

A man in a dark blue suit, light blue shirt, and grey tie, holding a red folder and a white door handle. The image is a full-page background with a red vertical bar on the left side. The text "TRANSPARENCY REPORT 2020" is centered in white, bold, uppercase letters.

# TRANSPARENCY REPORT 2020

IDEAS | PEOPLE | TRUST



# BDO AT A GLANCE

## BDO GLOBALLY

**1,617**

OFFICES GLOBALLY  
IN 167 COUNTRIES  
AND TERRITORIES

**88,120+**

HIGHLY SKILLED  
PARTNERS AND  
STAFF WORLDWIDE

**US\$9.6B**

GLOBAL REVENUES

## BDO IN AUSTRALIA

**1,543**

PEOPLE

**10**

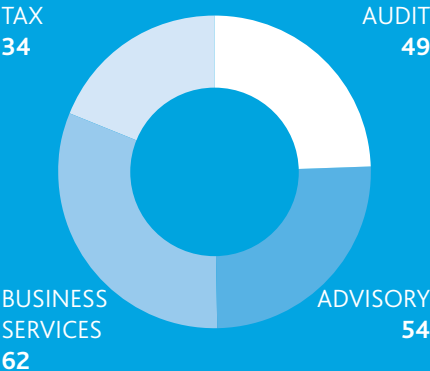
OFFICES

**206**

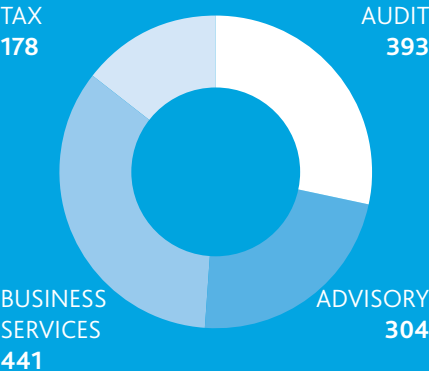
PARTNERS

Figures taken at 30 June 2020

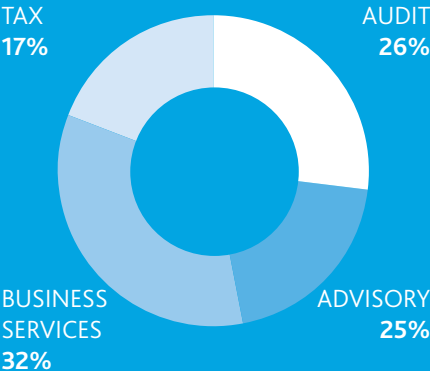
## PARTNERS ACROSS SERVICE LINES



## PROFESSIONAL STAFF ACROSS SERVICE LINES



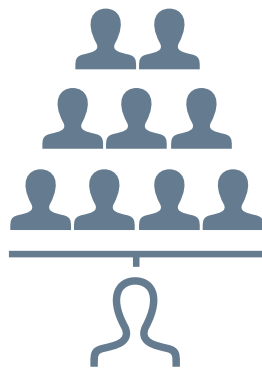
## REVENUE BY SERVICE LINE



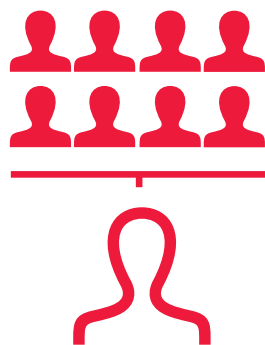
# AUDIT QUALITY AT A GLANCE

## PROFESSIONAL STAFF TO PARTNER RATIO

GLOBAL AVERAGE  
PROFESSIONAL  
**STAFF TO  
PARTNER  
RATIO OF  
9 TO 1**



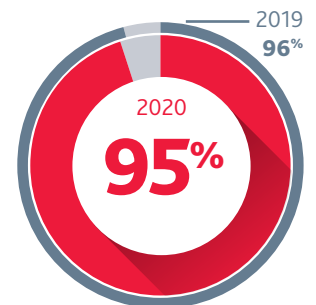
BDO IN AUSTRALIA  
AVERAGE AUDIT  
**STAFF TO  
PARTNER  
RATIO OF  
8 TO 1**



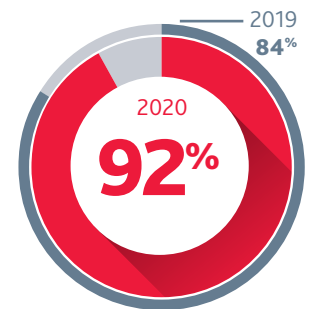
## AUDIT QUALITY CULTURE SURVEY

Our annual audit quality culture survey continued to show strong results. At least 90% of respondents provided positive responses in 13 out of 15 questions.

▶ 95% (96% in 2019) of respondents believe that BDO is committed to the consistent execution of quality audits in serving our clients, investors and capital markets.

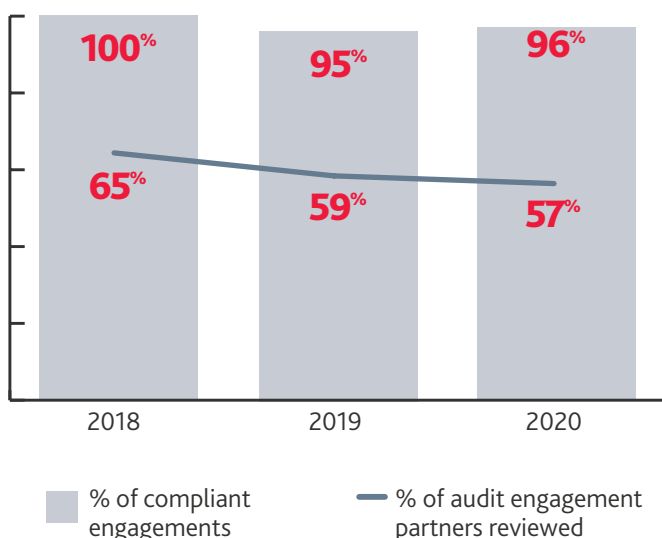


▶ 92% (84% in 2019) of respondents believe that BDO innovates and responds to the ever-changing audit environment.



## AUDIT INTERNAL INSPECTION RESULTS

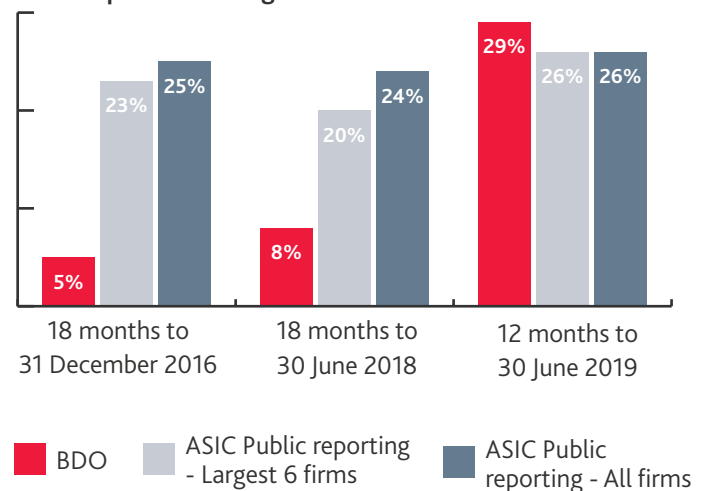
Our audit inspection results continue to show a high percentage of compliant engagements.



## ASIC INSPECTION RESULTS

In the past 12 months BDO's percentage has increased. This can be attributed to a reduction in the number of files reviewed by ASIC, a reduction in the key areas reviewed within those files and one extra finding this year compared to last.

### ASIC inspection findings



This indicates the percentage of key areas that in ASIC's view, reasonable assurance was not obtained that the financial report was free from material misstatement.

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# OUR DOORS ARE ALWAYS OPEN TO CONTINUOUS QUALITY IMPROVEMENT

With over a century of client service, millions of hours of experience and countless insights delivered, we pride ourselves on being a highly trusted, reliable and transformative organisation, but even with this experience we could not foresee the challenges that 2020 would bring. The impact on the economy and business caused by the Coronavirus was unprecedented and required us and our clients to quickly adapt to a new way of working.

Our commitment to exceptional and sustainable audit quality means that we must continually improve and enhance our audit methodology, tools and technology. In keeping with this commitment, in late 2019 we deployed the next generation of BDO's auditing tool, APT NG. This along with our new Global Portal, a document and data exchange system, allowed us to respond to the changing work environment in a seamless and effective manner. While the impacts of Coronavirus on our audit teams and clients have been significant our world leading technology allowed us to respond in the best possible way.

During 2019 and 2020 a Parliamentary Joint Committee has been conducting an inquiry into the regulation of auditing in Australia. BDO welcomed the opportunity to make a submission and appear before the inquiry to share our views on the scope of the audit, the quality of audits conducted in Australia and the changes that could be made to enhance

trust in the quality of audits and ultimately the reliability of financial reports. In February 2020 the Committee released an interim report with 10 recommendations. BDO supports all the recommendations and has already adopted a number of the disclosure recommendations like improved disclosure on non-audit services and the public disclosure of our ASIC inspection results.

We have continued our focus on behaviours that drive audit quality. The work we have done in determining milestones and reporting these to audit teams in a timely and efficient manner has aided in our execution and delivery of high-quality audit engagements. We continue to invest in the people, technology and innovations that are transforming the audit of today for the audit of the future.

Our doors are always open to continuous quality improvement. In order to understand where we can improve we monitor our performance and respond to findings, including those from our regulators, to continue to strengthen the control environment in which we conduct our audits.

Our focus on audit quality and the trust that this builds in a BDO Audit allows the users of financial statements to be confident in the assurance we provide now and into the future.



**Tim Kendall**  
National Leader, Audit & Assurance  
30 October 2020

A handwritten signature in black ink that reads "Tim Kendall". The signature is written in a cursive, flowing style.

# INTRODUCTION

## WHY IS TRANSPARENCY IMPORTANT?

Investor confidence is vital to the success of any financial market. Without trust in the financial information provided, people will become more reluctant to invest, and market activity will decline.

In March 2020 the World Health Organisation announced that the coronavirus outbreak was a pandemic and it continues to interrupt the movement of people and goods throughout the world. The various restrictions and associated measures implemented by many levels of Government continue to have significant impacts on businesses and global economies and these impacts will continue to be felt by preparers of financial statements for the foreseeable future. During these challenging economic times, companies, regulators and other stakeholders rely on us as auditors to help keep markets informed and confident by ensuring the quality and trustworthiness of financial reporting.

We at BDO recognise that one way to build trust is by being transparent and our Transparency Report provides us with an opportunity to do so.

At the date of this report, the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into the Regulation of Auditing in Australia have announced that the inquiry's interim recommendations aimed at improving the standard of auditing and company reporting will form the basis of a final report to the Government. We at BDO welcome recommendations that have a positive impact on the auditing landscape and improve transparency.

