

TRANSPARENCY REPORT 2024

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

FOR THE YEAR ENDED 30 JUNE 2024



Contents

Transparency at a glance	3
Foreword	4
Legal structure and Grant Thornton Network	6
Grant Thornton Governance and Leadership	7
Grant Thornton Culture	9
Firm's Internal Quality Systems	13
Operating Effectiveness Statement	14
Continuing professional education	16
Our commitment to audit quality and transparency	20
Internal Quality Control Review program	22
Independence and regulatory compliance	25
Finance	26
Public Interest Entities (PIE) Listing	27
About Grant Thornton	29

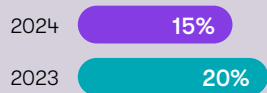


Transparency at a glance

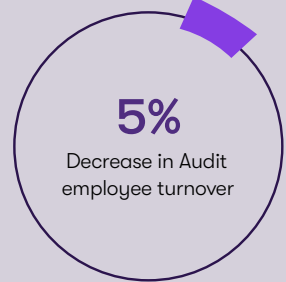
Total employees as at 30 June 24



Audit & Assurance Employee Turnover %



Chartered Accountants Australia & New Zealand training



Gender diversity in Audit & Assurance



Gender diversity in Audit & Assurance Partners





Nicole Bradley
National Managing Partner
Audit & Assurance

Foreword

The last financial year presented a challenging economic period which saw many businesses facing adversity in FY24. However, as business investment in environmental, social and governance structures and its long-term sustainability increases, the success of a business is not just down to its growth or bottom line, but also the happiness of its people and contribution to the community. Our firm, along with many others, has made it a priority to promote inclusivity and ensure opportunities are available for our people and clients.

FOCUS AREAS



Transparency and accountability



A focus on wellbeing



Future-proofing the profession



ESG is reshaping accounting

Transparency and accountability

Given the increased focus on transparency and accountability in the professional services sector, Grant Thornton is committed to promoting a culture of honesty and ethical behaviour. We lead on governance and transparency, having moved away from a partnership model in 2008 and becoming a publicly unlisted entity to maintain the highest professional standards. As an unlisted public company, we are independently audited and legally bound by the Corporations Act, and our transparency reports and audited financial statements are publicly available. Our Board comprises an Independent Chairperson, five Executive Directors elected by shareholders, a national CEO, and three external Non-Executive Directors (including the Independent Chairperson) nominated by the Board.

As part of this focus on accountability, we recently launched our 'Speak Up' platform, supported by tailored training from the Neuroleadership Institute to help our people learn and be empowered. This platform encourages people to speak up, whether that be to celebrate success, voice concerns, raise issues, and make reports regarding improper conduct or behaviour that is otherwise inconsistent with our firm's values. Empowering our people in this way creates an environment where we can all take responsibility to grow, innovate and achieve our agreed vision.

A focus on wellbeing

Considering the very real impact that burnout and mental wellbeing has on the profession, Grant Thornton has taken steps to focus on the health and wellbeing of our people with market-leading initiatives such as the now-permanent 9-day fortnight, flexible work options, and the further development of our Gender, LGBTIQ+, and Cultural and Racial Diversity Pillars as part of our firm's overall strategy.

In addition, the Workplace Gender Equality Agency's (WGEA) reported Grant Thornton achieved industry-leading results in favour of women, with a median gender pay gap of -7.7 per cent (base) or -8.1 per cent (total). Grant Thornton is the only professional services firm to truly achieve a gender pay gap in favour of women.

Australia, along with the rest of the world, has experienced a talent shortage which has particularly affected accountants and auditors. We're competing with other attractive destinations for an increasingly small pool of talent. At Grant Thornton we're acutely aware that we can continue reshaping the way we work to attract the very best talent and deliver them an opportunity for a truly rewarding career. The wellbeing initiatives we have implemented, alongside our workplace culture and investment in technology and digital transformation, has resulted in our staff retention being at an all-time high.

Future-proofing the profession

Being an advocate for the adoption of technology to enhance the quality of work in the audit profession is imperative. The rise of automation, artificial intelligence, and machine learning is transforming the accounting industry. Our team prioritises tools like process automation, data analytics, and effective data use in audits to enhance their skills and boost quality. AI is changing how we work and communicate, and we want our people to be ready for it.

ESG is reshaping accounting

Following the Government's passage of the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 in August, there is increasing pressure on organisations to demonstrate transparency regarding their ESG and sustainability commitments, as well as to disclose the non-financial impacts of their operations.

Sustainability reporting is quickly becoming within the remit of the audit profession, broadening the scope of both technology and skills required to undertake the reporting. Grant Thornton is committed to ensuring our people have the appropriate skills, education and access to technology with appropriate safeguards to serve our clients during this time of change. We also believe a storyline-based approach to sustainability reporting is more useful information for businesses than just emissions data and numbers.

Nicole Bradley
National Managing Partner – Audit & Assurance

[Connect with me](#)



Legal structure and Grant Thornton Network

Grant Thornton International Limited

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

GTIL has more than 140+ member firms. Each member firm is a separate legal entity. Membership in the global network does not make any firm responsible for the services or activities of other member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts and omissions. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names.

