



# Transparency Report 2022

Crowe Sydney

For the year ended  
30 June 2022



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*The Crowe Australasia Transparency report for 2022 provides a road map of our commitment to service and audit quality. With a continuing focus on technology, our people and enhanced quality control and risk management systems, our commitment to audit quality is paramount.*

## Message from the Co-Chief Executive Officers

I am pleased to share with you Crowe Australasia's Transparency Report for the year ended 30 June 2022.

The role audit plays is growing as a fundamental part of the wider financial reporting ecosystem. Over these past few years, we have seen the accelerated capabilities of audit firms and their necessary adaptations in this everchanging landscape. Whilst the pandemic showed us that we can perform audits remotely, the future of audit is much more than that. The audit profession is transforming with the use of improved technologies to achieve higher quality audits with more efficiency, providing better business insights for our clients. Our business will continue offering a multi-disciplinary service, which has proven to be an enormous asset to clients.

These changes were increased considerably due to the pandemic, and we are now seeing a steep improvement in the use of technology post COVID-19. Technological tools have proven to be useful in supporting auditors to continue performing their tasks.

The audit profession shows future promise especially since clients can now make data more easily available through online platforms. However, there are still challenges ahead.

These online tools are only as good as the quality of the data, so clean data in the right format is essential. This enablement of new tech also means effective cyber security is necessary. These improved digital solutions mean we will have to exercise professional judgment and scepticism where needed. The evolution of the audit processes will be here to stay, as will our ethical responsibilities and our ongoing commitment to offering a diverse approach. After all, it is the trust built with clients that helped to accelerate this digital transition.

Whilst advancements in the audit process enable a flexible and technologically aware approach to the audit service offering, open communication strengthens our relationships with clients to nurture an environment of collaboration. Our ability to add value comes from creating a purposeful audit profession.



A handwritten signature in black ink, appearing to read 'Tony Roussos'.

A handwritten signature in black ink, appearing to read 'Matt Games'.

**Tony Roussos and Matt Games**

**Co-Chief Executive Officers  
Crowe Australasia**

## Our Brands

# FINDEX



## Powered by Findex



### FoundX (Findex owned)

A Findex initiative to empower regional entrepreneurship across our network. FoundX provides upfront value to local startups and small businesses through business mentoring and engaging and informative meet ups and events tailored to entrepreneurs.

[www.foundx.com](http://www.foundx.com)



### The Findex Community Fund (FCF)

Launched in 2017, the FCF's purpose is to create equal access to opportunity for people isolated by location or circumstance. The FCF collaborates with partner charities across Australia and New Zealand to deliver programs that are regionally relevant, nationally impactful and globally scalable in the areas of Health, Education and Entrepreneurship.

[www.findex.com.au/community-fund](http://www.findex.com.au/community-fund)



### SproutX (Findex owned)

Australia's first national agtech innovation hub based in Melbourne. SproutX is an agtech business accelerator. It offers support, capital and access to distribution for entrepreneurs and startups in the agricultural sector.

[www.sproutx.com.au/](http://www.sproutx.com.au/)



### Unison SMSF Audit (Findex owned)

Unison SMSF Audit is the trusted and experienced audit partner accounting firms, SMSF administrators and wealth management firms depend on to help them thrive in a complex regulatory environment.

<https://www.unisonfg.com.au/>



## Message from the Executive Head, Audit and Assurance

Auditing is an important element in the financial ecosystem and audit quality continues to be a vital aspect of the audit process. Indeed, given the resource challenges the industry has seen over the last two years it is arguably more important to bring audit quality into focus.

Whilst the future of audit is based on advancing technology which minimises the risk of human error and wasted time, audits of today continue to review and process more than ever before. Audits rely on quality talent and secure technology to be successful. At Crowe, our ability to create in-house technology means we can systemise quality enhancements into our process and ensure it is embedded into our workflow.

The future of Audit is undoubtedly transformational and yet the additional challenge brought about by the COVID pandemic has necessitated some transformational change to current audit practices, primarily around remote working and client communication. This in turn has changed the audit industry to be focussed more toward the future and to be more open to the transformational changes that may bring.

We are constantly reviewing and revising Crowe's internal structures that support our commitment to quality. This Transparency Report ensures that we remain aware and in front of emerging issues in audit quality and regulatory change.



