff with any immediate concern or crisis 	<p>Putting our people first</p>	<p>Financial wellbeing</p> <ul style="list-style-type: none"> ▶ Financial assistance for comfortable and productive home offices ▶ Increasing superannuation added to the overall remuneration package ▶ Enhancing employee insurance to cover with life and total and permanent disablement insurance. ▶ Updates to <i>Length of Service</i> award to introduce 5 year milestone ▶ Robust infrastructure and technology support for remote working & virtual teaming
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Providing timely guidance to our audit staff to manage uncertainties

Responding to the continuing impact of the of the COVID-19 pandemic, uncertain geo-political environment, and the supply chain disruptions 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 these considerations 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 to apply an increased level of professional scepticism.

In addition, we required specific consultation requirements on the application of accounting and auditing standards due to the impact of COVID-19 and the uncertain geo-political impacts.



Focus on communications and coaching

The rapidly changing economic environment and 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.

Targeted Assurance executive's forums	<p>In addition to the planned structured learning curriculum, there was a series of virtual information sessions and communications delivered by the Regional Assurance Managing Partner, PPD and QEL to remind partners of the importance of audit quality and the heightened professional scepticism required of auditors, whilst managing the economic and social disruptions.</p> <p>The reminders also covered optimising our service delivery models to strengthen our focus on risks while leveraging on the available global centre of excellence support.</p>
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Continuing
education for
our high
performing
teams

Continuing education for our high performing teams



The Audit Academy

As the EY Digital Audit continues to evolve, it is important to complement the auditor's core skills with an evolving range of new capabilities. Every year, the content and focus of the Audit Academy are adjusted to address new technologies and strategic priorities that promote audit quality. Any changes are agreed by Assurance leadership, following recommendations from the EY Global Assurance Learning Steering Committee.

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

Teams can be sure that they are receiving world-class and globally consistent core learning. Whether that involves focusing on changes in regulation, mastering emerging technologies or embedding data analytics into existing audit practices, the Audit Academy has the resources in place to support every need. Moreover, the Audit Academy encourages and empowers individuals to apply professional scepticism, think critically and deliver exceptional client service. In response to the COVID-19 pandemic, the Audit Academy now delivers a blend of on-demand learning and simulation or case study-based learning that can be deployed either physically or virtually.



Professional development

To encourage the building of new skills, the EY Badges programme enables professionals to gain future-focused skills in three distinct pillars: technology, leadership and business. Subjects covered in the programme include analytics, transformative leadership, sustainability, artificial intelligence, blockchain, robotic process automation, innovation, cybersecurity and digital skills, as well as certain sector capabilities that are in high demand. New badges are added regularly as the program evolves.

Badges are awarded based on globally consistent criteria and act as a digital credential that the recipient can include on their CV, wherever their career may subsequently take them, to demonstrate what they have learned as part of their EY experience. EY was the first professional services organisation to offer such a program, with take-up increasing as more team members recognise the importance of managing their own skills portfolio.

As of 30 June 2022, 37,500 EY Badges had been awarded globally to current audit professionals, including 13,100 in analytics and data strategy alone. This is a significant achievement given that EY Badges is a self-directed learning initiative that supplements a substantial program of core mandatory training for auditors.

Allied to EY Badges is the EY Tech MBA, an online qualification awarded by Hult International Business School, a triple-accredited university. This is the first time that an organisation of EY's size has offered such a qualification to all its people. Following the success of the EY Tech MBA, also in association with Hult, EY has launched Masters in Business Analytics and Sustainability. Both are the first qualifications of their kind, and both are available free of charge to all EY people.

In the March 2022 global employee listening survey, 87% of respondents said that EY provides them with learning opportunities that build the skills they need to be successful (an increase of 1% on March 2021) and 83% said that what they are learning at EY is helping them to achieve their career aspirations (up 1% from 2021).