GTIL Board of Governors

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

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

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

The use of standing committees allows a more efficient and effective discharge of the Board's responsibilities and involves others in the activities of the Board. Each standing committee is chaired by a Board member and its membership includes, but is not limited to, Board members.

Grant Thornton Australia Governance and Leadership

Legal structure

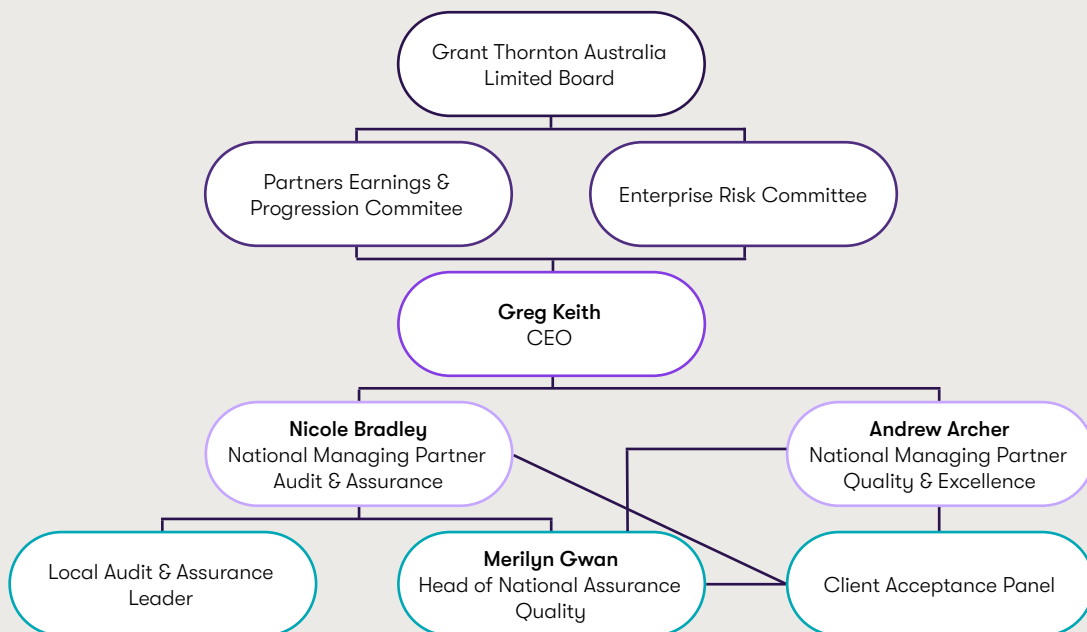
Grant Thornton Australia Limited is an unlisted public company with wholly owned special purpose subsidiaries. All shareholders are associated investment entities of the Partners of Grant Thornton Australia. There are no outside shareholders. Statutory audits are conducted by Grant Thornton Audit Pty Ltd – a registered audit company – which is controlled by the Partners of Grant Thornton Australia, who are senior leaders of our audit practice nationally.

As a public unlisted company, Grant Thornton Australia is required to lodge audited financial statements with ASIC on a yearly basis.

Governance

Grant Thornton Australia is governed by our Board, comprising an Independent Chairman, five Executive Directors elected by shareholders, a national CEO and two other external Independent Directors nominated by Grant Thornton Australia's Board (the Board).

The Board's composition enables sufficient oversight, independent thought leadership and a working knowledge of our environments in order to maintain our entrepreneurial business culture. The following is an abridged extract.



Our Independent Chairman guides the policy and strategy to protect the firm's values at a Board level.

The Board maintains four standing subcommittees:

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

Management

The key roles and responsibilities for management within Grant Thornton Australia's structure are as follows:

Leadership responsibility for audit quality

The Board oversees the governance of the organisation and protects the interests of shareholders.

Board members – other than independent members – are elected by shareholders for a term of three years.

Persons who directly report to the CEO are not eligible for election to the Board. The key roles of the Board are:

- Governance.
- Setting strategic direction.
- Ensuring the CEO executes our business strategy, approving plans and budgets to support the strategy, and monitoring financial performance.
- Appointment of the CEO.
- Approving major matters in line with the shareholder agreement.

In addition, Grant Thornton operates the business in accordance with the strategies and business plan by the Board.

Partner Equity and Promotion Committee

This committee's role is to oversee and approve the annual remuneration and equity allocation for Partners, including those Partners who are also directors of Grant Thornton Australia and of the audit company Grant Thornton Audit Pty Ltd.

Finance and Audit Committee

The Finance and Audit Committee assists the Board to fulfil its corporate governance and oversight responsibilities in relation to the firm's financial reporting, finance systems, and the internal and external audit functions. They objectively analyse the firm's financial data and ensure the Board receives the information it requires in a timely manner.

Enterprise Risk Committee

The Enterprise Risk Committee is responsible for implementing risk and compliance initiatives. This group has oversight for risk management and compliance across their area of responsibility and hence for ensuring that the business complies with Grant Thornton Australia's Risk Management and Compliance framework. The Risk & Compliance group, together with the National Managing Partner – Quality and Excellence, and the National Head of Risk, Compliance and Quality, oversee the risk and compliance framework and report to this Committee, the CEO and the Board.

