



MOORE

AUDIT TRANSPARENCY REPORT

For the year ended 30 June 2020



INTERNATIONAL RELATIONSHIP

Each firm within the Moore Australia¹ ('MA') network is an independent member firm of Moore Global Network Limited ('MGNL'), which comprises 255 separate and independent member firms operating locally in countries around the world.

Member firms offer assurance, accounting, tax and a range of other international business services across 114 countries through an aggregate of some 579 offices and 30,809 personnel². Membership of MGNL is regulated by contractual agreement.

MGNL is a company incorporated in accordance with the Laws of England and provides no audit or other professional services to clients. Its role is to promote the co-ordination of member firms' professional strategies and this is led by a Global Board comprising of regional representatives.

Member firms are divided into five regions, each with their own regional council comprising elected members from firms in that region. Some individual countries also have similar co-ordination structures, according to national circumstances. Broadly, coordinating committees meet quarterly, with intervening electronic contact as considered necessary.

MGNL also has a Global Quality & Standards Board comprising representatives from each of the regions. This Committee reports to the Global Board. Operating through the five regions, its main role is to monitor the adherence by member firms to the quality obligations set by ISQC 1: Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Service Engagements, and to assess the suitability of candidate firms for admission.

Each member firm of MGNL is separate and independent from both MGNL and other member firms. Member firms of MGNL do not share their respective profits or losses, they are not under common ownership or control and each member firm appoints its own management.

Member firms are expected to comply with applicable regulatory and professional obligations including, where relevant, those established by the International Federation of Accountants ('IFAC') and its affiliated bodies. Membership also requires compliance with various administrative obligations, but these do not expand upon the requirements of relevant professional bodies. Concerning the delivery of assurance services, member firms are required to complete and maintain compliance questionnaires and are subject to periodic monitoring visits.

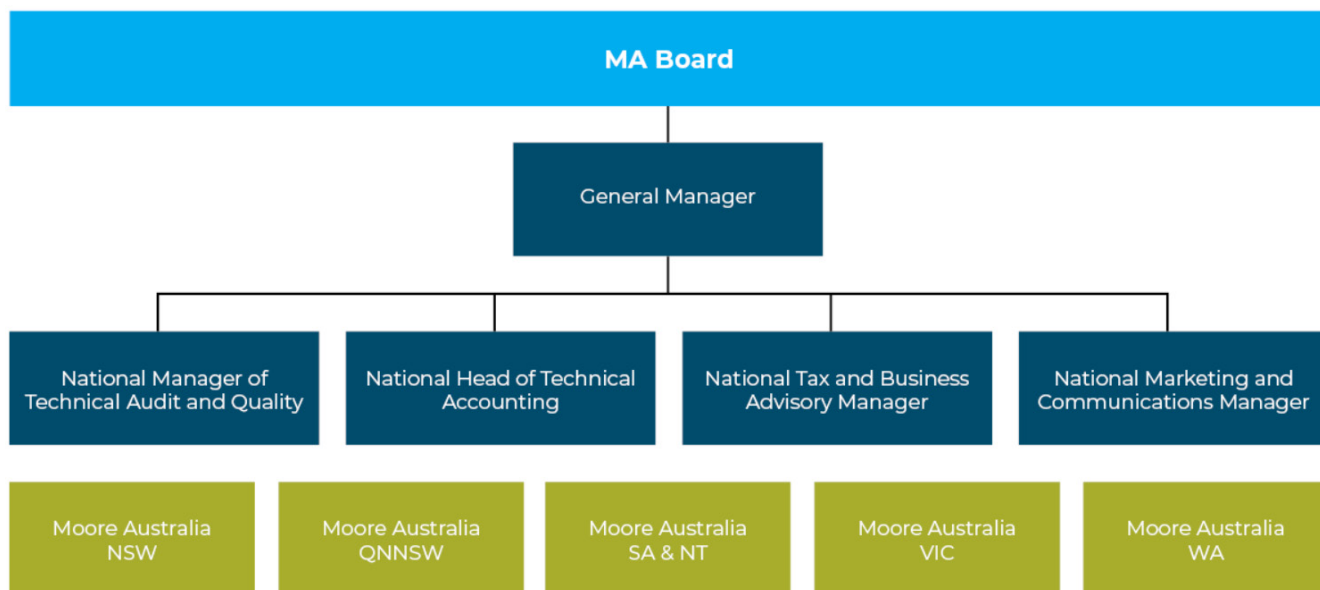
The nature of monitoring procedures gives recognition to the professional environment in which individual firms operate. Equivalent procedures are applied where firms are candidates for admission. Where deficiencies are identified at a member firm, remedial recommendations are made. If deficiencies are not resolved, then the Global Board may determine that the firm be excluded from membership.