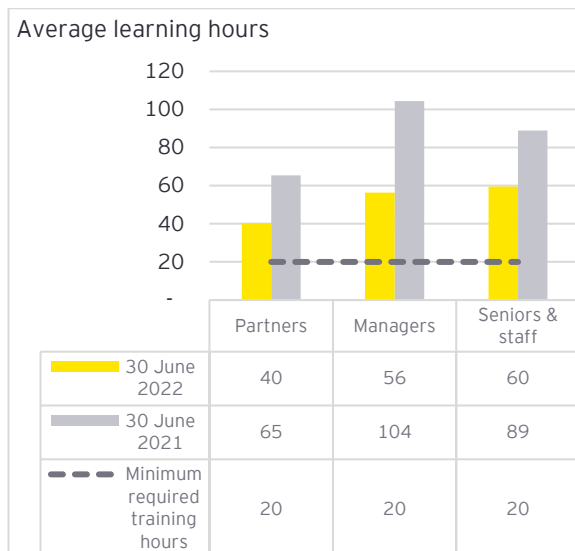
There are also a variety of learning programs that have been developed specifically for member firm partners. These are available to all member firm partners worldwide and cover topics including Transformative Leadership, Disruptive Technology, and Sustainability. These are supplemented by high-touch,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

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

EY Australia requires audit professionals to obtain at least 20 hours of continuing professional education

each year and at least 120 hours over a three-year period. Of these hours, 40% (eight hours each year and 48 hours over a three-year period) must cover technical subjects related to accounting and auditing. Our people believe the training programmes enable them to deliver high-quality audits. EY Australia also has targeted learning programmes for lateral hires on EY GAM and relevant tools.

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



The higher learning hours in 2021 represent the significant investment we made on training programs associated with the introduction of the EY Digital audit. There were mandatory courses on transformation, analytics and application of EY Digital GAM which were completed at all levels.

In June 2022, the US Securities and Exchange Commission (SEC) announced a settled order against Ernst & Young LLP, US (“EY US”) concerning conduct that was discovered in an extensive internal investigation and voluntarily shared with the Public Company Accounting Oversight Board (PCAOB). The order refers to incidents in the past of inappropriate and unacceptable answer sharing on continuing professional education and, by some individuals, on the ethics exams required to earn or maintain a Certified Public Accountant (CPA) license. EY US’s response to this unacceptable behaviour has been thorough, extensive and effective. EY US has reinforced the EY commitment that all EY people act with integrity and ethics through training, communications, ongoing monitoring and discipline

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

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

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

We have measures in place to prevent cheating during assessments undertaken as part of the learning modules and remind our staff that using answers received from others or seeking assistance from others in providing answers 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.



Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing audit teams with up-to-date information to help them perform their professional responsibilities. There is significant EY investment in knowledge and communication networks to enable the rapid dissemination of information to help 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:

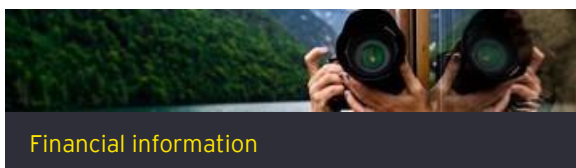
- ▶ EY Atlas, which includes local and international accounting and auditing standards, as well as interpretive guidance
- ▶ Publications such as International GAAP, IFRS developments and illustrative financial statements

- ▶ Global Accounting and Auditing News – a weekly update covering assurance and independence policies, developments from standard-setters and regulators, as well as internal commentary thereon
- ▶ Practice alerts and webcasts, covering a range of global and country-specific matters, designed for continuous improvement in member firms' Assurance practices
- ▶ Oceania Accounting and Audit News - a monthly update covering local auditing, accounting and financial reporting developments, reminders of key internal policies and announcements, as well as periodic updates on risk management
- ▶ Oceania Digital Digest - A periodical newsletter with a focus on digital assets, solutions and support available to execute a high quality digital audit



Revenue and remuneration

Revenue and remuneration



Financial information

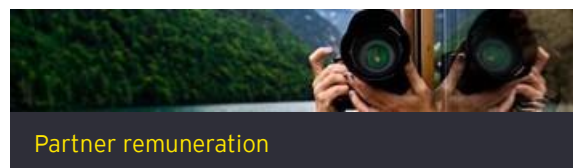
Revenue includes professional service fees and expenses billed to clients, and revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients as follows:

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

Financial information for the period ended on 30 June 2022 and 30 June 2021 (expressed in millions of Australian dollars)

Service	2022 Revenue	%	2021 Revenue	%
	(\$m)		(\$m)	
Audits and directly related services for audit clients [#]	434	16%	428	19%
Other Assurance and permissible non-audit services to audit clients	130	5%	121	5%
Non-audit and other assurance services provided to other entities	2,186	79%	1,761	76%
Total revenue	2,750	100%	2,310	100%

[#] Includes revenue AUD 16 million (2021: AUD 16 million) from audits and directly related services for audit clients listed in EU.