Nominations Committee

The Nominations Committee ensures effective governance of director appointments to the Board, Board succession, Board remuneration and Board performance, including that of the CEO.

Executive leadership team

The firm is managed by the CEO and the Executive. This team consists of the National Managing Partners for each of the five service lines and Environmental Social and Governance (ESG), Community & Office Chairs, the Chief Financial Officer, Chief People and Culture Officer, Chief Marketing Officer, Chief Technology Officer and National Managing Partners for Quality and Excellence.

Grant Thornton Culture

People initiatives

At Grant Thornton we aspire to have all our people living our core values that we collectively refer to as CARE; Collaboration, Authenticity, Responsibility and Excellence. These four values are embodied through the behavioural expectations in our 'GT Way' and guide every decision in our firm, ensuring our people feel empowered, respected, supported and safe in our workplace. As a firm, we set the bar high for what we can deliver and have a continued focus on enhancing the overall experience for our people.

Following the successful pilot of our 9-Day Fortnight, our recent Engagement Survey results revealed overwhelming support for making this initiative permanent. While we recognise there is still work to be done to ensure all team members can benefit from consistently accessing recharge time, this is a significant and positive step towards supporting the well-being of our team. The 9-Day Fortnight is now a permanent policy, with no loss of productivity, impact on remuneration, or quality of service to our clients.

Our focus is now on our Speak Up program, an initiative centred around creating a safe and inclusive environment where everyone feels empowered to speak up, collaborate, share ideas and hold each other accountable to our purpose, values and behaviours. Our annual Engagement Survey results demonstrate we have strong foundations for this work and we aim to build on these to ensure everyone in the firm can and does speak up to continue our commitment to high standards for ourselves and others. To support this initiative, we have partnered with a well-regarded external provider to implement a research-based program which will run across the next 12 months to build and embed the required behaviours.

Additionally, we have introduced different options for people to raise issues, concerns and make reports regarding improper conduct or behaviour that is inconsistent with our firm's expectations, including an anonymous whistleblower platform.

Creating an inclusive and diverse workplace


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

One of our newly established pillars, First Nations peoples, has been a key area of focus, formalising our commitment to reconciliation by joining more than 3000 Australian businesses as a RAP (Reconciliation Action Plan) partner with Reconciliation Australia. Having completed our Reflect RAP we are currently developing our first Innovate RAP to be launched this year.

We also worked with an external provider to facilitate listening sessions with our people to better understand the cultural and race-related issues that exist in our business. As an outcome we have launched the Cultural & Racial Diversity Advisory Group, that is led by one of our Executive Leaders who along with our leadership team, is deeply committed to drive improvements in this area.

We continue to have an active Gender Equity Network as part of our Gender Equity Action Plan, and an active DAWN (Diversity At Work Now) Committee.

As a firm, we continuously review our policies to provide the best possible support for our people. This year, we updated our Workplace Behaviour and Grievance policies, placing a significant emphasis on the psychosocial well-being of our team members in how we prevent and manage issues that arise. Additionally, we have introduced several new policies and guidelines.



We monitor and measure the impact of our work in diversity, equity and inclusion through internal and external benchmarks. For example, our annual engagement survey has seen a year-on-year increase for our average firm scores for “Inclusion”. This shows our people feel our leaders proactively support diversity and inclusion initiatives, that we treat each other with respect, and that diverse perspectives are valued and encouraged. Every two years we participate in the Diversity Council of Australia (DCA) Inclusive Employer Index to gather more nuanced data on how our people are experiencing inclusion at our firm and to benchmark our progress against other leading organisations. We have been recognised by the Diversity Council of Australia as a Certified Inclusive Employer 2023/2024.

We are proud to say our work in this area has also received external recognition from a variety of organisations as you will see in our Awards section of this report.

Awards



Early careers

#15 – 2024 Top Graduate Employer (Large Program) Australian Association of Graduate Employers (AAGE)

#28 – Top 100 Graduate Employers GradConnection (In collaboration with the Australian Financial Review)

#27 – Prosple Top 100 Graduate Employers



2024 outcomes

Australian LGBTQ Inclusion Awards 2023–2026 AWEI Bronze Employer

Family Inclusive Workplace Certified 2023–2025

Diversity Council of Australia Certified Inclusive Employer 2023/2024

Finalist for 2024 Best Place to Work in Australian – Women in Security Awards (to be announced 30 Oct 2024)

Nominee for Australia’s Most Outstanding in IT Security 2024 – Jessica Gomes, Head of Cyber Security Grant Thornton – Women in Security Awards

Nominee for The One to Watch on Protective Security 2024 – Anjali Varghese, Cyber GRC Specialist Grant Thornton – Women in Security Awards



Internal Awards for our People

At Grant Thornton, we are committed to fostering a culture of recognition and appreciation through our internal awards program, the Reach for Remarkable Awards. This program was designed to highlight and reinforce the behaviours and performance that form the foundation of our CARE values and our strategy. These awards encourage ongoing recognition, appreciation, and reward for the outstanding contributions and achievements of our people.

We celebrate Quarterly Awards in each office, and Annual firmwide Awards with over 350 nominations received for the FY23/24 Awards.