Neither MGNL nor any role within it carries any executive authority over the operations of individual member firms. All member firms and correspondent firms are independent entities owned and managed in each location. Their membership of MGNL should not be construed as constituting or implying any partnership between them.

¹July 2020, Moore Stephens Australia relaunched its brand to become 'Moore Australia'.

²Based on worldwide statistics for Moore Global Member Firms as reported to the International Accounting Bulletin in February 2020.

AUSTRALIAN NETWORK



As at 30 June 2020, the MA network comprised five firms:

- New South Wales (NSW)
- Queensland and Northern NSW (QNSW)
- South Australia and Northern Territory (SANT)
- Victoria (VIC)
- Western Australia (WA)

These firms operate across 15 office locations throughout Australia. MA is a limited liability company registered in Australia and is owned by the member firms within Australia. Each member firm with firm revenue exceeding \$4m is entitled to have a firm appointed Director on the Board of MA to represent their firm's interests.

MA Board members nominate suitable candidates for its Chairman, who is appointed via a resolution of the Board for a period of two (2) years subject to satisfactory performance. The Chairman also currently serves as a representative on MGNL's Global Board.

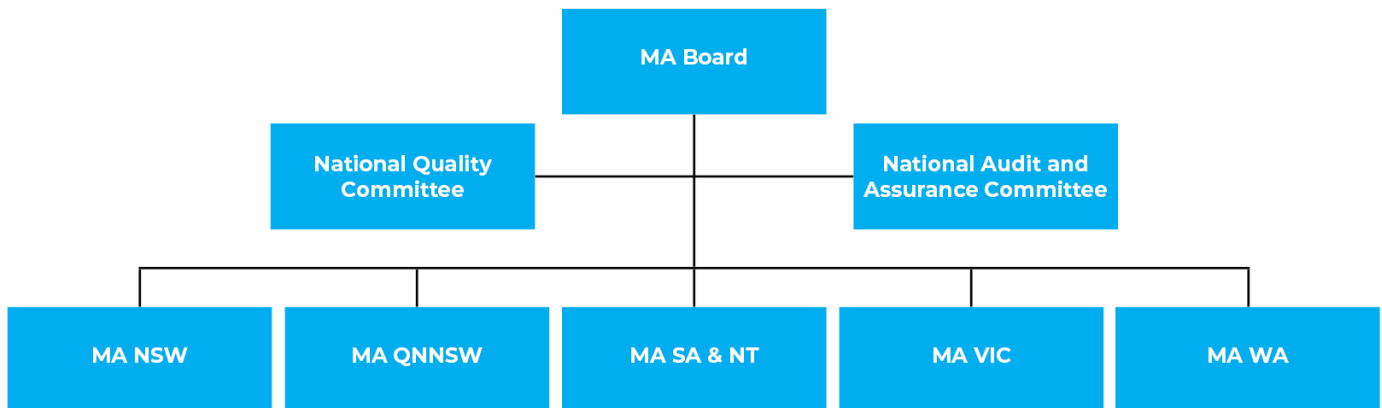
MA also has a General Manager ("GM") who is not a Board member. The GM is appointed by the Board and has overall responsibility to provide leadership and strategic direction for the network and overseeing the day to day operations of the national secretariat and national committees.

Authority to act is granted to the GM by the Board; hence the GM ultimately remains accountable to the Board.

MA Board Members as at 30 June 2020

Moore Australia NSW	Paul Breedon
Moore Australia QNSW	Greg Mallam
Moore Australia SA & NT	Grant Miles
Moore Australia VIC	John Higgins
Moore Australia WA	David Tomasi (Chairman)

MA GOVERNANCE



The role of the Board of MA is to serve the interests of all its stakeholders, provide strategic direction for member firms and manage risks associated with being a part of the Moore network within Australia. Resolutions made by the Board are expected to be adopted by all member firms. Each Board member has the responsibility to communicate resolutions to their respective firms and to ensure they are actioned.