## OUR DOORS ARE ALWAYS OPEN TO QUALITY IMPROVEMENT

At BDO, audit quality remains our number one priority. It is essential in accepting and supporting the professional standards and requirements issued by regulators and also allows us to provide clients and investors confidence to trust the work we do. Whilst we continue to deliver high quality audits, we are not complacent when it comes to audit quality. Our doors remain open to improvement. Feedback from regulators, observations from our Internal Inspection Program and our annual audit quality culture survey continue to support our culture of continuous improvement in everything we do through our Audit Quality Framework.

Ensuring the behaviours of our people are aligned to achieving audit quality and by focusing on transforming our audit processes, we are able to promote and enhance BDO's brand reputation as a firm that provides high quality, effective audits in the Australian marketplace.

We are not naïve to the fact that there will always be areas for improvement in audit quality but we at BDO are proud of the work we do, and the levels of quality we continue to achieve.

Our Transparency Report allows us to show clients and investors how we achieve this level of audit quality, how we adapt to a rapidly changing audit environment in the midst of a global health pandemic and how we seek to continuously improve the way in which we do things.

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# OUR AUDIT QUALITY CULTURE

The ongoing scrutiny on audit quality both domestically and internationally has been compounded by the challenges presented with the COVID-19 pandemic. We at BDO understand the importance of maintaining a strong culture of quality during these challenging times.

We use our Audit Quality Framework (AQF) as our system of internal quality control. It provides the foundation on which we build and maintain a culture of audit quality. Our AQF enables the behaviours and actions of our partners and staff to achieve audit quality on a consistent basis.

Identifying opportunities and avenues for continuous improvement is a key aspect of audit quality and the underlying principles of the AQF supports this ongoing process. Our annual audit quality culture survey of partners and staff continues to assist us in identifying where improvements are required to ensure success is maintained in this regard.

We are committed to continually developing and strengthening our internal quality control system to address areas that require improvement. We ensure that these areas are also addressed by our AQF.

Our AQF is described in the following diagram:





### LEADERSHIP

- COMMITMENT TO QUALITY
- ADEQUATE TIME TO UNDERTAKE ROLES
- PERSONAL CHARACTERISTICS ESSENTIAL TO AUDIT QUALITY
- QUALITY TECHNICAL SUPPORT



### ACCEPTANCE & CONTINUANCE

- ROBUST SYSTEMS FOR CLIENT RELATIONSHIPS AND ENGAGEMENTS
- FOCUS ON INDEPENDENCE
- CLIENT RISK RATING
- TONE AT THE TOP



### CONTINUOUS IMPROVEMENT AND MONITORING

- INTERNAL INSPECTION PROGRAM
- RISKS ARE MANAGED ON 'REAL-TIME' BASIS
- RISK MANAGEMENT COMMITTEES
- AUDIT QUALITY FRAMEWORK



### COMMUNICATIONS

- EFFECTIVE COMMUNICATIONS TOOLS
- ONGOING EVALUATION OF CLIENT SATISFACTION
- ACCESSIBLE TO TCWG AND MANAGEMENT
- INSIGHTS, PUBLICATIONS AND RESOURCES FOR CLIENTS



### SKILLS

- AUDIT PROFESSIONALS COMMITTED TO AUDIT QUALITY
- RECRUITMENT DELIVERS THE 'RIGHT PEOPLE'
- FOCUS ON PROFESSIONAL SCEPTICISM
- TECHNICAL SKILLS AND PERSONAL QUALITIES
- TIMELY APPRAISALS AND TRAINING
- ROBUST SUPERVISION AND REVIEW



### ENGAGEMENT PERFORMANCE

- COMPLIANT METHODOLOGY, TOOLS AND TEMPLATES
- ADEQUATE TIME TO UNDERTAKE ROLES
- ALLOCATION OF ROLES AND RESPONSIBILITIES
- PROJECT MANAGEMENT SKILLS
- STRUCTURED TEAM

# OUR VALUES

Values, by their very nature, exist and manifest across all areas of an organisation. They shape behaviour and inform every decision made across all levels of hierarchy. Values are predicated on the belief that when people come first, business success will follow.

These key facets of culture act as a guiding star as to how we all interact with each other and with our clients.

Our values are expressed as a set of five values which operate as a system, together shaping behaviours and organisational culture across BDO in Australia.



**ONE**



**BOLD**



**HUMAN**



**STRIVE**



**HEART**

# LEADERSHIP DRIVING AUDIT QUALITY



# LEADERSHIP DRIVING AUDIT QUALITY

We at BDO remain committed to delivering high quality audits which support the public interest and underpin confidence in the financial system. We also support any recommendations within the auditing profession that have a positive impact on audit quality and financial reporting in Australia.

Audit quality is dependent upon an organisational structure which is inherently sound and which clearly defines the responsibilities of the various levels of management. As we and our clients continue to face unprecedented challenges, we recognise that it is the ability and commitment of our leaders that will ensure quality audits continue to be delivered.

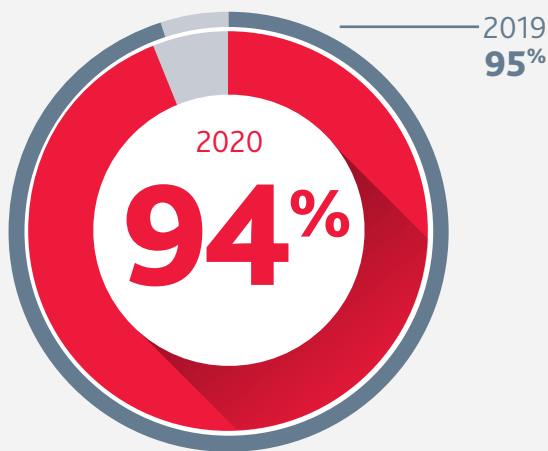
Our partners and staff are telling us that our leadership group is committed to this through their actions.

## OUR ONGOING COMMITMENT

At BDO our leadership team is committed to audit quality and through continuous investment we strive to achieve ongoing improvement. This is supported by a strong underlying framework that enables behaviours and attitudes to drive ongoing improvement.

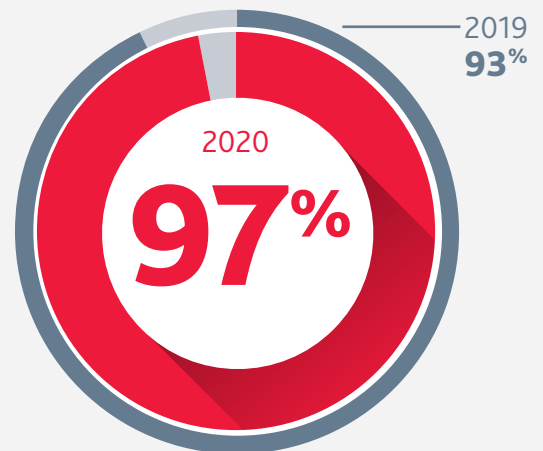
Our commitment to audit quality continues to be demonstrated in a number of ways. This includes the following:

- ▶ During the year we introduced an accountability and recognition framework for audit partners which reports outcomes in a quality and risk scorecard for consideration in the annual partner appraisal process
- ▶ Partner KPIs incorporating audit quality to reinforce the significance placed on audit quality and to facilitate partner training and development
- ▶ We ensure that partner KPIs do not include individual job recovery measures, thereby ensuring engagement partners are not discouraged from engaging in consultation



of respondents agree their partner in charge (PIC) makes it clear through their actions that audit quality is a significant priority of the firm.

*'The level of attention to detail in audit engagements shown by the PIC shows.'*



of respondents agree that leaders within the firm communicate expectations and importance of audit quality.

*'The need for quality is clearly communicated by partners at the beginning and throughout engagements'*

- ▶ We emphasise the importance of audit quality and reinforce the quality control policies and procedures of the firm by ongoing communications from the National Leader for Audit Quality which encompasses the audit quality messages from the Global Head of Audit and Accounting to all audit staff
- ▶ The National Audit Leader, National Leader for Audit Quality and Local office Heads of Audit hold regular meetings to discuss various matters in respect of audit quality
- ▶ We include audit quality on the agenda for management and partner meetings. At regularly scheduled staff meetings, all partners and staff are reminded to adhere to the quality control policies and procedures of the firm
- ▶ Local office Heads of Audit communicate and discuss matters of audit quality, the need for consultation and professional scepticism to staff on a regular basis through a combination of face-to-face sessions, electronic and online communications.

### RESPONSIBILITY, EXPERIENCE AND AUTHORITY

To ensure we have the right people responsible for audit quality, we have:

- ▶ A National Audit Leader who is an experienced audit partner and reports on matters of audit quality to the National Board
- ▶ A National Leader for Audit Quality who is an experienced audit practitioner with experience in firm risk management and has the necessary authority to assume operational responsibility
- ▶ A National Audit Committee (NAC) as outlined in the governance structure of BDO in Australia
- ▶ A National Audit Quality (NAQ) team which is responsible for providing support to the audit service line including the development and implementation of policies and procedures to enable the performance of high quality audits on a consistent basis.

Each of the positions noted above play a critical role managing both the business and brand risks of BDO.

### TECHNICAL SUPPORT

We have a Technical Consultations Policy that supports the BDO Audit Manual in emphasising the culture of consultation and identifies Accounting, Audit and Ethical Technical Consultants who have the appropriate knowledge and skill to advise on technical matters. Where we do not have the technical skills within BDO in Australia, or require additional consultation, we discuss with the Global Head of IFRS or Global Head of Audit & Accounting, as appropriate.

We have ensured there are adequate specialist resources available in the following areas:

- ▶ IS audit specialists
- ▶ Valuation specialists
- ▶ Tax specialists.

Adequate technical materials to supplement the audit manual, tailored to meet Australian requirements, are maintained by the NAQ team and are available to the business.

### QUALITY IN OUR VALUES, CULTURE AND STRATEGY

An overriding, clear message in relation to quality is included in the firm's goals, values and organisational structures. Local Office Heads of Audit include matters of audit quality in their local strategic and operational plans.

We accept and support the professional standards issued by standard setters, where required by law and BDO global. In addition, we accept and support standards in place and regard them as being fundamental to how audits should be performed.

Our national competency framework, reflects the personal characteristics essential to audit quality and is used for recruitment, evaluation of performance, including promotion, and succession planning.