- The Awards are:
- Collaboration Award
- Authenticity Award
- Responsibility Award
- Excellence Award
- People Experience Award
- Client Experience Award
- Community Engagement Award
- Growth Award
- Reach for Remarkable Award

Firm's internal quality systems

System of quality management

The International Standard on Quality Management ISQM1 and its Australian equivalent 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*, became effective since its initial implementation on 15 December 2022. ISQM1 requires firms to establish a robust System of Quality Management (SoQM) across eight specified components and is applicable for firms that perform audits of financial statements, or other assurance or related services engagements. It replaced the International Standard on Quality Control 1 (ISQC 1) and takes a more proactive and risk-based approach to managing quality. *ASQM1 applies in conjunction with APES320 Quality Management for Firms that provide Non-Assurance Services.*

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

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

As part of the implementation, quality objectives, quality risks and responses were formalised and brought together in a globally consistent framework to facilitate the design and maintenance of the system. The firm has developed an ongoing program to perform monitoring and remediation procedures to enable an annual evaluation that our SoQM provides reasonable assurance that the quality objectives of ASQM 1 have been met. This has involved developing an approach for performing the monitoring and remediation activities to identify and evaluate deficiencies and prepare remediation plans to enhance the existing quality control system.

Whilst the outcomes from the annual monitoring of the firm's ASQM 1 framework have highlighted areas of focus for improvement, the remediation process established mitigates the risk of these findings continuing into future reporting periods.

Based on the annual evaluation of the Firm's SoQM as of 15 December 2023, the SoQM provides the Firm with reasonable assurance that the objectives of the SoQM are being achieved. The 2024 evaluation is in progress at the date of this report.



Operating Effectiveness Statement

Statement of the firm's internal control systems

Statement of the firm's internal control systems

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

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

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

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

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

The evaluation of the System of Quality Management for Grant Thornton Australia Limited and controlled entities as at 12 December 2023 is that the system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved.

The Board's annual review considers:

- The design and operation of the quality management systems described in this report
- The findings of the regulatory inspections and subsequent remedial actions
- Reports from the firm's external auditors from Grant Thornton International and various compliance programs operated by our firm on our quality control systems
- Assessment of the impact of non-compliance on the partners balance scorecards; and
- Assessment of our audit quality action plan and review of the root cause analysis.
- Results from testing of our ASQM 1 process.

Grant Thornton Australia Limited
Level 26
Grosvenor Place
225 George Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230
T +61 2 8297 2400

Private and confidential

A: Introduction

This document evidences the evaluation of the System of Quality Management, as required by the International Standard on Quality Management 1, section 53.

This evaluation has been carried out and signed below by the individual assigned with ultimate responsibility and accountability for the System of Quality Management. The evaluation has been made with reference to:

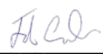
- The firm's quality objectives and quality risks,
- A description of the responses and how the firm's responses address the quality risks,
- The monitoring and remediation process, including:
 - Evidence of the monitoring activities performed,
 - The evaluation of findings, and identified deficiencies and their related root cause(s),
 - Remedial actions to address identified deficiencies and the evaluation of the design and implementation of such remedial actions, and
 - Communications about monitoring and remediation.

B: Evaluation

Based on this information, the evaluation of the System of Quality Management for Grant Thornton Australia Limited and controlled entities as at 12 December 2023 is as follows:

1. The system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved.

C: Sign-off



John Cincotta, Head of Independence & Quality Control

12 December 2023


Date



Andrew Archer, National Managing Partner - Quality & Excellence

12 December 2023

Date



Greg Keith, Chief Executive Officer

12 December 2023

Date



Continuing professional education

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

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

Face-to-face learning is offered wherever possible, with playback options available on demand through our online learning platform. In addition, we also provide bite sized online training on various topics for all teams to access when they require additional training material.

During the FY24 period, Grant Thornton provided a number of mandatory training opportunities for each level:

	Associate Level	Senior Associate Level	Manager/Senior Manager Level	Director/ Partner Level
Face to Face Learning/Live Webinars - Technical and Non Technical	97.75	60.42	38.91	39.41
PCAOB Badging		7.75	21.75	21.75

PCAOB Badging Course

Grant Thornton International have developed a suite of courses that form part of our PCAOB Badging program; a requirement for managers and above who work on PCAOB engagements. This is an annual qualification, with FY23's program adding 21.75 hours of additional learning. In the current period, our local policy was revised to include a condensed version of this course (7.75 hours) mandated for senior associates working on PCAOB engagements.

ESG and Sustainability Services

In recent times, there has been a marked increase in the focus on Environmental, Social, and Governance (ESG) and sustainability reporting within both the Australian and international markets. This heightened interest has resulted in a significant rise in enquiries from our clients and the broader market seeking guidance and advice in this domain.

The demand for ESG and sustainability services is driven by the mandatory reporting of climate change impacts as well as voluntary adoption of sustainability measures by organisations. In response to this growing demand, we have been diligently developing our skills and capabilities to ensure we can effectively support our clients on their sustainability journey.

The rapid evolution of ESG and sustainability frameworks, regulations, and standards requires us to maintain a high level of capability and quality processes. Our methodology is designed to comply with both Australian and international standards, ensuring we are well-equipped to meet the needs of our clients in this fast-paced area.