Partner remuneration

Quality is at the centre of the EY strategy and is a key component of EY performance management systems. EY Australia partners are evaluated and compensated based on criteria that include specific quality and risk management indicators. EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-assurance services to companies they audit. This reinforces to EY partners their professional obligation to maintain independence and objectivity. For audits conducted in accordance with the requirements of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, EY prohibits evaluating and compensating any partner or professional involved in, or able to influence the carrying out of, an audit engagement based on the sale of non-audit services to their audit clients. This reinforces that professionals are obligated to maintain independence and objectivity. Specific quality and risk performance measures have been developed to account for:

- ▶ Providing technical excellence
- ▶ Living the EY values as demonstrated by behaviours and attitude
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Complying with policies and procedures
- ▶ Complying with laws, regulations and professional duties
- ▶ Contributing to protecting and enhancing the EY brand

The EY partner compensation philosophy calls for meaningfully differentiated rewards based on a Partner's level of performance, as measured within the context of the performance management framework. Partners are assessed annually on their performance in delivering high quality, exceptional client service and people engagement, alongside financial and market metrics. Audit quality is the major component of how we assess the performance of our audit partners. Quality concerns arising from ASIC audit inspections and the EY AQR programme result in financial penalties to our Partners and limits their overall performance evaluation for the year, regardless of how they have performed in the other areas in which their performance is measured. The

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

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

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

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

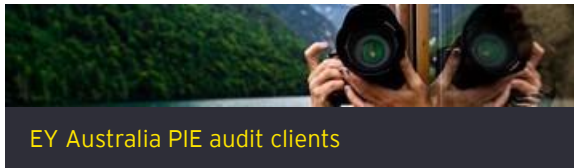
- ▶ Experience
- ▶ Role and responsibility
- ▶ Long-term potential

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



Appendix 1: List of EY Australia PIE audit clients

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In the fiscal year that ended on 30 June 2022, EY Australia performed audits of the following PIEs. The PIEs that had securities admitted to trading on the regulated markets in the EU are marked with an asterisk (*):

29Metals Limited
360 Capital Enhanced Income Fund
360 Capital Group Limited
360 Capital RE Limited
360 Capital REIT
360 Capital Total Return Active Fund
3P Learning Limited
AAPC Management Limited
Abacus Group Holdings Limited
Abacus Group Projects Limited
Abacus Income Trust
Abacus Storage Operations Limited
Abacus Storage Property Trust
Abacus Trust
Acorn Capital Investment Fund Limited
Actinogen Medical Limited
Adairs Limited
Adelaide Cash Management Trust
Adveritas Limited
Afterpay Limited
Aguia Resources Limited
AIC Mines Limited
AIM Global High Conviction Fund
Aioi Nissay Dowa Insurance Company Australia Pty Ltd
AJ Lucas Group Limited
Alexander Credit Opportunities Fund
Allan Gray Australia Balanced Fund
Allan Gray Australia Equity Fund
Allan Gray Australia Stable Fund
ALS Limited
Americold Australian Holdings Pty Ltd
AMP Bank Limited
AMP Capital Funds Management Limited
AMP Capital Schemes - December
AMP Capital Schemes - June
AMP Group Finance Services Limited*
AMP Limited
AMP Super
Antisense Therapeutics Limited
Aon Risk Services Australia Limited
Aoris International Fund
Arab Bank Australia Limited
Ardent Leisure Group Limited
Argo Global Listed Infrastructure Limited
Argonaut Resources NL
AUB Group Limited
Aurecon 37 Limited
Aurelia Metals Limited
Auscap Long Short Australian Equities Fund
Ausco Holdings Pty Limited
Australian Finance Group Limited
Australian Meat Industry Superannuation Trust
Australian Rail Track Corporation Limited
Australian Vintage Limited
Auteco Minerals Limited
Ava Risk Group Limited
Aventus Holdings Limited
Aventus Retail Property Fund
AVJennings Limited
AvSuper
Awale Resources Limited
Baby Bunting Group Limited
Bank Australia
Bank of Taiwan
Bannerman Energy Limited (formerly known as Bannerman Resources Limited)
Bastion Minerals Limited
Beach Energy Limited
Beforepay Group Limited
Bellevue Gold Limited
Bendigo and Adelaide Bank Limited
Bendigo Balanced Index Fund
Bendigo Balanced Wholesale Fund
Bendigo Conservative Index Fund
Bendigo Conservative Wholesale Fund