# INDEPENDENCE AND OUR CLIENTS



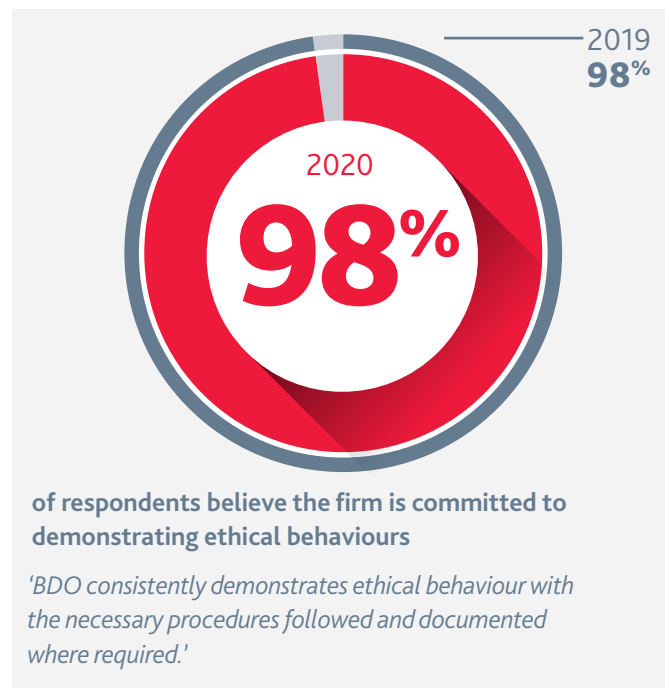




STRIVE

WE DELIVER THE BEST POSSIBLE OUTCOMES  
FOR OUR CLIENTS AND TAKE PRIDE IN OUR  
WORK BUILT ON QUALITY AND INTEGRITY

# INDEPENDENCE AND OUR CLIENTS



## INDEPENDENCE OF THE FIRM, PARTNERS AND STAFF

Independence of the firm, partners and staff is administered through the firm's comprehensive set of policies. The robust systems in place and respective procedures ensure compliance with laws, professional standards and regulations, including the principles and requirements of the Australian Professional and Ethical Standards Board (APESB).

The firm's policies consider independence from a number of perspectives. This includes, but is not limited to, our relationships with audit clients, the approval of non-assurance services to audit clients, long association of personnel with assurance clients and fee arrangements.

### Non-Assurance Services

We have policies and procedures in place to identify and resolve any threats to independence that may arise from providing non-assurance services to audit clients. The firm continually reviews the effectiveness of such policies and procedures and as changes to laws and regulations arise, these are revised accordingly.

Before any non-assurance service is performed, the audit engagement partner considers any potential conflict of interest or threat to independence that may arise before approving the non-assurance service.

During the transparency reporting year, the National Risk and Ethics team developed a new automated process for assessing the provision of non-assurance services for both existing and prospective audit clients. The introduction of this new automated workflow, supported by a detailed guide on non-assurance services, facilitates a more robust, efficient assessment of non-assurance services to ensure we meet the requirements in the APES code. The approval of non-assurance services continues to be a specific area of review as part of the firm's annual audit Internal Inspection Program (IIP).

The firm supports the recommendation made by the Parliamentary Joint Committee on Corporations and Financial Services Regulation of Auditing in Australia in its interim report regarding the disclosure of auditors' remuneration in financial reports to be expanded to include more detailed information about the split of audit and non-audit services. In advance of any amendments being made to Accounting Standards, our engagement teams have been working with clients to incorporate these expanded disclosures in their financial reports.

### Independence declarations

On commencing employment with BDO, and annually thereafter, partners and staff are required to complete the independence declaration process. This process obtains confirmation from partners and staff that our policies around financial, business, employment and personal relationships have been complied with and requires all such relationships to be declared.

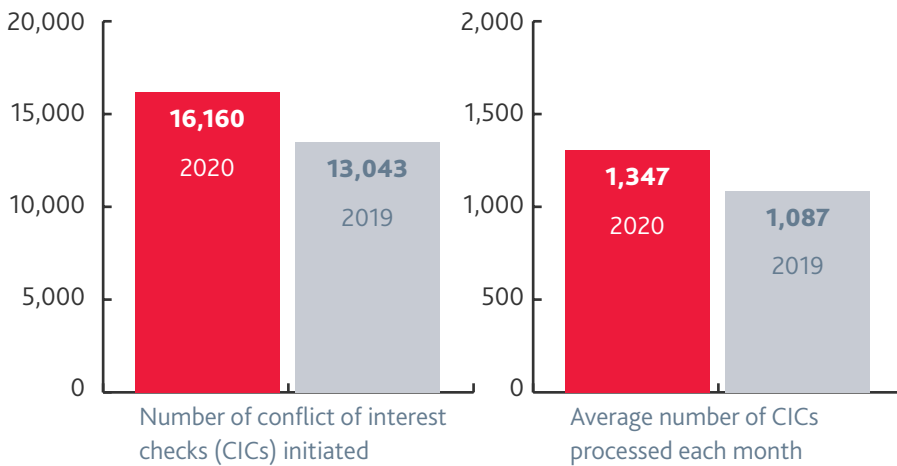
The annual independence declaration was conducted in July 2020.

All audit engagement team members, including internal experts, are required to confirm and declare their independence prior to commencing the audit. This declaration is documented and maintained in the audit engagement file.

# INDEPENDENCE AND OUR CLIENTS

## CONTINUED

### Conflict of interest and independence checks



Our electronic independence management system assists the firm in demonstrating compliance with professional, regulatory and legal requirements by maintaining documented evidence of conflicts and appropriate resolutions.

A conflict and independence check (CIC) is sent locally and internationally, where appropriate, to all partners and staff prior to a new engagement being accepted.

When a conflict is identified, Firm Risk Administrators and Firm Risk Managers in each location assist with resolving. Where required, this is resolved with direct assistance from the Firm Risk Partner or the National Risk and Ethics function. When the firm is unable to reach an appropriate resolution to a threat to independence or conflict through appropriate safeguards then we decline to act.

### GLOBAL INDEPENDENCE

In order to perform effective enquiries to ensure that our independence on a global basis is not compromised, all partners and staff have access to a worldwide register of BDO's clients that are restricted entities. Such entities comprise those (mainly) audit clients of which all network firms must be independent and includes all financial statement audit clients relating to public interest entities as determined by the relevant jurisdiction, at a minimum.

We at BDO in Australia comply with the requirements of the BDO Independence Manual. Approved by the Global Independence Steering Group and the Global Board, the BDO Independence Manual is a BDO Technical Manual as defined in the regulations of BDO International Limited. It sets out the independence policies that we and other member firms are required to comply with.

### CLIENT ACCEPTANCE AND CONTINUANCE

Our overall system of quality control, which promotes and drives quality, is undermined if we choose to serve an undesirable client. Consequently, client acceptance and continuance decisions are made with care and precede any decision to provide a professional service.

These procedures are important to ensure we obtain a comprehensive understanding of all new clients, and to reconfirm this understanding prior to continuing our relationship with a client or proposing any additional engagement.

Our policies and procedures guide staff through the following important considerations designed to safeguard BDO Australia's reputation.

- ▶ Do we have the competency, time and resources to conduct the engagement?



- ▶ Do we comply with the necessary legal and ethical requirements?
- ▶ Are we satisfied with the integrity of the client?
- ▶ Are there any other matters that indicate that association with the client could impact the firm's professional reputation?
- ▶ Is the fee to be charged reasonable, given the level of risk assumed, and is the client capable of paying the fee?

#### **CLIENT RISK RATING**

In addition to fulfilling legal and regulatory requirements, understanding our clients and related business risks is essential to our ability to deliver 'Exceptional Client Service'.

We have a client risk rating policy in place that sets out the requirements and procedures to determine a client risk rating for all audit engagements. Where engagements are identified as increased risk, specific responses are required to be applied on the engagement. The Local Office Head of Audit reviews the increased risk engagements to ensure an appropriate response is applied and this is monitored as part of the internal inspection program.



EMPOWERING OUR PEOPLE





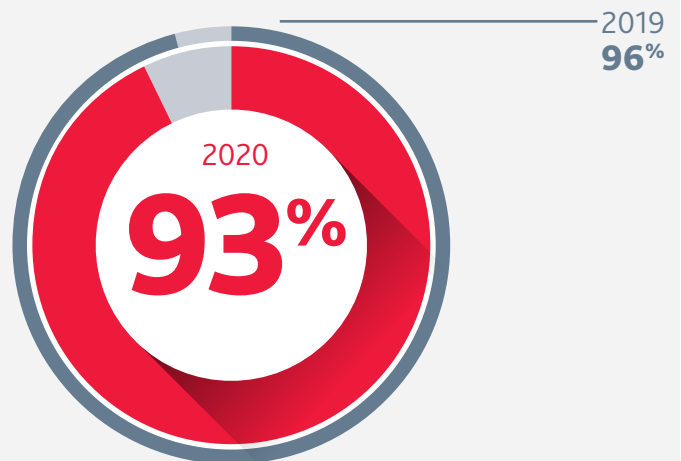


ONE

WE WORK COLLABORATIVELY TOWARDS A  
COMMON PURPOSE AND SHARED GOALS

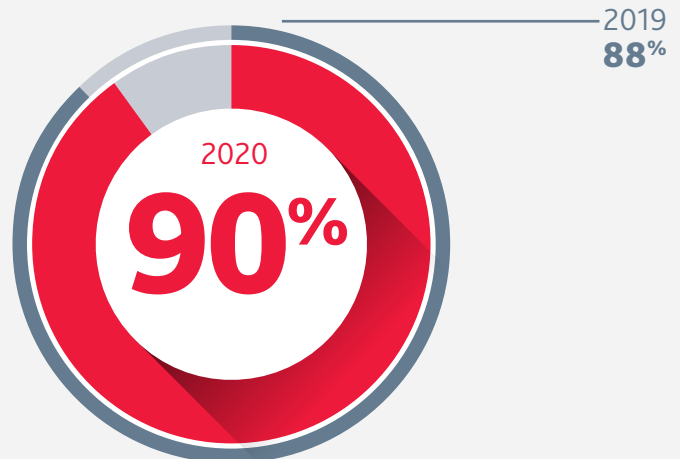
# EMPOWERING OUR PEOPLE

The capabilities and competencies of our partners and staff play a critical role in our strategic direction and this is underpinned by our internal values. Attracting and developing staff with the necessary skills and behaviours sustains a culture of audit quality and this continues to be a priority. This continued focus on our people is reflected through the results of our recent audit quality culture survey:



of staff surveyed agree that they are empowered to use their own judgement to make decisions about the conduct of an audit

*'This message has been consistently reinforced throughout my time at BDO'*



of staff surveyed believe the learning and development they receive has prepared them for the work they undertake.

*'The training provided continues to be very advantageous to the jobs I am completing. The real world examples can be applied to my job.'*

## PROFESSIONAL DEVELOPMENT

The ongoing learning and development needs of our people are based on our National Competency Framework. This incorporates the technical skills and personal characteristics required for achieving and maintaining high levels of audit quality. Underpinned by the National Competency Framework and internal values, learning and development initiatives are embedded across staff at all levels starting from when an individual is recruited and continue throughout his or her career.