Over the past 18 months, we have dedicated significant time and resources to developing our capabilities and intellectual property in ESG and sustainability. This investment includes educating our clients on the importance of ESG and sustainability, its impact on their operations, and their obligations under emerging regulatory frameworks, both domestically and globally.

Core offerings

Our ESG and sustainability services are built around three core offerings:

- ESG & Sustainability Reporting: Assisting clients in preparing comprehensive ESG and sustainability reports.
- ESG & Sustainability Advisory: Providing expert advice on ESG and sustainability strategies and implementation.
- ESG & Sustainability Assurance: Offering assurance services to validate the accuracy and reliability of ESG and sustainability information.
- These core services are supported by a team of subject matter experts with specialised knowledge in various ESG-related areas.

These core services are supported by a team of subject matter experts with specialised knowledge in various ESG-related areas.

We are committed to continuously building and enhancing our ESG and sustainability offerings. Our goal is to share knowledge with our clients, helping them to understand and effectively respond to ESG and sustainability challenges. Through our dedicated efforts, we aim to support our clients in building a sustainable future.

Consolidated Entity Disclosure Statement training

On 27 March 2024, the Treasury Laws Amendment (*Making Multinationals Pay Their Fair Share – Integrity and Transparency*) Bill 2023 (*'the Amendment'*) was passed, that defines for financial years commencing on or after 1 July 2023, all Australian public companies that prepare financial statements under Chapter 2M of the Corporations Act 2001 are required to provide a consolidated entity disclosure statement (CEDS).

In response to the change, we provided education tools to our engagement teams to assist clients in the change in reporting deadlines and we have developed a suite of resources to bolster our auditors' knowledge of the requirements, including a short, mandatory online learning course for managers and above to complete, and a practical guidance document outlining the updates and expectation for disclosures in line with publications released by ASIC and the AUASB.

In addition to the technical training offered, in FY24 our People and Culture team also ran a number of conferences across our audit cohorts.

Partners Conference – Nov 2023

This Partners conference focused on aligning our leaders to the firms' strategic imperatives whilst also empowering them to improve their leadership impact. The conference also focused on technical development and strategic planning, including elevating quality and excellence in everything we do.

Manager & Senior Manager Conference – December 2023

This conference brought 245 Managers and Senior Managers together for two days of plenary sessions focused on bringing to life the strategy, values, GT Way and brand promise with an additional third day focused on technical development within service line teams.

Directors Conference – March 2024

The three-day conference brought our national cohort of Directors together to deepen their understanding of the firm's strategy and priorities whilst also developing critical skills to support their careers. Key development areas included sessions to bring to life our GT Way People and Client experiences

Associate Conference – April 2024

The Associate Conference brought 184 Associates together in Sydney. The three days of conference plenary sessions focused on bringing to life the Grant Thornton strategy, values, GT Way and Reach for Remarkable brand promise.



Professional requirements

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

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

As an accredited firm, our team are supported by several initiatives to help guide and incentivise quality study including:

- Upfront fee payment of all CA modules to complete the program (9 modules).
- A study leave balance of 20 days to be used across the program as the candidate sees fit.
- Payment of CA Study Support Classes (CA Masterclass).
- One-off bonus payment for any team member who receives a Merit Result.
- One-off bonus payment for any team member receives a Top of Subject Award.
- One-off bonus payment upon successful completion of the CA Program.
- Annual payment of CA membership fees (both provisional and full).



Our commitment to audit quality and transparency

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

How audit quality is promoted at Grant Thornton

We continue to promote audit quality at Grant Thornton through the execution of the following:

Client acceptance and continuance

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

Support and resources

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

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

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

Promoting Audit Quality and efficiency through initiatives on the audit timeline

The use of technology in the audit profession is ever-evolving. As such, our audit methodology is consistently being adapted to reflect the changes in the environment and therefore the approach to our audits.

In the current period, our audit strategy was focused on refreshing our considerations for the timing of execution of audit procedures. The national quality team developed a suite of training materials that reiterated the options for bringing forward work by adopting an advanced or hard-close strategy prior to year-end, with the intention of alleviating time pressures in the peak of reporting season.

As a result of reframing the considerations of timing of procedures, our Data Assurance Team enhanced the existing Audit Data Analytics tool to streamline the process when adopting an advanced strategy, which in turn strengthens the audit documentation on risk assessment and execution of such procedures.

Ongoing monitoring

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

- Grant Thornton International Audit Review (GTAR) – GTI review a number of audit engagement files to assess quality and risk assessment processes. The next GTAR review will commence in November 2024.
- National Engagement Quality Control Review allocations on all PIE designated and Listed audit engagements.
- Audit Quality Panel – a team of experienced auditors who sit alongside a sample of engagement teams throughout the audit process to ensure our inflight reviews are providing timely feedback, mentoring for our engagement teams and compliance monitoring.
- Global Independence System (GIS) audit of declarations – conducted annually, with quarterly interim reconciliation. Latest audit of the GIS system conducted June 2024.
- Technical accounting, audit and methodology consultations with NAQ in line with our mandated discussions policy.
- For listed engagements, our Extended Audit Report Panel reviews all reports to ensure they are unambiguous and comprehensive.
- Collaborative consultation opportunities with internal subject matter and industry experts as requested by engagement teams.