Prior to admission into the network, all prospective member firms are required to be approved by both the MA Board and the MGNL Global Board. If the approval process is successful, the prospective member firm must enter into a Member Firm Agreement with MGNL and a Deed of Accession, whereby the new member firm agrees to be bound by the MA Members' Agreement.

MA's constitution is contained in the Members' Agreement, which includes processes for the appointment of Directors, voting rights, and meeting expectations. The Board is required to meet at least three times in any one financial year. For this transparency year past, the Board met four times face-to-face and six times electronically.

MA has a number of national committees in operations during the transparency reporting period. Each committee has its own Charter which outlines its primary purpose/s and details relevant duties and responsibilities which align with the expectations of the Board. Each committee provides regular updates to the Board, and each Charter is reviewed at least annually to ensure its ongoing relevance.

Risk Management Framework

The MA Board has an established risk management framework for which it assumes overall responsibility. A key component of this framework is the presence of the National Quality Committee ("NQC") which has the primary purpose of:

- facilitating a 'one firm' approach to risk management;
- communicating common risks between member firms and MA Board;
- providing standard risk management and quality policies, procedures and systems to member firms (it is acknowledged these may be varied by member firms where required);
- identifying member firm risk management policies, procedures and systems, and assessments thereof, deviating from the standard;
- making recommendations where appropriate to MA Board and member firms regarding improvement to risk management and quality control; and
- overseeing the quality control internal monitoring program ("IMP") for the network.

MA GOVERNANCE

Key responsibilities include:

- drafting standard policies, procedures and systems for approval by member firms and MA to promote a one firm approach to a MS risk culture and uniform risk appetite;
- reviewing and report high and major risks (as defined in the MA Risk Framework) identified by member firms or MA executive and management to the MA Board and to other member firms;
- where required seeking clarification of identified high and major risks and progress of their associated treatment from the entity reporting the risks;
- through a peer review process promoting a nationally compliant and consistent approach to Quality Control;
- facilitating and co-ordinating the peer review process such that peer reviews are undertaken in accordance with the MA Quality Control Manual; and
- advising the MA Board on key risks to achieving MA's organisational objectives and strategic goals.

Audit and Assurance

- MA has an established National Audit and Assurance Committee ("MAAAC"), which has the following key responsibilities:
- developing and monitoring the MA network's systems, controls and procedures for compliance with legal and regulatory obligations with respect to external audit engagements;
- promoting continuous improvement, and fostering adherence to, the Network's policies, procedures and practices with respect to external audit engagements;
- creating a forum for the tabling of audit related issues, challenges, opportunities and sharing of technical knowledge, experiences and resources between all the offices;
- sharing external audit marketing strategies and initiatives and identifying opportunities to grow the Network's fee base and brand awareness; and
- liaising with the National Quality Committee on matters relating to the network's compliance with legal and regulatory requirements with respect to external audit engagement.



MAINTAINING QUALITY

Each member firm in the MA network provides a comprehensive suite of audit and other assurance services. Each member firm has adopted a nationally consistent approach to managing quality control.

Our quality control system includes policies and procedures which ensure we meet the requirements of Auditing Standard ASQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Service Engagements.

We have identified the following key drivers of audit quality across our firms:

- A top-down culture of and commitment to audit quality and independence;
- Skills and competencies of our people;
- The ongoing effectiveness of our audit processes; and
- Understanding factors outside of our control.

Top-down culture of and commitment to audit quality and independence

Both our audit and non-audit Directors and senior executives recognise audit quality and independence as being fundamental to the ongoing strength of our brand, and success of our business. This is front of mind in all formal and informal communication with Directors and Staff, and is embedded in our training and technical materials, documented policies and procedures and permeates the entire network.

Skills and competencies of our people

We have a diverse mix of Directors and senior executives allowing us to meet the challenges of operating in an evolving profession. We make necessary investments in the professional development of our auditors focusing on their developing them into analytical, rational, critical, technical, inquisitive and sceptical thinkers, with excellent communication skills. A national technical training program is run and available to all our auditors, which compliments each firm's established learning and development framework. This program will usually include a two-day national audit technical conference that has been held in each of the past five transparency years. The conference has a highly technical focus and is well attended across the broader national network by our audit Directors and senior staff. This transparency year, due to COVID-19 travel restrictions, our first 2-day virtual conference was held online in June. This allowed all our team members to continue their professional development while continuing our goal of providing an environment that enables real buy-in to our consistent national approach to audit engagements.