Continuing professional development is critical to ensuring audit quality is maintained and BDO is committed to the continuous development of staff at all levels. We have a National Audit Technical Training Curriculum (National Curriculum) which prescribes specific training programs for staff at all levels. The National Curriculum is managed by the National Audit Quality team and continues to address updates on current issues and new developments in the profession. This includes, but is not limited to:

- ▶ Changes to auditing standards
- ▶ Changes to accounting standards
- ▶ Areas of audit focus
- ▶ Audit Internal Inspection Program observations
- ▶ Audit transformation initiatives.

Additionally, we continue to offer a range of non-technical programs that align to the firm's internal Values and core non-technical competency framework. This includes leadership and management, business development and various talent programs.

## THE LEARNING ENVIRONMENT

The BDO Learning Academy is our integrated learning management system. It facilitates the enrolment, tracking, completion and reporting of learning and development needs for partners and staff. We at BDO recognise the value of both face-to-face training and online learning platforms and, depending on the learning outcomes being achieved, the method of delivery is tailored accordingly.

Following the social distancing measures introduced in March 2020, the National Audit Quality Team, in conjunction with National Learning and Organisational Development, ensured a seamless transition to virtual learning platforms was achieved. Embracing innovation and technology, accounting and auditing technical training sessions were delivered virtually and adapted best practice learning principles.

Recognising the additional challenges that coronavirus implications presented for preparers and auditors of financial statements, a number of additional audit quality sessions and accounting technical sessions were delivered for partners and staff.

On-the-job training continues to complement the suite of training programs from both a technical and non-technical perspective.

# EMPOWERING OUR PEOPLE

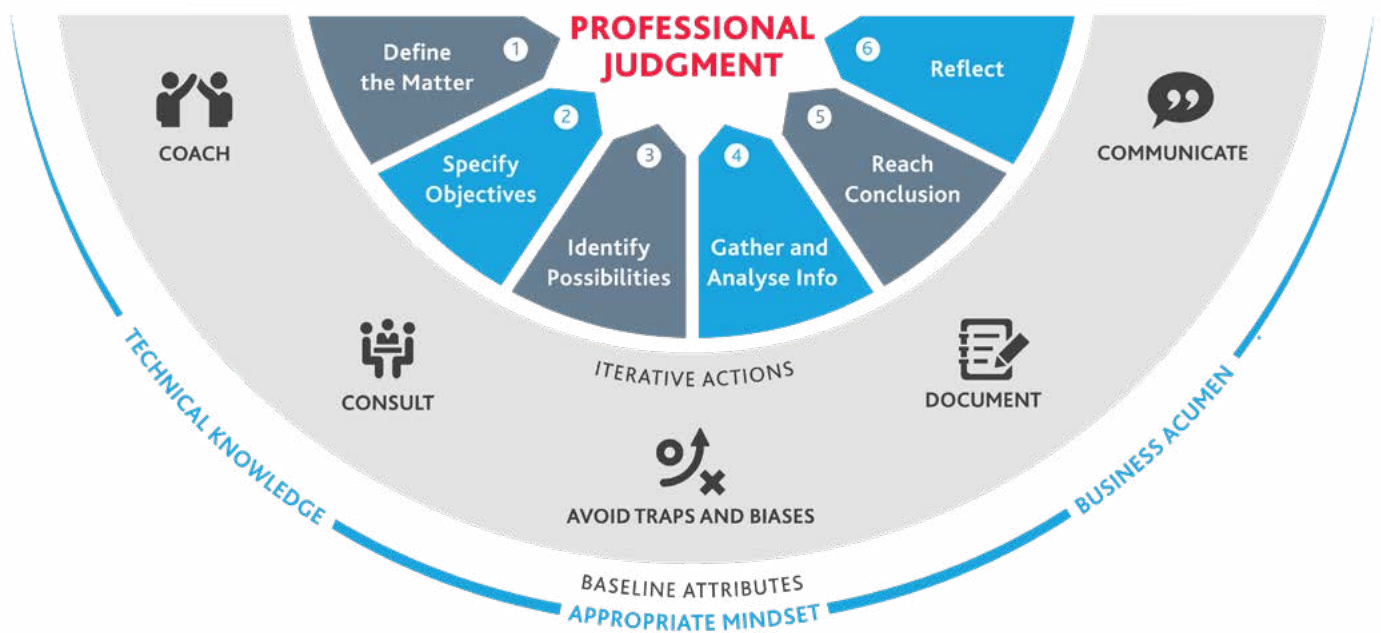
## CONTINUED

### PROFESSIONAL JUDGMENT AND SCEPTICISM

We as auditors work in an environment where powerful motivations and incentives are present. Professional judgment is the systematic practice of making the best possible decision considering professional standards and the facts and circumstances in a given situation. Throughout this process, it is important to avoid biases and apply an appropriate professionally sceptical mindset.

Good judgement takes experience, training and knowledge but it also takes awareness, repetition and consistent application - the BDO Professional Judgment Framework provides that foundation. Through its specific judgment steps and iterative actions, the BDO Professional Judgment Framework serves to provide a shared conceptual framework and common vocabulary for our partners and staff.

The importance of applying professional judgment and scepticism is embedded in the National Curriculum and our audit methodology. Various elements of the National Curriculum include case studies and practical examples encountered on real-life clients, incorporating the experience of audit partners and managers. The application of judgment and scepticism continues to be an area of focus within the Audit Internal Inspection Program.





### STAFF APPRAISALS

Performance development reviews continue to play a critical role in supporting the Firm's focus on continuing professional development. 2020 saw the implementation of a revised staff appraisal system which aligns with the Firm's core competencies and values. Ensuring consistency across all levels of staff, the revised appraisal process also provides an improved user experience and a platform for delivering timely feedback in respect of audit quality and identifying development opportunities.

### PARTNER INDIVIDUAL RECOGNITION AND ACCOUNTABILITY FRAMEWORK

Integral to our system of quality control, BDO's Individual Recognition and Accountability Framework (IRAF) assists in forming consistent judgements on the quality and risk area of partner performance assessments.

It is a framework that provides evidence to inform the discussion and rating determined during the partner performance assessment process. It provides evidence of good quality outcomes and will also highlight areas where audit quality is not at the level expected, by the use of recognition and accountability mechanisms that focus on individuals with leadership positions.

As per their latest inspection report, ASIC believes that sustainable improvements in audit quality require a focus on culture and talent by firms. In particular:

- ▶ All partners and staff should embrace the need to improve audit quality and the consistency of audit execution
- ▶ Partners and staff should understand and be accountable for their roles in conducting quality audits
- ▶ Firm leadership should give strong, genuine and consistent messages to partners and staff that audit quality is not negotiable, and this should be supported by holding individuals to account for inadequate audit work.

Our IRAF is a key component for enabling individuals to achieve quality audit outcomes.

### PARTNER REMUNERATION

All partners are paid a base salary and profits are shared among partners under a framework determined by each member firm.

The Remuneration Committee or leadership team is responsible for allocations and these are completed on an annual basis. Partners may also be eligible to receive an annual performance related bonus.

Performance is assessed on financial and non-financial measures in accordance with a partner performance management process for audit partners and informed by the discussions held under the Individual Recognition and Accountability Framework. The performance management process is conducted with input from the Service Line Leaders, Office Managing Partners, and other partners where relevant.

Assessments based on the information gathered is conducted annually through the partner performance assessment process. All related information is collated and a balanced picture considered. The behaviours and outcomes are evaluated within the Risk and Quality portion of the performance assessment and therefore will be one of a number of factors considered in a partners' total performance assessment. During the process, partners are assessed on:

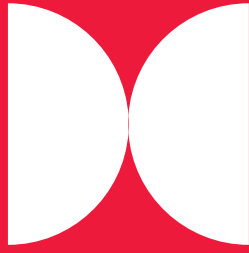
- ▶ Quality and risk
- ▶ Values
- ▶ Leadership skills
- ▶ Our strategic priorities of:
  - Profitable growth and exceptional client service
  - Empowering people
  - Operational excellence.



# ENGAGEMENT PERFORMANCE



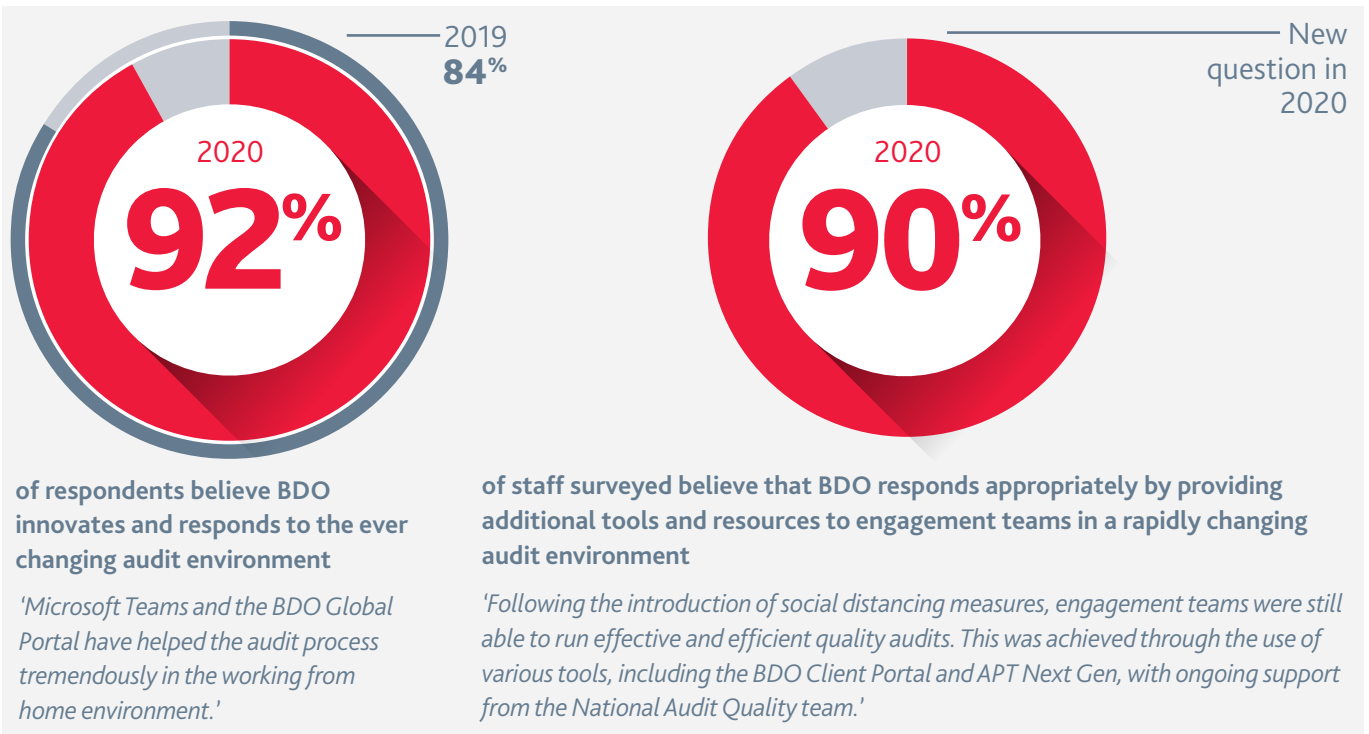




HEART

WE CARE FOR EACH OTHER, OUR CLIENTS,  
AND COMMUNITIES — UNDERSTANDING  
THAT EMPATHY MAKES US STRONGER

# ENGAGEMENT PERFORMANCE



## METHODOLOGY

As required by BDO Global, we use the BDO Audit & Assurance Policies Manual and the BDO Audit Manual. A comprehensive mapping process ensures compliance with the International Standards on Auditing. Where necessary, we also implement additional policies and procedures to address any local standards and laws not covered in the global manuals and a detailed review is undertaken on an annual basis. We continue to monitor AUASB and APESB developments for changes to local standards and consider the impact on local policies, procedures and templates.