Internal Quality Control Review ongoing monitoring

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

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

In the prior period, we revised our quality control review process to have all audit partners reviewed on a two-year rolling basis. In the event an engagement partner failed an internal review, they would be reviewed again in the next reporting period, in addition to any partners already selected in that group. This has added to the total number of partners reviewed in the current period as part of our internal quality control review process.

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

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

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

Root Cause Analysis

A fundamental part of the ISQM 1 process is the effective Root Cause Analysis. The findings from these bi-annual reviews in addition to findings from our external regulatory reviews are compiled to influence the Root Cause Analysis workshop. This workshop includes National Audit Service Line Leaders providing an independent determination of the findings and utilising the audit quality indicators to develop the Root Causes of the Analysis (RCA) paper which is then communicated to our Enterprise Risk Committee. For the FY24 IQCR review season, the key highlights of the RCA included:

What worked well:

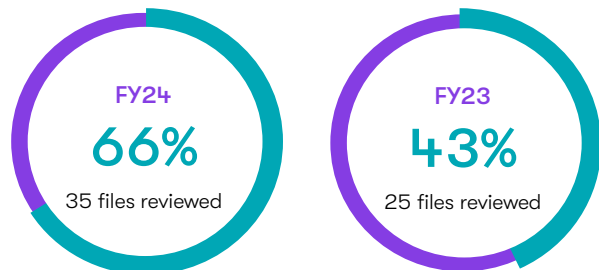
- ✓ High involvement from the partner and manager in the planning and project management of the engagement.
- ✓ Collaborative client relationships involve multiple touchpoints with the client throughout the year.
- ✓ Time spent on complex and technical areas upfront, including engagements where early expert consultation was actioned.
- ✓ Completion of the planning work before year-end, with all planning of the engagement file undertaken, reviewed, and signed off prior to financial year end.
- ✓ Continual review of our client acceptance and continuance processes
- ✓ Inflight reviews through our Audit Quality Panel focusing on mentoring of our engagement teams

The RCA, coupled with any other findings from external reviews, is then used as a foundation to develop the Audit Quality Action Plan (AQAP), which documents the key areas of focus for improvements to policies and procedures. FY25's AQAP includes such strategies for improvements regarding:

- Engagement support through increased inflight reviews through our Audit Quality Panel
- Quality Growth focusing on client acceptance and re-acceptance
- Increasing our use of technology and tools through our audit process
- Ensuring our focus on planning through consultations at the right time and brining work forward where applicable
- Evaluation of resource allocation according to client risk profiles and
- Introduction of a new training approach featuring concise and impactful sessions.

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

Percentage of audit partners reviewed as part of the peer review process



Grant Thornton is subject to review by the following bodies:

- | | |
|---|--|
| ✓ ASIC
(1 file reviewed in 2024, 2 key areas assessed, 1 risk of material misstatement identified) | ✓ FRC UK
no reviews |
| ✓ CAANZ
a firm review is currently in progress in October 2024 | ✓ PCAOB
last inspection report dated 22 February 2024
No Part A findings |
| ✓ CPAB
no reviews | ✓ GTI Audit Review
– a firm review is scheduled for November 2024 |

Grant Thornton Assessment and Review (GTAR)

The Grant Thornton Assessment and Review (GTAR) program from Grant Thornton International (GTI) is scheduled to begin in November 2024. GTAR will encompass:

- a review of Grant Thornton Australia (GTAL)'s policies and procedures in effect as of the specified date;
- an examination of selected audit, tax, and advisory engagements conducted during a specified period; and
- a series of interviews with partners and staff.

For the first time, the GTAR will also review the GTAL system of quality control as dictated by ISQM 1. The results of the review will be communicated to our Board in early 2025.

Other Reviews

Grant Thornton Audit Pty Ltd and a Grant Thornton audit partner were the subject of charges under Section 307A of the Corporations Act relating to failures to correctly apply auditing standards of a listed entity for the year ended 30 June 2018. The charges have been dealt with by the Court by way of diversion plans.

The outcome of the diversion plans will be that the charges are acknowledged and will be dismissed with no findings of guilt and no criminal conviction.

The Audit Partner was stood down from client roles in 2021 and has ceased to perform audit engagements. The review partner was also subject to investigation through a regulatory body and has been stood down by the firm from performing audit engagements for a period of 12 months pending the outcome of those investigations.

A formal notification has been issued to CAANZ (and as a consequence to the PCAOB) in relation to historical issues associated with the completion of training courses. The determination of outcomes of such notifications are expected from CAANZ and PCAOB in 2025.



Independence and regulatory compliance

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

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

All Partners and client facing managers are required to record their financial interests (and those of their immediate family members) in our automated tracking system, the Global Independence System (GIS), every 90 days.

Using Grant Thornton International's independence framework

We adopt Grant Thornton International's global policies, designed to safeguard independence on assurance engagements and identify circumstances that could pose a conflict of interest.

Our firm's global independence policies and procedures are based on the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants, with supplements to govern compliance with our global independence and international relationship checking processes. We tailor our global independence policies to fit with local requirements, including those outlined in the Corporations Act 2001 and The Australian version of the Code of Ethics, APES 110.