We recognise the importance of attracting and retaining a diverse mix of high performing individuals, who are afforded opportunities to develop genuine industry specialisations to further strengthen our brand in key strategic markets.

Directors and staff are evaluated regularly, considering their performance in the period under review, and aiming to identify any ways the individual firm and broader network can assist in ensuring individuals continue to progress to be able to meet their full potential. The frequency of evaluations will vary from firm to firm, but typically more junior staff will be assessed at the end of larger individual assignments, and at six-monthly intervals, whilst more senior staff will be assessed six-monthly or on an annual basis.

MAINTAINING QUALITY

Effectiveness of audit processes

Our risk-based methodology focuses on examining key business processes that are critical to achieving the goals and objectives of our clients, in order to adequately identify and assess the underlying financial reporting and other relevant risks.

In this way, we focus our risk assessment and related audit activities on each client’s risks and how well management responds to those risks. By understanding the underlying risks that impact an organisation’s business drivers, we develop a more comprehensive and effective audit strategy that provides our clients with comprehensive risk coverage and increased value.

The audit methodology adopted by the network has been developed nationally by MA to comply with Australian Standards of Auditing (“ASAs”) and align with MGNL’s methodology.

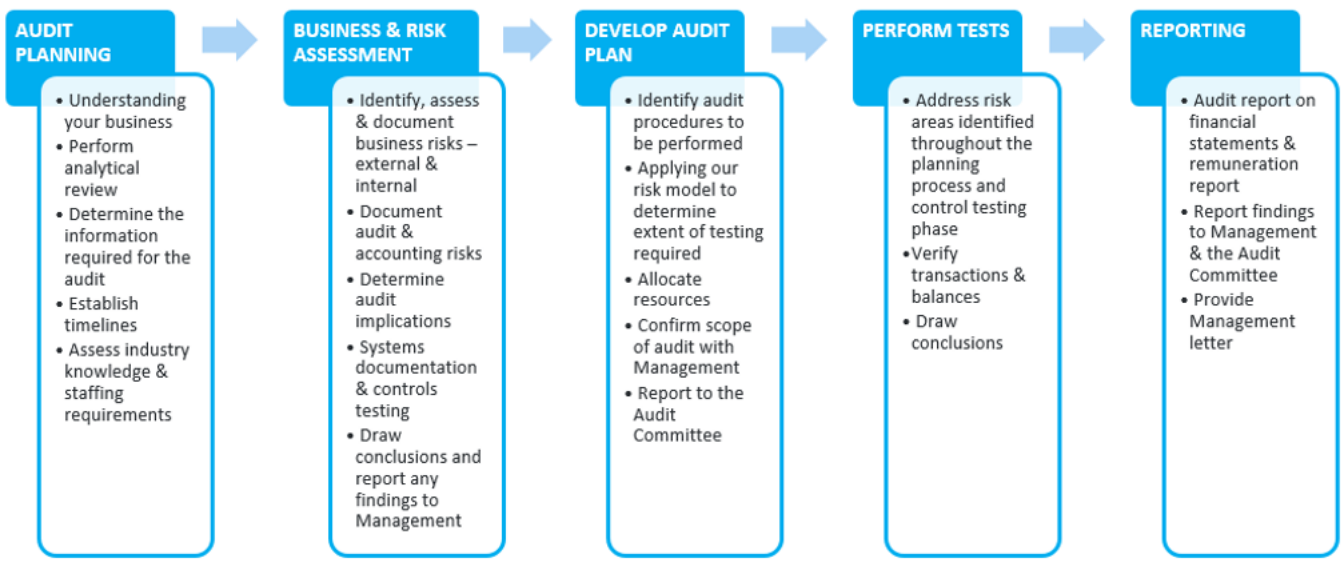
Moore Australia auditors undertake all audit engagements using CaseWare Working Papers and the associated Moore Australia national audit template.

Our audit methodology is routinely reviewed and updated centrally by MA to ensure compliance with new and emerging audit requirements of the Australian Standards of Auditing (“ASAs”) and to align with MGNL’s methodology.