## BDO'S DIGITAL AUDIT SUITE

BDO delivers connected digital platforms which provide:

- ▶ Tools for audit teams to deliver quality services efficiently and effectively
- ▶ The capability to provide business insights for clients to promote sustainable growth
- ▶ Secure, fast and easy ways to communicate, coordinate and collaborate in virtual workrooms without geographical limitations.

The BDO Digital Audit Suite provides a set of innovative platforms and tools that enable us to deliver exceptional client service to our audit clients. The key components of BDO's Digital Audit Suite are APT Next Generation, the BDO Global Portal and BDO Advantage. Each platform provides specific benefits which enhance value, empowering BDO's audit teams and enabling them to focus on clients and their business needs.

### APT Next Gen

We use APT Next Gen, which is an online engagement management platform developed and maintained by BDO global. The platform addresses risk assessment through to engagement execution and reporting. It leverages cloud technology, while an offline mode is also available. Key benefits of the platform include:

- ▶ As a global platform, team members across BDO's global footprint are capable of collaborating within a common workspace, promoting consistency while also streamlining engagement activities and decision making
- ▶ Integrated trial balance manager with consolidation features
- ▶ Scalable content within the library, including focused questionnaires and industry-tailored risks and responsive procedures
- ▶ Enhanced project management features, assisting with activity prioritization.

The release of APT library content from global goes through robust review processes to ensure compliance with the BDO Audit Manual. Following releases from BDO Global, we implement any local changes required by Australian Auditing Standards and regulatory requirements and communicate these on a timely basis.

### BDO Global Portal

We continue to use the BDO Global Portal as an online collaboration space between our clients and our audit teams. The portal enables the exchange of materials in a secure environment with integrated workflow tracking. With the ability to track activities and provide a live view of progress to both the auditor and client, the BDO Global Portal continues to assist audit teams with project management. As at 30 June 2020, there were in excess of 900 active client portals set up across our client base in Australia.

### BDO Advantage

We continue to develop and incorporate analytics driven audit techniques into our engagements. BDO Advantage is our global methodology and suite of tools for performing data analytics as part of our audit engagements. The tools help streamline the extraction and analysis of large data sets that not only yield potential efficiencies but also identify and effectively channel our auditing procedures to address key areas of risk.



# ENGAGEMENT PERFORMANCE

## CONTINUED

### ROLES AND RESPONSIBILITIES

We require all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the engagement partner to ensure that related risks are identified and that decisions are taken by those with an appropriate level of authority. The engagement partner must also ensure that professional work is carried out with appropriate professional scepticism and that it meets the firm's standards in all respects.

Our review procedures are designed to ensure effective control of the audit as it progresses. These policies are designed to ensure that:

- ▶ The work is performed in accordance with applicable standards and regulations
- ▶ Significant matters have been raised for further consideration and appropriately addressed
- ▶ Appropriate consultations have taken place
- ▶ The planned work has, where necessary, been reviewed and the objective of all planned work has been achieved

- ▶ The work performed and evidence obtained supports the conclusions reached
- ▶ The documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedures undertaken, the results of those procedures and the evidence obtained.

To ensure that partners and staff have adequate time to undertake their roles, budgets are prepared for each engagement, and staff are scheduled to jobs based on the time to complete an engagement and not on a fee basis. Engagement team discussions play an integral part of the audit planning process to ensure each team member has clarity on his or her responsibilities for the audit.

Methodology and templates support the allocation of partner and team responsibilities at the engagement level including the use of specialists where required (IS Audit, Valuation and Tax).

### EFFECTIVE MANAGEMENT

We have implemented a number of initiatives to ensure engagement teams have the project management skills to allow for effective management of engagements.

These include, but are not limited to, the following:

- ▶ Business intelligence dashboards being provided to engagement partners showing information on the status of individual engagements against benchmarks that we know produce quality outcomes
- ▶ Project management as a skill in the competency framework which is included in our National Curriculum with a focus on the importance of timing of procedures on engagements
- ▶ Providing reminders on the importance of end of year procedures and timeliness of performing procedures via updates from the NAQ team.

## ENGAGEMENT TEAMS

The appropriate composition of engagement teams is fundamental to providing 'Exceptional Client Service' and delivering a high quality audit. BDO methodology, national policies and templates all support the appropriate assignment of partners and staff to audit engagements. Supplemented by technical training as part of the National Curriculum, we ensure partners and staff have the necessary competencies and technical skills to undertake their engagements.

For complex engagements, we consider the need to appoint specialists or experts through planning questionnaires and templates, including a mandatory requirement for IS Audit involvement on certain engagements. In such scenarios, audit engagement partners are required to assess the adequacy of the work of experts and specialists as part of completion procedures.

Training is provided to internal specialists in an audit context, focussing on independence and the importance of documentation.

## ENGAGEMENT QUALITY CONTROL REVIEW (EQCR)

We have an EQCR Policy that prescribes the circumstances in which an EQCR is required. This policy also details the pre-requisite skills of the reviewer and considers the time available to perform the review. We maintain an EQCR register for each member firm, which is reviewed by the Local Office Head of Audit every six months.

## CONSULTATIONS

Our culture encourages consultation with experienced partners and other specialists where appropriate. The firm has a process in place for audit partners and teams to follow when consulting and seeking a 'firm' opinion, support on a client issue, judgement or risk.

This culture of collaboration is supported by a robust technical consultations policy which ensures that consultations are embedded in the audit process. The technical consultations policy defines the circumstances where consultation is required and outlines the protocols engagement teams need to follow when engaging consultants. The Technical Solutions Portal (TSP) provides a structured platform for engagement teams to consult through embedded templates that facilitates robust documentation that is maintained on the audit file.

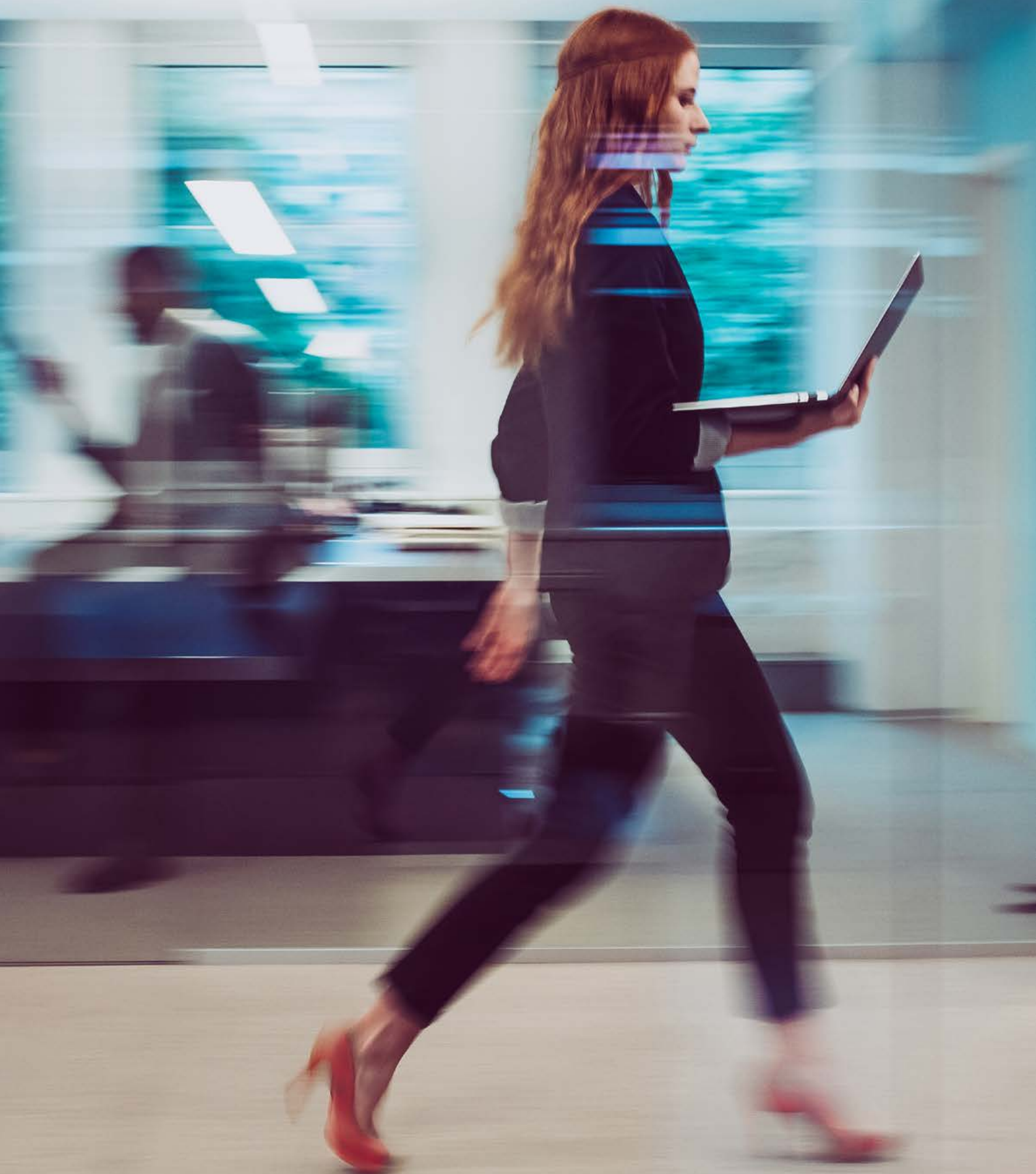
In the 12 months ending 30 June 2020 over 450 technical consultations have been made in respect of Audit and Assurance and Risk and Ethics related questions.

In respect of the ongoing impacts of the coronavirus, not only is additional training being delivered, but a number of coronavirus specific considerations are embedded into audit work programs and revisions to the technical consultations policy continue to support this process.