**Dan Dale**

**Executive Head  
Audit and Assurance  
Crowe Australasia**



## About Crowe Australasia

Crowe Australasia helps local and multi-national organisations anticipate and respond to the impacts of a rapidly changing tax and regulatory landscape. With a unique combination of local and regional talent coupled with the global reach of the Crowe network, we help organisations make smart decisions that create lasting value.

Crowe Australasia is a wholly owned business of Findex, and a member of Crowe Global, a top ten global accounting network.

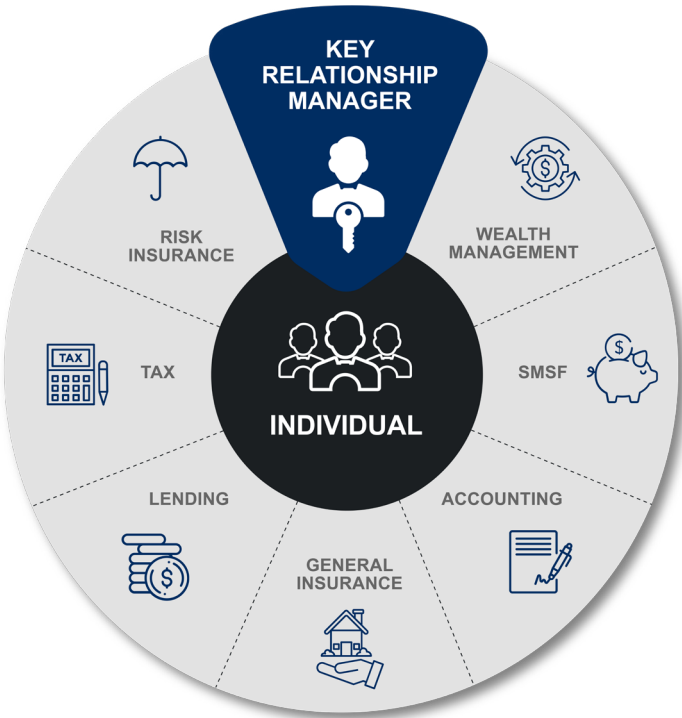
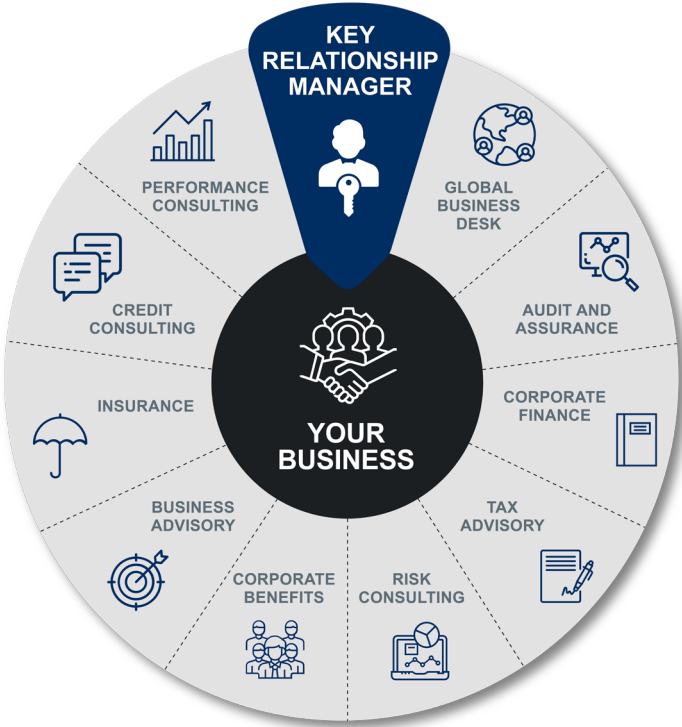
With our vast footprint across Australia and New Zealand, and globally via the Crowe Global network in more than 150 countries, Crowe Australasia provide the highest quality support for our clients regardless of where their challenge resides – at home or abroad – or both.

Crowe Australasia is known for its local knowledge, global expertise, and experience in international tax and global markets.

We help local and multinational businesses to grow with confidence, empowering them with expertise in a broad range of tax advisory, audit and assurance, risk consulting and business consulting practices.



# Our integrated service offering





## A tailored solution for your business needs:

We know getting the right advice can often be hard – and sometimes it leaves you wondering what else you can do to future proof your finances. That's why we deliver a wide range of services under one roof, so you can have a tailored solution that best fits your individual needs, and your future. We call it our Family Office approach.