Understanding factors outside of our control

There are factors that exist in relation to an entity that are largely outside our control. By obtaining an in-depth understanding of our clients and the environments in which they operate, we are able to determine the extent to which these factors may have an impact on the risks of material misstatement in the engagement. The nature and extent of audit procedures undertaken are intrinsically linked to the identification and assessment of such risks.

Our Audit Approach Our Risk-Based Audit Methodology



MAINTAINING QUALITY

Client Acceptance and Reacceptance Procedures

For all new assignments, a thorough client engagement process is conducted that covers ethical issues and other professional risk assessment measures. Every potential audit client is considered in relation to:

- the reasons for the proposed change in auditor, and through making enquiries of the predecessor auditor;
 - potential independence risks and possible conflicts of interest;
 - the firm's resources and experience, to ensure that the firm will be able to complete the assignment to the highest professional standards;
 - the management and ownership of the potential client, including confirming the identity of individuals; and the potential client's business and the risk associated with the industry or area within which it operates.
- Similar safeguards apply to ongoing client relationships and independence in relation to audit clients is reassessed at both the commencement and the conclusion of each audit.

Relevant Ethical Considerations

The provision of our audit services is subject to our strict policies in respect to maintaining our independence. This is achieved through the application of our Quality Assurance Policies and Procedures to ensure each firm's compliance with the requirements of ASQC 1 Quality Control for Firms, the Corporations Act 2001 (where applicable) and APES 110 Code of Ethics for Professional Accountants ("the Code").

Compliance is facilitated through relevant client and engagement specific forms that are used by all member firms of the MA network to ensure that we are compliant with the 'network firm' requirements of the Code.

The following safeguard are enforced to ensure our objectivity is maintained and we are free from conflicts of interest when discharging our professional responsibilities:

- Partners or staff do not act in a managerial or decision-making capacity, and are not involved in processing or originating transactions for our audit clients;
- Where non-audit services are provided to our audit clients, we are satisfied that these services do not have a material impact on our planned audit procedures and we will not express any assurance in relation to these procedures; and
- Partners and staff involved in the provision of non-audit services to our audit clients do not have the authority to accept these engagements without preliminary authorisation from the audit partner.

As auditors, direct and material financial interest in our assurance clients or controlled entities and material associates is prohibited to us. This prohibition extends to:

- All partners and professional staff of any firm within the MA network, and any superannuation fund, companies or trusts controlled by them;
- Partners and dependents of our partners and professional staff;
- Certain other relatives of partners and professional staff who directly provide any professional services to the client and its controlled entities; and
- The firm and all other firms within the MA network including controlled entities.

The following policies and procedures are undertaken to ensure compliance with our Quality Assurance Policies and Procedure and Independence Policy:

- Six-monthly declarations are signed by all partners and staff confirming they hold no prohibited financial or employment relationships with assurance clients of any firm within the MA network;

MAINTAINING QUALITY

- Independence declarations are signed by all engagement team members confirming their independence;
 - Conflict checks are performed on all new clients to identify any potential conflicts of interest;
 - Where non-audit services are to be provided to an audit client that may create a threat to independence, approval by the engagement partner and the firm's Quality Assurance Partner is obtained prior to the commencement of the engagement;
 - All new partners and professional staff undertake ethics and independence training as part of their induction when joining a Moore Australia firm;
 - All partners and staff are provided refresher training and updates on their mandatory ethics and independence responsibilities routinely; and
 - All firms in the network participate in the Internal Monitoring Program to monitor compliance with the requirements of the Quality Assurance Policies and Procedures
- In addition, MA may conduct additional reviews of each firm's compliance with its ASQC1 obligations. Follow up visits are undertaken as, and when, required at the discretion of MA.
 - MA also runs a financial statement surveillance program which includes a detailed technical review of the financial statements of all new PIE audit clients. This is performed by MA's Head of Technical Accounting. In addition, all existing PIE audit clients are subjected to a detailed review by the Head of Technical Accounting at least once over a rolling three-year period.

As part of our ongoing commitment to quality, every listed audit client of the network is subject to an Engagement Quality Control Review ("EQCR") for both the annual audit and half-year review engagements in accordance with ASQC1. Other audit engagements may also be subject to EQCRs as and when required, including:

- where significant uncertainty around going concern exists;
- where certain types of modified audit opinions are being considered;
- in instances where it is required to safeguard against a potential threat to independence;
- where the audit risks associated with the engagement has been deemed high and otherwise, at the lead engagement partner's specific request.