Bendigo Defensive Index Fund	Coronado Global Resources Inc.
Bendigo Socially Responsible Growth Fund	Cradle Resources Limited
Bendigo Superannuation Plan	Crescent Wealth Superannuation Fund
Berkeley Energia Limited*	CSL Ltd
Beston Global Food Company Limited	Cuscal Limited
BHP Group Limited	Cygnus Gold Limited
Bionomics Ltd	Danakali Limited*
Blooms The Chemist Management Services Ltd	De Grey Mining Limited
Bluebet Holdings Ltd	Deep Yellow Limited
BlueScope Steel Limited	Delecta Limited
Bravura Solutions Limited	Deutsche Bank Aktiengesellschaft
Brewdog Group Australia Limited	DMG Diversified Portfolio Fund
Brickworks Ltd	Domain Holdings Australia Pty Limited
Brisbane Broncos Limited	Dragon Mining Limited
Brockman Mining Limited	DUG Technology Ltd
BUSS Queensland Pooled Superannuation Trust	Dusk Group Limited
Canadian Imperial Bank of Commerce - Sydney Branch	Eley Griffiths Group Emerging Companies Fund
Capricorn Society Ltd	Eley Griffiths Group Small Companies Fund
CAQ Holdings Limited	Ellerston Asian Investments Limited
Carbonxt Group Limited	Ellerston Australian Absolute Return Fund
Carindale Property Trust	Ellerston Global Equity Managers Fund (EGEMF)
Carnarvon Petroleum Limited	Emmerson Resources Limited
Catapult Group International Ltd.	Energy World Corporation Ltd
Catholic Church Insurances Ltd	Equatorial Resources Limited
Challenger Exploration Limited	Eric Insurance Limited
Challenger Life Company	ESTIA Health Limited
Challenger Limited	E-Sun Bank Limited
Champion Iron Limited	Eureka Group Holdings Limited
Christian Super	Fairlight Global Small & Mid Cap (SMID) Fund
CI Resources Limited	Fidante Partners Limited - Funds
City Chic Collective Limited	Fidante Partners Services Limited
Civeo Pty Ltd	First Commercial Bank Limited - Brisbane Branch
Cleanaway Waste Management Limited	Fleetwood Limited
Cobre Limited	Flight Centre Travel Group Limited
ColInvest Limited	FM Insurance - NZ Branch
Coles Group Limited	FM Insurance Company Limited
Columbus Capital Pty Limited	Forager Australian Shares Fund
Commonwealth Steamship Insurance Co. Pty Limited	Forager International Shares Fund
Construction and Building Unions Superannuation Fund (Cbus)	Frontier Energy Limited
Contango Asset Management Limited	Future Funds Management Limited
Coolabah Active Component Bond Fund	G&C Mutual Bank Limited
Cooper Energy Limited	G8 Education Limited
Copia Investment Partners Limited	Genex Power Limited
	Geopacific Resources Limited