Personal independence monitoring

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

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

The most recent GIS audit was completed June 2024.

Non-audit services monitoring

Controls are also built into our acceptance and continuance tool for non-audit services to ensure that consultation and approval is obtained before proceeding to provide these services. The client acceptance and continuance process is heavily scrutinised, to ensure we minimise any opportunity for conflicts to present.

In circumstances where conflicts arise, we consult with the engagement Partner on the audit to determine the appropriate safeguards and remove any threats to independence or ethical concerns.

Partner rotation and other compliance monitoring

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

Finance

Financials

Turnover (AU\$m)	FY2024	FY2023
Fees (turnover) from statutory audits	109.10	100.10
Fees (turnover) from other assurance engagements to audit clients	9.18	6.90
Fees (turnover) from non-audit services charged to audit clients	29.11	31.60
Fees (turnover) from non-audit services charged to non-audit clients	219.30	196.80
Total revenue from audit and non-audit services to clients	366.68	335.40
Other revenue	3.50	3.93
Total fees (turnover)	370.18	339.30

Firm	FY2024	FY2023
Number of Partners (FTE)	173	164
Number of Professional Staff (FTE)	1255	1230
Number of Non-Professional Staff (FTE)	382	357

Audit	FY2024	FY2023
Number of Partners (FTE)	56	54
Number of Professional Staff (FTE)	497	518
Number of Non-Professional Staff (FTE)	32	28

Remuneration

Grant Thornton Australia's Partner Equity & Promotion committee (PEP) is a board subcommittee that oversees fair and responsible remuneration practices for all partners. The Partner Performance and Earnings Policy is reviewed and updated annually to meet the changing needs of the business.

The updated policy is approved by the Board and communicated to all Partners. The Partner Remuneration Framework is made up of four components:

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

Assessing performance

Partner performance is formally assessed annually using a balanced scorecard system that assesses 5 pillars including one for Quality & Excellence. This assessment forms the basis of the FPD review and confirming the allocation of VPD. Gatekeeping criteria further underpin the requirements for all Partners and acknowledge what being a Partner in Grant Thornton Australia means. These are of significant importance and includes:

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

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

Public Interest Entities

The following is a list of Public Interest Entities where we performed statutory audits in the financial year 30 June 2024

5G Networks Limited	Baptist Financial Services Australia Ltd	EP&T Global Limited
ACA Health Benefits Fund Limited	Bass Oil Ltd	EV Resources Ltd
Acrow Limited	Besra Gold Inc.	EVZ Ltd
Adore Beauty Group Ltd	BetTube Corporation Limited	FBR Ltd
Adrad Holdings Limited	Bluglass Ltd	Felix Group Holdings Ltd
Adslot Ltd	BNK Banking Corporation Ltd	Fenix Resources Ltd
Aerometrex Ltd	Boom Logistics Limited	Firebird Metals Limited
Alexium International Group Ltd	BTC Health Ltd	First Option Bank Ltd
Amplia Therapeutics Ltd	Cairns Bank Limited	Foresta Group Holdings Limited
Anatara Lifesciences Ltd	Cannindah Resources Ltd	Fox Resources Limited
Apiam Animal Health Ltd	Carnaby Resources Limited	Genetic Technologies Ltd
Archer Materials Ltd	Catalano Seafood Ltd	Genusplus Group Ltd
Argo Exploration Ltd	Centrex Metals Limited	GTN Ltd
Ariadne Australia Ltd	Cettire Ltd	Havilah Resources Ltd
Arrow Primary Infrastructure Fund	Chimeric Therapeutics Ltd	HHY Fund
ASCF Premium Capital Fund	Clarity Pharmaceuticals Ltd	Hydrix Ltd
Asset Resolution Ltd	Clean Seas Seafood Ltd	IDT Australia Limited
Audeara Limited	Clean TeQ Water Ltd	Immuron Ltd
Audeara Ltd	Clearvue Technologies Ltd	ImmVirX Pty Ltd
AuMega Metals Limited	Clinuvel Pharmaceuticals Ltd	Imugene Ltd
Aurora Global Income Trust	Consolidated Financial Holdings Ltd	Incannex Healthcare Inc
Aurora Fortitude Absolute Return Fund	Core Lithium Ltd	Infinite Green Energy Limited
Aurora Dividend Income Trust	Count Limited	Inoviq Ltd
Aurora Property Buy – Write Income Trust	Domacom Ltd	Investigator Resources Ltd
Austco Healthcare Ltd	DUG Technology Ltd	Invion Ltd
Australian Rare Earths Limited	Duxton Farms Limited	Iondrive Limited
Avecho Biotechnology Ltd	Embark Early Education Limited	iTech Minerals Limited
Avenue Bank Limited	Engex Ltd	Jaxsta Ltd
Balmain Discrete Mortgage Income Trusts	Engenco Limited	JCurve Solutions Ltd
	Engeneic Pty Ltd	Juno Minerals Limited
	EntX Limited	Jupiter Mines Ltd
		Kiland Ltd