# OPEN COMMUNICATION

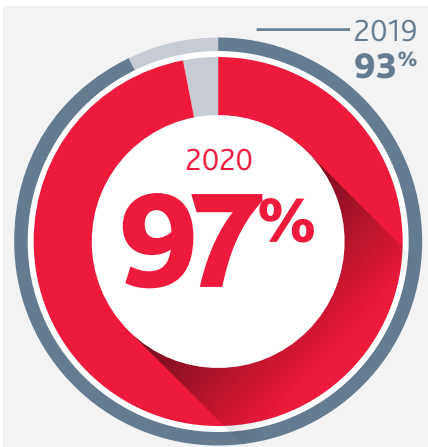




HUMAN

WE ARE AUTHENTIC IN OUR INTERACTIONS  
AND COMMUNICATE OPENLY, HONESTLY  
AND RESPECTFULLY

# OPEN COMMUNICATION



**of staff believe that team leaders communicate expectations and the importance of audit quality on individual engagements.**

*'The need for audit quality is clearly communicated by partners at the start and throughout the engagement'*

In 12 months to 30 June 2020, over **125 REAL-TIME UPDATES** have been provided to audit partners and staff via our internal communication platform. This includes revised tools and templates and technical updates.

## INTERNAL COMMUNICATION

We have a strong culture of collaboration and effective internal communications, supported by various channels. This includes:

- ▶ Internal communications channel for the audit service line
- ▶ Audit and assurance intranet page
- ▶ Various champion groups
- ▶ Audit Quality Briefing Sessions.

Mirroring our approach to client relationships, we build internal relationships based on mutual respect and every member of the engagement team has a voice. Communicating openly, honestly and respectfully is fundamental to these relationships.

Effective communication between audit team members is a key component to an efficient and effective audit engagement. Through the use of tools and technology, supported by frequent communications and focused audit quality briefing sessions, our partners and staff continue to demonstrate flexibility and resilience throughout this challenging period, causing minimal disruption to how we work together and service our clients.

## CLIENT COMMUNICATIONS

The BDO Audit Manual contains details of all the requirements for communicating with *those charged with governance* (TCWG). When formally communicating with TCWG at the planning and reporting phase of the audit process, we have collaboratively designed templates available on the BDO intranet. Through the reporting process at the completion phase, we share, among other things, insights arising from the audit process, improvement areas around the client's processes and internal controls, and our position on key audit and accounting matters.

In addition to formal communications with TCWG, we provide webinars, newsletters and other publications to our clients on audit and accounting matters specific to their business and industry.

Communication with management is an ongoing process and we continue to take a proactive and transparent approach to keeping clients informed on issues arising throughout the audit.

The ongoing impact of the coronavirus continues to provide significant challenges for a number of our clients. In addition to ongoing communication with our clients, BDO continue to develop a wide range of specific resources to assist clients through this period which are publically available on the BDO Australia website. This includes publications on specific audit and accounting implications, building business resilience and technical updates to help clients navigate the various stimulus measures released by the Australian Government.

### EXCEPTIONAL CLIENT SERVICE

Underpinned by a relationship-driven culture, the BDO vision focuses on exceptional client service. Our client charter is underpinned by five key attributes:

- ▶ Client needs – we anticipate needs and are forthright in our views to ensure the best outcome
- ▶ Communication – we are clear, open and timely in our communications
- ▶ Commitment – we deliver what we promise
- ▶ People – we provide the right environment for our people and the right people for our clients
- ▶ Value – we create value by delivering on our promises and through innovation.

Our partners and team members are always accessible to TCWG and management. We include questions on client communications in our client satisfaction programme and factor these results into future engagements.





# CONTINUOUS IMPROVEMENT AND MONITORING





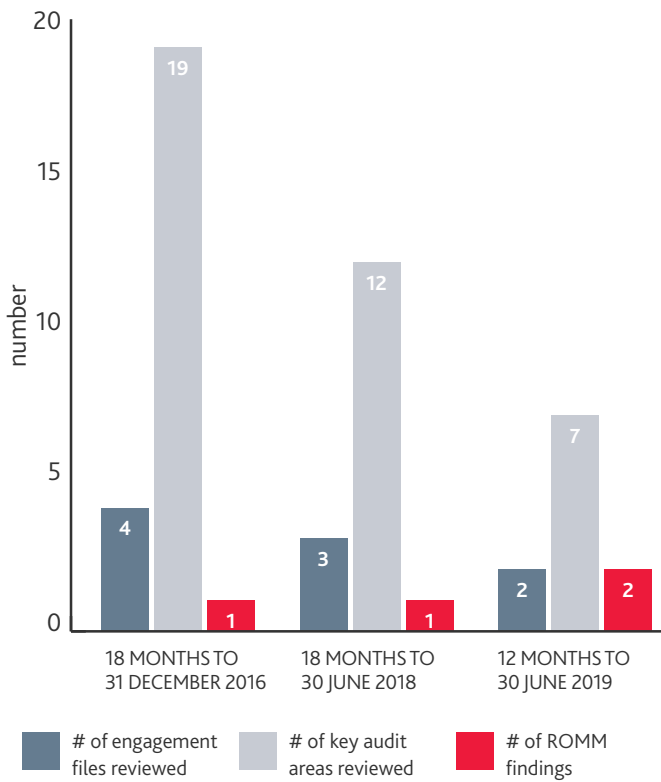


**BOLD**

**WE EMBRACE CHANGE AND INNOVATION TO HELP  
OUR CLIENTS, OUR COLLEAGUES AND OURSELVES**

# CONTINUOUS IMPROVEMENT AND MONITORING

**BDO ASIC inspection findings**



ROMM findings are those areas that, in ASIC's view, reasonable assurance was not obtained that the financial report was free from material misstatement.

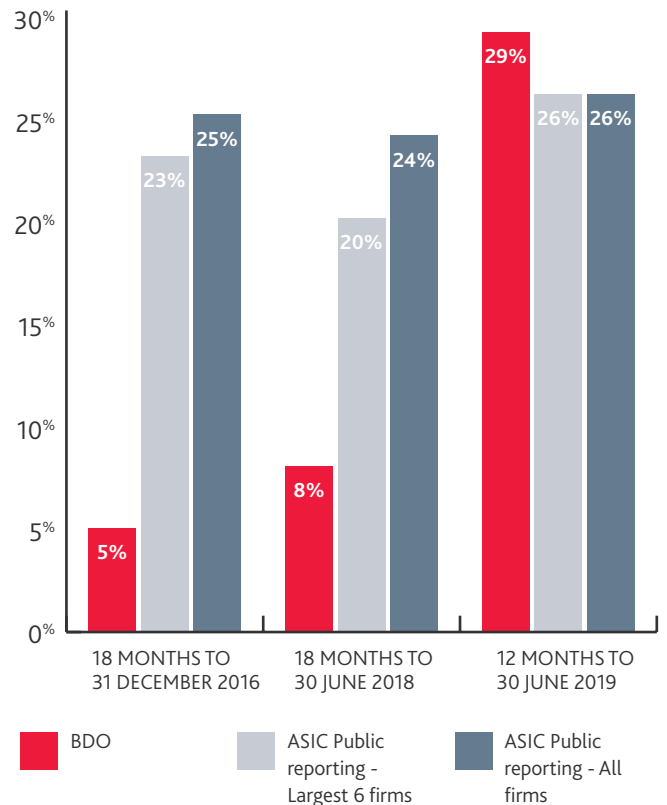
Our internal quality control system, supporting the audit service line, is designed to provide a basis to conclude that assurance engagements comply with the applicable Australian auditing standards, professional, regulatory and legal requirements.

## RISK MANAGEMENT

### Local risk management committees

We have local risk management committees in place at each office to monitor the firm's risk management framework. Risks specific to the audit service line are reviewed, and actions designed to respond to identified risks are monitored.

**ASIC inspection findings**



In the past 12 months BDO's percentage has increased. This can be attributed to a reduction in the number of files reviewed by ASIC, a reduction in the key areas reviewed within those files and one extra finding this year compared to last.

## National Risk Management Committee

We have a National Risk Management Committee (NRMC).

The objectives of the NRMC are to:

- ▶ Assist BDO Australia's Board (Board) in fulfilling its responsibilities relating to the risk management and compliance practices across BDO in Australia
- ▶ Develop and maintain a standard suite of risk management and compliance policies, procedures and processes, in response to the requirements of the BDO Risk Management Manual
- ▶ Promote a culture of risk awareness and consultation.

## AUDIT INTERNAL INSPECTION PROGRAM (IIP)

We perform internal inspections on an annual basis.

The audit IIP inspection cycle allows for engagement partners to be reviewed under the IIP at least once in a two-year cycle, which is in compliance with the requirements of ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements*. The Audit IIP policy is reviewed on at least an annual basis, supporting this continuous process. The Audit IIP policy complies with the requirements of the National IIP policy which is applicable across all significant service lines in Australia.

The program extends across all offices and engagement partners. With a view to continuous improvement of our monitoring process, the scope and consideration of focus areas is reviewed on at least an annual basis.

We issue the results of the IIP to the National Audit Committee and National Board. The report details the results of the review and includes the grading for engagement partners reviewed and partner gradings are incorporated

into the partner appraisal process. The report also includes common findings noted for improvement and individual office action plans which appropriately address areas noted for improvement.

We prepare and implement action plans for issues identified from the IIP at a national level, and also at a local level where expectations have not been met. In addition, we perform a root cause analysis for all common and significant findings noted from the IIP. We recognise that understanding the true root cause of issues is imperative to be able to make the changes effective.

The most recent IIP results continue to demonstrate a strong level of quality on our audit engagements which is consistent with the results of the inspections undertaken by ASIC during the year.

## AUDIT QUALITY FRAMEWORK

We review and assess firm compliance with the BDO Australia Audit Quality Framework (AQF) every 18 months.

We issue the results of the AQF Monitoring to the National Audit Committee and National Board. The report includes common findings noted for improvement and individual office action plans which appropriately address areas noted for improvement.



# CONTINUOUS IMPROVEMENT AND MONITORING

## CONTINUED

### POLICIES AND PROCEDURES

We regularly consider whether our internal policies and procedures remain appropriate.

BDO values strong corporate governance principles and we encourage our staff to play an active role in eliminating improper conduct in the workplace. As such, we have a national whistleblowing policy and an independent, secure and confidential whistleblowing service provider. This facilitates the handling of complaints made against the firm regarding allegations of failure to comply with professional standards, applicable legal and regulatory requirements and allegations of non-compliance with the firm's system of quality control.

### EXTERNAL MONITORING

When we are subject to an external review, we prepare action plans for issues identified following completion of a root cause analysis. We incorporate the gradings from external reviews into partner appraisals.