Global Data Centre Group
 Global Data Centre Securities Fund
 Global Energy Ventures Limited
 Globe Metals & Mining Limited
 Great Lakes Insurance SE - Australian Branch
 Great Lakes Insurance SE - New Zealand Branch
 Greenx Metals Limited (formerly known as Priaire Mining)*
 Growthpoint Properties Australia Limited
 Guild Insurance Limited
 Guild Retirement Fund
 Halidon Asset Management Ltd
 Hamilton Lane Global Private Assets Fund (AUD)
 Hannans Ltd
 Harvey Norman Holdings Ltd
 HBF Health Limited
 HCF Life Insurance Co Pty Limited
 Healius Limited
 Health and Plant Protein Group Limited
 Helloworld Travel Limited
 Heron Resources Limited
 Homesafe Solutions Pty Ltd
 Hua Nan Commercial Bank Ltd.
 Humm Group Limited
 ImpediMed Limited
 Ingenia Communities Group
 Instinet Australia Pty Limited
 Integrated Research Limited
 Investors Mutual Limited
 Ioneer Limited
 ipac Asset Management Limited
 Jervois Global Limited
 Jervois Mining Ltd
 Jupiter Energy Limited
 K & S Corporation Limited
 Katana Capital Limited
 King River Resources Limited
 Kingsrose Mining Limited
 L1 Capital Long Short Fund
 L1 Long Short Fund Limited
 Lefroy Exploration Limited
 Legend Mining Limited
 Leigh Creek Energy Limited
 LGSS Pty Limited (formerly known as LG Super)
 Liberty International Underwriters
 Licella Holdings Limited (Ignite Energy Resources Limited)
 Lithium Power International Limited
 Livehire Limited
 Loftus Peak Global Disruption Fund.
 Lynas Rare Earths Limited
 M8 Sustainable Limited
 Macquarie Alternative Assets Management Limited
 Macquarie Financial Products Management Limited
 Macquarie Investment Management Australia Limited
 Macquarie Superannuation Plan
 Magellan Financial Group Ltd
 Mainsteam Group Holdings Limited
 Man Investments Australia Ltd
 Mandalay Resources Australia Pty Limited
 Manildra Flour Mills Retirement Fund
 Manuka Resources Ltd
 Maritime Super Pty Limited
 Marquis Macadamias Ltd
 Matador Mining Ltd
 Mayne Pharma Group Limited
 MDA National Insurance Pty Ltd
 Medical Indemnity Protection Society
 Metals X Limited
 Metcash Limited
 Metro Mining Limited
 MFF Capital Investments Limited
 MGC Pharmaceuticals Limited*
 Michael Hill International Limited
 Midas Minerals Ltd
 Mizuho Corporate Bank Ltd
 MLC Limited
 Monadelphous Group Ltd
 Monash Absolute Active Trust
 Montaka Long Only Equities Fund (Managed Fund)
 (formerly known as Montgomery Global Equities Fund)
 Montgomery Global Fund
 Morningstar Investment Management Australia
 Limited Schemes
 Mount Gibson Iron Limited
 Münchener Rückversicherungs-Gesellschaft
 Aktiengesellschaft - Australian Branch
 Münchener Rückversicherungs-Gesellschaft
 Aktiengesellschaft - New Zealand Branch
 Munich Reinsurance Company of Australasia Limited

Munich Reinsurance Company of Australasia Limited - New Zealand Branch	Platinum Asset Management Limited
Namoi Cotton Limited	Police Health Limited
Nanosonics Limited	Polynovo Limited
Nanuk New World Fund	PostSuper
National Australia Bank Limited*	PPK Group Limited
National Storage REIT	Premier Investments Limited
Navigator Global Investments Limited	Premium China Fund.
Navy Health Ltd	Prime Financial Group Limited
Neurizer Ltd	Prime Super
New South Wales Electrical Superannuation Scheme	Pro Medicus Limited
Newcrest Mining Limited	Pro-Pac Packaging Limited
News Australia Holdings Pty Ltd	PSC Insurance Group Limited
Nick Scali Limited	RAC Insurance Pty Limited
Nine Entertainment Co Holdings Limited	Ramsay Health Care Limited
NMMT Limited	REA Group Ltd
Nomura Australia Limited	Redbubble Limited
Novo Resources Corporation	Regal Investment Fund
Nuchev Limited	Regis Healthcare Limited
Nucoal Resources Limited	Rei Superannuation Fund Pty Limited
Nurses & Midwives Health Pty Ltd	Renaissance Re (Australia)
NXE Australia Pty Limited	ResApp Health Limited
OnePath General Insurance Pty Limited	Resolute Mining Limited
OnePath Life Limited	Salt Lake Potash Limited
Ophir Global High Conviction Fund	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
Orocobre Limited	Sandhurst Growth Fund
PACCAR Australia Pty. Ltd.	Sandhurst IML Industrial Share Fund
Pacific Current Group Limited	Sandhurst Industrial Share Fund
Packer & Co Investigator Trust	Sandhurst Investment Term Fund
Pact Group Holdings Ltd	Sandhurst Select Mortgage Fund
Panoramic Resources Limited	Sandhurst Strategic Income Fund
Pantoro Limited	Santos Limited
Parkway Corporate Limited(formerly known as Parkway minerals)	Scentre Group
Payright Limited	Schaffer Corporation Limited
Peak Rare Earths Limited	SciDev Ltd
Peet Limited	Sealink Travel Group
Pengana International Equities Limited	Senex Energy Limited
Pengana Private Equity Trust	Shinhan Bank Sydney Branch
Petroleum Fund of Timor-Leste	Slater & Gordon Limited
PEXA Group Limited	Smarter Money - Active Cash Fund
	Smarter Money - Higher Income Fund