Koonenberry Gold Limited	Reef Casino Trust
Laboratories Credit Union Ltd	Reserve Bank Health Society Ltd
Latam Auto Limited	Resolution Minerals Limited
Latrobe Health Services Ltd	Rhinomed Ltd
LCL Resources Limited	RMA Global Limited
Lincoln Minerals Ltd	RNY Property Trust
Locafy Limited	Ryder Capital Ltd
Mallee Resources Limited	Saferoads Holdings Ltd
Marinya Pooled Superannuation Trust*	Sandon Capital Investments Ltd
Mason Stevens Super *	Screenaway Holdings Limited
Maximus Resources Ltd	SelfWealth Limited
Meeka Metals Limited	Senetas Corporation Limited
Mercantile Investment Company Ltd	Sensera Ltd
Metgasco Ltd	Silk Laser Australia Limited
Mighty Kingdom Limited	Smart Parking Limited
MMA Offshore Limited	Sovereign Insurance Australia Pty Ltd
MoneyMe Limited	Spartan Resources Limited
NGE Capital Ltd	Stelar Metals Limited
Nightingale Intelligent Systems, Inc	Step One Clothing Limited
North Stawell Minerals Ltd	Strategic Energy Resources Ltd
Northam Resources Limited	Summerland Financial Services Limited
Octanex Ltd	Synertec Corporation Ltd
Oliver's Real Food Limited	Tambla Ltd
Optiscan Imaging Ltd	Tasmea Limited
Orexplora Technologies Limited	Teachers Mutual Bank Limited
Osteopore Ltd	Terramin Australia Limited
P&N Bank Limited	Thundering Herd Funds Management Pty Ltd
Peako Ltd	Torica Return Absolute Income Fund
Pengana Capital Group Ltd	TPC Consolidated Ltd
Peoplecare Health Ltd	Traffic Technologies Limited
Petratherm Ltd	United Overseas Australia Ltd
PhosCo Ltd	Unity Bank Ltd
Plenti Group Ltd	Verbrec Limited
PNX Metals Ltd	VGW Holdings Limited
Praemium Ltd	Vintage Energy Ltd
Premier1 Lithium Ltd	Vita Group Ltd
Prestal Holdings Limited	Woolworths Team Bank Limited
Prophecy International Holdings Ltd	Wrkr Limited
Pureprofile Ltd	X2M Connect Limited
Qbiotics Group Limited	Yellow Brick Road Holdings Ltd
QPCU Limited	Yojee Ltd
Radiopharm Theranostics Limited	
Rectifier Technologies Ltd	

* Marinya Pooled Superannuation Trust and Mason Stevens Super were the only Registrable Superannuation Entities (RSEs) during FY24



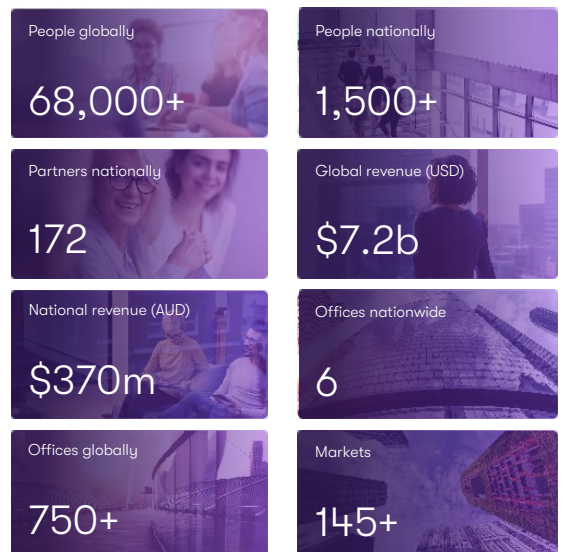
About Grant Thornton

By caring for our people, clients and communities we provide a strikingly different experience, built on our values, with client service at the forefront.

Grant Thornton Australia is a member firm of the Grant Thornton global network – one of the world’s leading, independently-owned and managed accounting and consulting firms. Our global structure spans every major business region in the world.

We have the scale to meet your changing needs – while retaining the agility required to keep you one step ahead. In Australia, we now have over 1,500+ people across five states, each with the freedom to drive change and advocate for our clients.

With our values at the core, we seek out diverse perspectives and challenge established practice, when necessary, to deliver positive progress for your business. No matter your industry, business lifecycle stage, market or growth plans, our experienced professionals are dedicated to achieving the best outcome for you and your stakeholders.



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

[Find out more →](#)

OFFICES

Tarndanya / Adelaide

Grant Thornton House
Level 3, 170 Frome Street
Adelaide SA 5000
T +61 8 8372 6666

Meeanjin / Brisbane

Level 18, 145 Ann Street
Brisbane QLD 4000
T +61 7 3222 0200

Gimuy / Cairns

Cairns Corporate Tower
Level 13, 15 Lake Street
Cairns QLD 4870
T +61 7 4046 8888

Naarm / Melbourne

Collins Square
Tower 5, 727 Collins Street
Melbourne VIC 3000
T +61 3 8320 2222

Boorloo / Perth

Central Park, Level 43,
152–158 St Georges Terrace
Perth WA 6000
T +61 8 9480 2000

Warrang / Sydney

Level 26
Grosvenor Place
225 George Street
Sydney NSW 2000
T +61 2 8297 2400

The terms we use

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



Grant Thornton

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

Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities.

Liability limited by a scheme approved under Professional Standards Legislation.