BDO is subject to inspection by the following bodies:

#### BDO International Limited

BDO in Australia was subject to a BDO Global Quality Assurance Review in November 2019. The objective and purpose being to review the quality control policies and procedures in effect

for the firms' audit & assurance practice and to determine if the firms' audit & assurance practice complies with the international professional standards, the BDO Audit Methodology, the International BDO Audit Manual and additional guidance provided by the Global Audit Department of BDO.

The firm achieved a grading of 'satisfactory' in all areas of the review. Satisfactory is the highest grading available and defined as '*Good compliance with BDO methodology - no or minor findings/recommendations for remedial actions noted*'.

The areas of the review are:

- ▶ Assessment of the Internal Inspection Program Design (functional areas and file reviews)
- ▶ Assessment of the effectiveness of the IIP for functional areas and file reviews
- ▶ Assessment of the effectiveness of the root cause analysis related to the functional areas and file reviews.

#### Australian Investment and Securities Commission (ASIC)

BDO has been subject to ongoing engagement file reviews throughout the transparency reporting year. For the 12 month period ending 30 June 19, ASIC provided feedback on the 2 specific engagement files reviewed as well as the financial report findings from the financial reporting surveillance activities that were relevant to BDO. Engagement files subject to review are

not graded and BDO did not view any of the findings to be indicative of a significant failure in our internal quality control system.

Although BDO's percentage of key areas with findings has increased in the last 12 months, this can be attributed to a reduction in the number of files reviewed by ASIC, a reduction in the key areas reviewed within those files and only one extra finding this year compared to last.

We are committed to continually developing and strengthening our internal quality control system to address any findings by oversight inspection bodies. We address ASIC findings following a detailed root cause analysis and we ensure that any continued focus area is incorporated within our Audit Quality Framework.

#### Public Company Accounting Oversight Board (PCAOB)

The last Inspection of BDO East Coast Partnership was conducted in April 2018 and BDO Audit (WA) Pty Ltd in November 2013.

#### Canadian Public Accountability Board (CPAB)

The last Inspection of BDO Audit (WA) Pty Ltd was completed in February 2012.







# INTERNAL QUALITY CONTROL EFFECTIVENESS STATEMENT

BDO's internal quality control system, supporting the audit service line, is designed to provide a basis to conclude that assurance engagements comply with the applicable Australian auditing standards, professional, regulatory and legal requirements.

The results of our Audit Internal Inspection Program, Audit Quality Framework monitoring program and feedback from recent external monitoring activity, provides a basis to conclude that our internal quality control system, supporting the audit service line in all Australian firms, was operating effectively for the year ended 30 June 2020.



**Jane Bowen**  
National Leader, Audit Quality  
30 October 2020

*J Bowen*



**Tim Kendall**  
National Leader, Audit & Assurance  
30 October 2020

*Tim Kendall*

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# APPENDICES



# APPENDIX 1

## BDO INTERNATIONAL NETWORK

BDO Australia Limited is a Member Firm of BDO International Limited.

### DESCRIPTION OF THE NETWORK

The BDO network is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO Member Firms'). BDO is the brand name for the BDO network and all BDO Member Firms.

### LEGAL AND STRUCTURAL ARRANGEMENTS

Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee, as either a voting member (one per country) or a non-voting member. BDO International Limited is the governing entity of the BDO network and sets the membership obligations of the BDO Member Firms in the Regulations. The BDO network is governed by the Council, the Global Board and the Global Leadership Team of BDO International Limited.

The Council comprises one representative from each voting member and comprises the members of BDO International Limited in general meeting. The Council approves the network's central budget, appoints the Global Board and approves any changes in the Articles and Regulations of BDO International Limited.

The Global Board, which is the Board of Directors of BDO International Limited, comprises a representative of the BDO network's seven largest member firms, whose appointment, each for a three year term, is approved by the Council. The Global Board sets priorities for the BDO network and oversees the work of the Global Leadership Team. The Global Board meets at least four times a year. The Global Leadership Team is tasked with coordinating the activities of the BDO network. It is headed by the CEO and comprises the COO,

Global Heads of Risk, Quality & Governance (also acting as the International Secretary and General Counsel), Audit & Assurance, Tax, People, Business Development & Marketing, IT, the CEO EMEA, the CEO Americas (currently also acting as Global Head of Advisory) and the CEO Asia Pacific.

The Global Leadership Team is supported by the Global Office at Brussels Worldwide Services BV. Brussels Worldwide Services BV, a Belgian limited liability company, provides services to assist in the coordination of the BDO network. BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is the sole preserve of the BDO Member Firms.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the BDO Member Firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide services BVBA and/or the BDO Member Firms.

International committees comprising professionals from BDO Member Firms and/or of Brussels Worldwide Services BV report to the respective members of the Global Leadership Team, the CEO and/or the Global Board. The international committees produce materials, policies and guidelines to serve the needs of BDO Member Firms. The principal committees relevant to audit are:

- ▶ Audit Leadership Committee
- ▶ Audit Steering Committee
- ▶ Audit Approach Group
- ▶ Independence Steering Group
- ▶ International Risk Management Committee
- ▶ IFRS Working Party.

BDO in Australia is represented on each of these committees.

## APPENDIX 2

### LEGAL STRUCTURE AND OWNERSHIP

BDO operates in Australia as a network of independent member firms, all of which are members of BDO Australia Limited. BDO Australia Limited is an Australian company limited by guarantee, is a member of BDO International, and forms part of the International BDO network of independent firms.

BDO Australia Limited provides national support and strategy for BDO in Australia but does not provide professional services to clients.

Each member firm of BDO Australia Limited is an independent legal entity and profits are not shared between member firms. All BDO Member Firm client engagements are conducted in the name of the local BDO Member Firm entity or entities.

The BDO network in Australia operates out of the following entities that provide audit services to clients:

ENTITY PROVIDING AUDIT SERVICES	LOCATION
BDO Audit Pty Ltd*	Brisbane (including Sunshine Coast), Melbourne, Sydney
BDO East Coast Partnership*	Melbourne and Sydney
BDO Audit (Nth Qld) Pty Ltd and BDO (Nth Qld) Partnership	Cairns
BDO Audit (NT) Partnership	Darwin
BDO Audit (SA) Pty Ltd and BDO Audit Partnership (SA)	Adelaide (including McLaren Vale)
BDO Audit (TAS)	Hobart
BDO Audit (WA) Pty Ltd	Perth

\*Effective as at 1 August 2020, BDO in Brisbane (including the Sunshine Coast), and BDO East Coast Partnership (Sydney and Melbourne) merged.



# APPENDIX 3

## GOVERNANCE AND STRUCTURE

### BDO IN AUSTRALIA

#### National Board

The BDO National Board is the leadership group charged with governing the strategic direction of BDO in Australia. The National Board comprises five representatives from across the member firms to ensure representation around Australia. The National Board sets strategy with a high degree of emphasis on the firm's services to its clients and is also responsible for implementing the obligations imposed by the BDO network.

#### National Executive

The National Executive is charged with implementing strategy and progressing consistent practices across member firms in the BDO Australia network.

The National Executive at 30 June 2020 comprises the Chief Executive Partner and the Office Managing Partners (OMPs) from each member firm.

#### National Audit Committee

The National Audit Committee (NAC), which is comprised of audit leaders from the member firms from BDO in Australia is charged by the National Board with the responsibility for leading and promoting an audit service, where all legislative requirements are met, and which delivers high quality effective audit and assurance engagements.

The NAC is comprised of the National Audit Leader, National Leader, Audit Quality and audit leaders from each office.

### MEMBER FIRMS

#### Local firm Boards

Each independent member firm of BDO in Australia has its own Board, which is responsible for the operational and financial performance of its entities, including the way they operate in the local market, while implementing any directives of the National Board. Local Boards are ultimately responsible for audit quality and risk management.

### BDO in Brisbane, Sydney and Melbourne (BSM)

Effective as at 1 August 2020, BDO in Brisbane (including the Sunshine Coast), and BDO East Coast Partnership merged. BDO in Brisbane, Sydney and Melbourne is structured as a group of companies. The entity providing audit services is BDO Audit Pty Ltd, an authorised audit company. Prior to the merger, the entity providing audit services in Sydney and Melbourne was BDO East Coast Partnership.

#### Governance structure

The Board is the principal governance and oversight body for BDO in Brisbane, Sydney and Melbourne. The role of the Board is to govern, guide, and direct BDO in Brisbane, Sydney and Melbourne towards the effective achievement of BDO's role and objectives in the interests of the collective shareholders.

In addition to the Board, there is a Chief Executive Partner (CEP) of BDO in Brisbane, Sydney and Melbourne and Office Managing Partners (OMP) in Brisbane, Sydney and Melbourne. Each location's OMP oversees the strategic implementation of the firm's plans for the maximum benefit of the business and its clients. The OMPs report to the CEP who in turn reports to the Board.

In addition, the Partners in Charge (PICs) of the service lines oversee the strategic implementation of the firm's plans for the maximum benefit of the business and our clients. The PICs report to OMPs to ensure that the relevant service line and the individual members of that division fulfil all board approved budgets and plans whilst complying with the firm's policies and procedures.

# APPENDIX 3

## GOVERNANCE AND STRUCTURE *CONTINUED*

### **BDO in Perth**

BDO in Perth is structured as a group of companies. The entity providing audit services is BDO Audit (WA) Pty Ltd, an authorised audit company.

### **Governance structure**

The Board is the principal governance and oversight body of BDO in Perth. The Board comprises all of the BDO WA Equity Directors. The role of the Board is to govern, guide and direct BDO in Perth towards the effective achievement of BDO's goals and objectives in the interests of the collective shareholders.

It delegates authority to the Oversight Board and the Managing Director. The Oversight Board oversees the implementation of the firm's strategic plans for the benefit of the business and our clients. The PICs are responsible for ensuring the respective service lines strive to meet budgeted targets whilst complying with the policies and procedures of the firm. Through this support of the PICs, the Managing Director has the operational running of the business.

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# APPENDIX 4

## FINANCIAL INFORMATION

Breakdown of BDO in Australia fees for the year ended 30 June 2020

<b>BDO IN AUSTRALIA</b>	<b>\$M</b>
Fees from audits of financial statements and other assurance engagements	83.9
Fees from non-assurance services provided to audit clients	33.0
Fees from non-assurance services provided to non-audit clients	209.5
<b>TOTAL FEES</b>	<b>326.4</b>

Included in the above total are the following fees broken down by office

<b>BRISBANE</b>	<b>\$M</b>
Fees from audits of financial statements and other assurance engagements	22.7
Fees from non-assurance services provided to audit clients	14.9
Fees from non-assurance services provided to non-audit clients	75.6
<b>TOTAL FEES</b>	<b>113.2</b>

<b>ECP (MELBOURNE, SYDNEY)</b>	<b>\$M</b>
Fees from audits of financial statements and other assurance engagements	35.4
Fees from non-assurance services provided to audit clients	10.3
Fees from non-assurance services provided to non-audit clients	74.4
<b>TOTAL FEES</b>	<b>120.1</b>

<b>PERTH</b>	<b>\$M</b>
Fees from audits of financial statements and other assurance engagements	16.1
Fees from non-assurance services provided to audit clients	5.8
Fees from non-assurance services provided to non-audit clients	21.2
<b>TOTAL FEES</b>	<b>43.1</b>

<b>OTHER</b>	<b>\$M</b>
Fees from audits of financial statements and other assurance engagements	9.8
Fees from non-assurance services provided to audit clients	2.0
Fees from non-assurance services provided to non-audit clients	38.3
<b>TOTAL FEES</b>	<b>50.1</b>

Note: All disclosures above are unaudited.