Monitoring

External Accountability and Monitoring

- ASIC – Most recent inspection of the MA network of firms was conducted during 2014 and 2015.
- CAANZ – Follow up from the completion of the 2013 Audit Quality Survey occurred in January 2015.
- Those findings from external reviews and follow up action required is communicated to network firms via members of MAAAC, the annual audit conference, and the national audit training program. The successful implementation of remedial action required is reviewed as part of the combined MGNL/MA internal monitoring program.

Internal Accountability and Monitoring

- MGNL – MGNL is a member of IFACs Forum of Firms. As a member, MGNL is required to coordinate regular global internal quality assurance reviews, which included reviewing each firm in Australia over the course of their defined 2017-2019 review cycle. The next review cycle for 2020-22 is currently underway.
- Each audit partner is subject to an annual file inspection review which is co-ordinated by MA.

Quality Control System Declaration

We believe that our quality control system operates effectively and enables us to meet our obligations under ASQC1. Notwithstanding the above, we are always seeking to improve the quality and effectiveness of our quality controls system to meet the changing dynamics of our industry.



David Tomasi
Chairman, Moore Australia

Electronic Publication

This report can be found on our website:
www.moore-australia.com.au/services/audit-quality

FIRM DETAILS - VICTORIA

Legal Structure

During the year ended 30 June 2020, Moore Australia in Victoria operated through Moore Australia (VIC) Pty Ltd (formerly Moore Stephens (VIC) Pty Ltd), which is a private company and acts as agent for individual Directors' trusts. There are no outside shareholders.

Audit services were conducted by Moore Australia Audit (VIC), a partnership of individuals, comprising of four Directors of Moore Australia (VIC) Pty Ltd. Audits were conducted by designated audit partners all of which are registered company auditors.

Governance

Moore Australia (VIC) Pty Ltd has a Board of Directors comprising all of the Directors. The Board has a Chief Executive Officer to oversee the governance of the organisation. The Chief Executive Officer reports to an elected Chairman of the Board of Directors and meets with the Board monthly.

The key roles of the Board of Directors are:

- governance;
- setting strategic direction;
- ensuring the Chief Executive Officer executes the Company's business strategy;
- approving plans and budgets to support the business strategy;
- monitoring financial compliance; and
- appointment of the Chief Executive Officer.

The Chief Executive Officer, who is responsible for the day to day operations of the firm, is appointed by and accountable to the Board of Directors. The company's Chief Executive Officer is Steve Sakkas. The key roles of the Chief Executive Officer are:

- leadership and vision;
- propose and execute approved strategies;
- propose business plans and budgets to support strategies; and
- operate the business in accordance with the strategies and plans approved by the Board.

Names of Relevant Entities Audited by current Moore Australia Audit (VIC) (of the kinds mentioned in subsection 332A (1) of the Act).

This list includes those clients to which the firm issued an audit report in accordance with the requirements of Division 3 of Part 2M.3 of the Corporations Act 2001 during the transparency reporting year.

Entity Name

- Alice Queen Limited
- Invigor Group Limited
- Millennium Services Group Limited
- PS&C Limited
- Reedy Lagoon Corporation Limited
- Rewardle Holdings Limited
- Syngas Limited

Moore Australia (VIC) Financial Information

Services Provided	Revenue from Services	
	2020 (\$'000)	2019 (\$'000)
Audits and reviews of financial statements	4,800	4,500
Other assurance and non-audit services	15,300	14,800
Total fees	20,100	19,300

FIRM DETAILS - VICTORIA

Basis for Remuneration

Directors of Moore Australia (VIC) Pty Ltd are remunerated as follows:

- Four Directors by a fixed salary and bonus which is linked to their team achieving a fixed gross profit target.
- Two Directors by a fixed salary.
- Ten Directors by a fixed salary and profit share based on the percentage of interest held in Moore Australia (VIC) Pty Ltd.

The fixed salary and fixed profit share is determined by the Board of Directors.

Audit partners and staff are not remunerated by reference to non-audit services sold to audit clients.

The distribution of profit share of Moore Australia Audit (VIC) is based on the percentage of interest held by each partner in Moore Australia (VIC) Pty Ltd.

The Board of Directors approves the appointment of equity and non-equity directors.