Smarter Money Fund	Wealth Personal Superannuation and Pension Fund
Smarter Money Long-Short Credit Fund	Wesfarmers Limited
Splitit Payments Ltd	Westgold Resources Limited
Stanmore Resources Limited	Whispir Limited
State Street Bank & Trust Company	Whitehaven Coal Ltd
State Street Global Advisors, Australia, Limited - Funds	Wholesale Australian Property Fund
Stewart Title Limited	Worley Limited
Swick Mining Services Ltd	Xanadu Mines Ltd
Switzer Asset Management Limited	Zicom Group Limited
Tabcorp Holdings Limited	Zurich Australia Insurance Limited
Taishin International Bank Co. Ltd	Zurich Australia Limited
Taiwan Business Bank	Zurich Financial Services Australia Limited
Taiwan Cooperative Bank 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 Lottery Corporation Limited	
The Montgomery Fund	
The Royal Automobile Club of Queensland	
The Star Entertainment Group Limited	
Theta Gold Mines Limited	
Thorney Opportunities Ltd	
Thorney Technologies Ltd	
Top Education Group Limited	
Top Shelf International Holdings Ltd	
Transatlantic Reinsurance Company	
Tribeca Global Natural Resources Limited	
TWU Nominees Pty Ltd	
TWU Super Fund	
Tyro Payments Limited	
UBS AG, Australia	
UBS Global Asset Management (Australia) Ltd	
Unisuper Limited	
United Overseas Bank Australia Limited	
Van Eck Australia Pty Ltd	
Vicinity Centres	
Volkswagen Financial Services Australia Limited	
Washington H Soul Pattinson & Company Limited	
WCM Global Growth Limited	



Appendix 2: Approved EYG member firms

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

As of 30 June 2022, the following EYG member firms are approved to carry out statutory audits in an EU or EEA member state:

Member state	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Belgium	EY Assurance Services SRL
	EY Bedrijfsrevisoren SRL
	EY Europe SRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
Cyprus	Ernst & Young Cyprus Limited
	Ernst & Young
	Ernst & Young CEA (South) Services Ltd
	Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, s.r.o.
Denmark	EY Godkendt Revisionspartnerselskab
	EY Grønland Godkendt Revisionsanpartsselskab
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 Associes	
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand-GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Treuhand-Süd GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
	TS GmbH Wirtschaftsprüfungsgesellschaft
	TS Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft
Greece	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Iceland	Ernst & Young ehf
Ireland	Ernst & Young Chartered Accountants

Member state	Statutory auditor or audit firm
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	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 sp. k
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe sp. k.
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
	Ernst & Young Usługi Finansowe Audyt sp. z o.o.
Portugal	Ernst & Young Audit & Associados - SROC, S.A.
Romania	Ernst & Young Assurance Services SRL
	Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U
	Ernst & Young, S.L.
Sweden	Ernst & Young AB

Total turnover for the year ended on 30 June 2022 for these EYG member firms, resulting from statutory audits of annual and consolidated financial statements was approximately €2.34 billion.

EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

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