# APPENDIX 5

## OUR CLIENTS

### BRISBANE

#### Listed companies

AdvanceTC Limited\*  
 Anteo Tech Ltd  
 Armour Energy Limited  
 Auking Mining Limited  
 Aus Tin Mining Limited  
 Austin Engineering Ltd  
 Carpentaria Resources Ltd  
 CCP Technologies Ltd\*  
 Chase Mining Corporation Limited  
 Coppermoly Limited  
 Dark Horse Resources Limited  
 DGO Gold Limited  
 DGR Global Limited  
 Elementos Ltd  
 Fertoz Ltd  
 Galilee Energy Limited  
 Healthia Ltd  
 HRL Holdings Ltd  
 Hughes Drilling Limited  
 Intellihir Holdings Limited  
 Jumbo Interactive Ltd  
 KGL Resources Limited  
 Laneway Resources Limited  
 Lithium Consolidated Ltd  
 Mako Gold Ltd  
 Medigard Limited  
 Metallica Minerals Limited  
 Opticomm Limited  
 Orion Metals Limited  
 P2P Transport Limited  
 Painchek Limited  
 People Infrastructure Ltd  
 Renu Energy Ltd  
 Resource Generation Limited  
 Rightcrowd Limited\*

RPM Global Holdings Limited  
 Sensen Networks Ltd  
 Stanmore Coal Limited  
 State Gas Ltd  
 Sunland Group Limited  
 Sunstone Metals Ltd  
 TBG Diagnostics Limited  
 Tillegrah Ltd\*  
 Tlou Energy Ltd  
 Wagners Holding Company Ltd

#### Bodies regulated by APRA

Club Super\*  
 Energy Super  
 First Super  
 Intrust Super  
 Queensland Teachers Union Health Fund Ltd  
 Sureplan Friendly Society Limited

#### Authorised deposit-taking institutions

BananaCoast Community Credit Union Ltd\*  
 MCU Ltd  
 QPCU Limited  
 Railways Credit Union Ltd  
 Southern Cross Credit Union  
 The Capricornian Ltd  
 Warwick Credit Union Ltd

#### Listed registered schemes

Garda Capital Limited (stapled with Garda Capital Trust)\*  
 Garda Diversified Property Fund\*

**ECP****Listed companies**

AEON Metals Limited  
 Air Change International Limited  
 Alliance Resources Limited  
 Ambertech Limited  
 Ark Mines Limited  
 Atomo Diagnostics Limited  
 Australian Agricultural Projects Limited  
 Bassari Resources Limited  
 Beyond International Limited  
 Bounty Mining Limited\*  
 BuildingIQ, Inc  
 Calix Limited  
 Cap-XX Limited  
 CardieX Limited  
 CommsChoice Group Limited  
 Consolidated Operations Group Limited  
 Corum Group Limited  
 Credible Labs Inc  
 Creso Pharma Limited  
 DataDot Technology Limited\*  
 Dicker Data Limited  
 Dynasty Resources Limited\*  
 Easton Investments Limited  
 Elixinol Global Limited  
 Emvision Medical Devices Limited  
 Energy One Limited  
 Environmental Clean Technologies Limited  
 Farmaforce Limited  
 Fluence Corporation Limited  
 FSA Group Limited  
 Genetic Signatures Limited  
 GLG Corp Ltd  
 Hawthorn Resources Limited  
 Inventis Limited

Investsmart Group Limited  
 IQX Limited  
 JCurve Solutions Ltd  
 Jervois Mining Limited\*  
 Kazakhstan Potash Corporation Limited  
 Konekt Limited\*  
 LiveTiles Limited  
 Living Cell Technologies Limited  
 Lanka Graphite Ltd  
 Magnis Resources Limited\*  
 Mediland Pharm Limited  
 Microequities Asset Management Group Limited  
 Mobilicom Limited  
 Molopo Limited  
 Money3 Corporation Limited  
 Mosaic Brands Limited  
 Nova Minerals Limited\*  
 Oceania Capital Partners Limited (delisted)  
 Oldfields Holdings Limited  
 OPYL Limited\* (formerly ShareRoot Ltd)  
 OneAll International Limited  
 Pacific Star Network Limited  
 Patrys Limited  
 Pivotal Systems Corporation  
 Raiz Invest Limited  
 Range International Limited  
 Reffind Ltd  
 Revasum Inc.  
 Rhythm Biosciences Limited  
 Security Matters Limited  
 SIV Asset Management Limited  
 SomnoMed Limited  
 Star Combo Pharma Limited  
 STEMify Limited (previously Robo 3D Limited)

Tesserent Ltd  
 The IQ Group Global Ltd (formerly iQnovate Limited)  
 Tian An Australia Limited  
 Uscom Limited  
 VPCL Limited  
 Warrego Energy Limited  
 Wisr Limited

**Listed registered schemes**

Australian Enhanced Income Fund

\* No longer an audit client



# APPENDIX 5

## OUR CLIENTS CONTINUED

### PERTH

#### Listed companies

88 Energy Limited  
 Actcelerate International Group Limited  
 African Energy Resources Limited  
 Alchemy Resources Limited  
 Amani Gold Limited  
 Anglo Australian Resources N.L.  
 Ansila Energy N.L.  
 Antipa Minerals Limited  
 AppsVillage Australia Limited  
 Arafura Resources Limited  
 Assetowl Limited  
 Atlas Pearls Limited  
 Atrum Coal Limited  
 Audalia Resources Limited  
 Auroch Minerals Limited  
 Ausgold Limited  
 Australian Mines Limited  
 Australis Oil & Gas Limited  
 Azure Minerals Limited  
 Babylon Pump & Power Limited  
 BCI Minerals Limited  
 BMG Resources Limited  
 Botanix Pharmaceuticals Limited  
 Bulletin Resources Limited  
 Calima Energy Limited  
 Cannpal Animal Therapeutics Limited  
 Cape Lambert Resources Limited  
 Caravel Minerals Limited  
 Cardinal Resources Limited  
 Cassini Resources Limited  
 Castle Minerals Limited  
 Cauldron Energy Limited  
 CFOAM Limited  
 Cirrus Networks Holdings Limited  
 Coziron Resources Limited  
 DigitalX Limited  
 Dotz Nano Limited  
 Dragontail Systems Limited  
 DTI Group Limited  
 Dubber Corporation Limited  
 ECS Botanics Holdings Limited  
 Elixir Energy Limited  
 Elmore Limited  
 Elsie Limited  
 Europa Metals Limited  
 Eve Investments Limited  
 Exore Resources Limited  
 First Graphene Limited  
 Force Commodities Limited  
 Frontier Diamonds Limited  
 Gage Roads Brewing Co Limited  
 Global Oil & Gas Limited  
 Grand Gulf Energy Limited  
 Haranga Resources Limited  
 Helios Energy Limited  
 Helios Gold Limited  
 Heramed Limited  
 Hexagon Energy Materials Limited  
 ImExHs Limited  
 IGO Limited  
 Invex Therapeutics Limited  
 Invictus Energy Limited  
 Ionic Rare Earths Limited  
 Jindalee Resources Limited  
 Joyce Corporation Limited  
 Kalnorth Gold Mines Limited  
 Kinetiko Energy Limited  
 Kore Potash Limited  
 Kogi Iron Limited  
 Mader Group Limited  
 Magmatic Resources Limited  
 Mandrake Resources Limited  
 Marquee Resources Limited  
 Medusa Mining Limited  
 Metalstech Limited  
 Meteoric Resources NL  
 Minbos Resources Limited  
 Mindax Limited  
 Mineral Commodities Limited  
 MMJ Group Holdings Limited  
 Mont Royal Resources Limited  
 Mount Burgess Mining N.L.  
 MSM Corporation International Limited  
 Musgrave Minerals Limited  
 Mustera Property Group Limited  
 Nanoveu Limited  
 Netlinkz Limited  
 Neurotech International Limited  
 New Standard Energy Limited  
 Newfield Resources Limited  
 Norwest Minerals Limited  
 Norwood Systems Limited  
 NTM Gold Limited  
 Nusantara Resources Limited  
 Ocean Grown Abalone Limited  
 Oklo Resources Limited  
 Otto Energy Limited  
 Parazero Limited  
 Peninsula Energy Limited  
 Prodigy Gold NL  
 Prominence Energy NL  
 Protean Energy Limited  
 Proteomics International Laboratories Limited  
 Pure Foods Tasmania Limited  
 Pure Minerals Limited  
 Ramelius Resources Limited

Recce Pharmaceuticals Ltd  
Red Emperor Resources NL  
Resource Mining Corporation Limited  
RTG Mining Inc.  
S2 Resources Limited  
Saracen Mineral Holdings Limited  
Schrole Group Limited  
Scorpion Minerals Limited (Formerly  
Known As Pegasus Metals Limited)  
Six Sigma Metals Limited  
Skin Elements Limited  
SRG Global Limited  
Star Phoenix Group Limited  
Stavely Minerals Limited  
Stealth Global Holdings Limited  
Strandline Resources Limited  
Swift Media Limited  
Talon Petroleum Limited  
Tamaska Oil and Gas Limited  
Tao Commodities Limited  
Tasman Oil Tools Pty Ltd  
Terrain Minerals Limited  
Threat Protect Australia Limited  
Tian Poh Resources Limited  
Tietto Minerals Limited  
Titanium Sands Limited  
Transcendence Technologies Limited  
Trigg Mining Limited  
Valor Resources Limited  
Venturex Resources Limited  
Vital Metals Limited  
Volt Power Group Limited  
Winchester Energy Limited  
XRF Scientific Limited  
Xstate Resources Limited  
Zenith Energy Limited

**OTHER****Listed companies**

Axiom Properties Ltd  
Pepinnini Lithium Limited  
Renascor Resources Limited  
Woomera Mining Limited  
1414 Degrees Limited  
K-TIG Limited  
High Grade Metals Limited  
Asian American Medical Group Limited

**Listed registered scheme**

GDA Diversified Property Trust



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**NEW SOUTH WALES**  
**NORTHERN TERRITORY**  
**QUEENSLAND**  
**SOUTH AUSTRALIA**  
**TASMANIA**  
**VICTORIA**  
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