FIRM DETAILS - WESTERN AUSTRALIA

Legal Structure

During the year ended 30 June 2020, Moore Australia in WA operated through Moore Australia (WA) Pty Ltd (formerly Moore Stephens Australia (WA) Pty Ltd), which is a private company and acts as agent for individual Directors' trusts. There are no outside shareholders.

Audit services were conducted by Moore Australia Audit (WA) a partnership of individuals, comprising of 12 (as of 1 July 2020) of the Directors of Moore Australia (WA) Pty Ltd. Audits were conducted by designated audit partners all of which are registered company auditors.

Governance

Moore Australia (WA) Pty Ltd has a Board of Directors comprising all of the Directors. The Board has established a core executive management group which oversees the governance of the organisation. It comprises:

- five internal representatives who are elected by the shareholders; and
- one of the Directors, out of the five noted above, is appointed as Managing Partner.

The key roles of the executive management group are:

- governance;
- setting strategic direction;
- ensuring the Managing Partner executes the Company's business strategy;
- approving plans and budgets to support the business strategy;
- monitoring financial compliance; and
- appointment of the Managing Partner.

The Managing Partner, who is responsible for the day to day operations of the firm, is appointed by and accountable to the Board of Directors.

The company's current Managing Partner is David Tomasi. The key roles of the Managing Partner are:

- leadership and vision;
- propose and execute approved strategies;
- propose business plans and budgets to support strategies; and
- operate the business in accordance with the strategies and plans approved by the Board.



FIRM DETAILS - WESTERN AUSTRALIA

Names of Relevant Entities Audited by current Moore Australia Audit (WA) (of the kinds mentioned in subsection 332A (1) of the Act)

This list includes those clients to which the firm issued an audit report in accordance with the requirements of Division 3 of Part 2M.3 of the Corporations Act 2001 during the transparency reporting year.

Entity Name

- Advanced Braking Technology Ltd
- Altech Chemicals Ltd
- Australia Silica Quartz Group Ltd (formerly Bauxite Resources Ltd)
- Calidus Resources Ltd
- Coolgardie Minerals Ltd
- Credit Intelligence Ltd
- DXN Limited
- eSports Mogul Ltd
- FFI Holdings Limited
- Frontier Resources Ltd
- International Equities Corporation Ltd
- Lepidico Ltd
- MACA Ltd
- MEC Resources Ltd
- Orminex Ltd
- Primero Group Ltd
- Toro Energy Ltd
- Ultima United Ltd

Moore Australia WA Financial Information

Services Provided	Revenue from Services	
	2020 (\$'000)	2019 (\$'000)
Audits and reviews of financial statements	6,000	6,500
Other assurance and non-audit services	9,000	9,400
Total fees	15,000	15,900

Basis for Remuneration

Directors of Moore Australia (WA) Pty Ltd are remunerated as follows:

- Four Directors by a fixed salary and bonus which is linked to the firm achieving its net profit target.
- Eleven Directors by profit share based on the percentage of interest held in Moore Australia (WA) Pty Ltd and Moore Australia Audit (WA) the Audit Partnership.

The fixed salary and fixed profit share is determined by the Board of Directors.

No part of remuneration is incentive based.

Audit partners and staff are not remunerated by reference to non-audit services sold to audit clients.

The distribution of profit share is approved by the board of Directors taking into consideration the profitability and cashflow of the Company and audit partnership.

MOORE AUSTRALIA

At Moore Australia, it's not about us. It's all about you. When it comes to providing personalised and commercially astute audit, accounting, tax and business advisory services, it simply can't be anything else.

Our focus is about understanding you, your business, your needs, your challenges and, most importantly, how you define success. At Moore Australia, we're here to help you thrive in a changing world. We are mid-market specialists, so we truly understand your operating environment.

What's more, all of our people are long-standing members of their local business communities, and when we work with you, we immerse ourselves in your world. We treat your business like it's ours and we give you all the time you need when you need it. We share our skills, expertise and knowledge, examining every detail and leaving nothing unnoticed.

So when you think about Moore Australia, think of us delivering the personal service and local market knowledge that you want, backed by a leading national and international network of expertise, knowledge and advice that you need to succeed. It's that simple.

CONTACT US

Find your nearest member firm at
www.moore-australia.com.au

Or email:
MA@moore-australia.com.au



www.moore-australia.com.au

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