As part of this offering you have access to:

- A single, trusted point of contact for all your financial affairs
- A comprehensive suite of professional services and products
- Specialist, and skilled advisers under one roof



**A key relationship manager**



**Holistic suite of financial services**



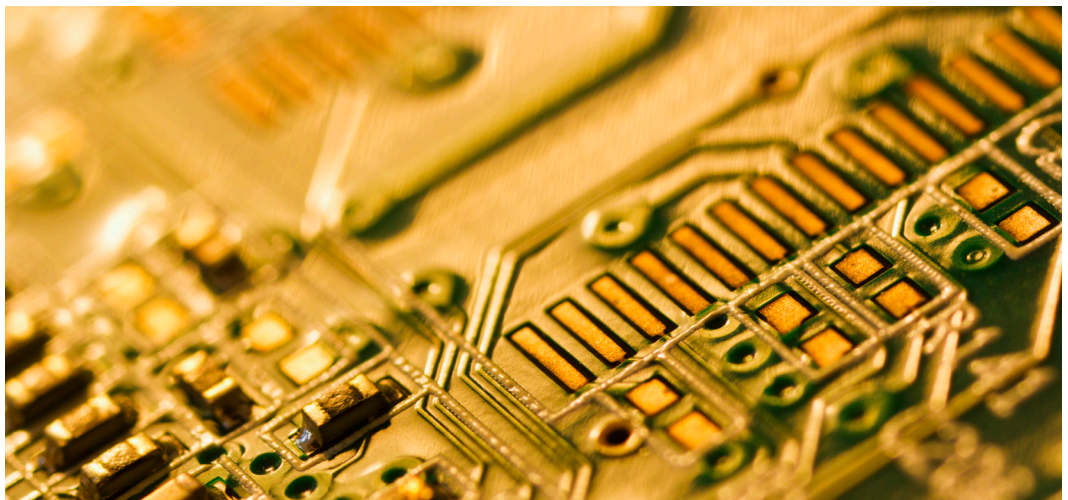
**A complete view of your finances**



**Covers all stages of a client's financial journey**



## Office locations



**ACT**

- Canberra

**New South Wales**

- Albury
- Armidale
- Ballina
- Bathurst
- Broken Hill
- Casino
- Coffs Harbour
- Dubbo
- Forbes
- Glen Innes
- Grafton
- Inverell
- Kyogle
- Lismore
- Lithgow
- Murwillumbah
- Norwest
- Orange
- Sydney
- Tweed Heads
- Walcha
- Warialda
- Warren

- Wellington
- West Wyalong
- Yamba

**Queensland**

- Brisbane
- Burdekin
- Cairns
- Charters Towers
- Chinchilla
- Dalby
- Gold Coast
- Goondiwindi
- Hughenden
- Innisfail
- Toowoomba
- Townsville

**Victoria**

- Apollo Bay
- Ballarat
- Bairnsdale
- Bendigo
- Camperdown
- Colac
- Geelong
- Hamilton
- Lorne

- Melbourne
- Mildura
- Ocean Grove
- Ouyen
- Pakenham
- Robinvale
- Sale
- Stawell
- Torquay
- Traralgon
- Warragul
- Warrnambool
- Werribee

**South Australia**

- Adelaide
- Berri
- Loxton

**Tasmania**

- Burnie
- Devonport
- Glenorchy
- Hobart
- Launceston
- Smithton
- St Helens

**Western Australia**

- Perth

**New Zealand**

- Alexandra
- Auckland
- Central Hawke's Bay
- Christchurch
- Cromwell
- Dunedin
- Gore
- Hamilton
- Hastings
- Invercargill
- Lower Hutt
- Milton
- Nelson
- Oamaru
- Queenstown
- Richmond
- Tauranga
- Te Anau
- Te Awamutu
- Wanaka
- Wellington
- Winton
- Wyndham

# Structure and ownership

## Legal structure

Crowe Australasia (or “the Firm”) in this report refers to the Australian operations of Crowe Global and affiliated Australian audit partnerships, through which statutory audits are conducted.

Each Australian audit partnership consists of a number of individual partners and Findex (Aust) Pty Ltd; the latter housing the operations of Crowe Australasia and being the employer of all audit partners and staff.

Crowe Sydney (ABN 97 895 683 573) audit partnership is required to prepare and lodge specific information with the Australian Securities and Investments Commission (ASIC) in the form of this Transparency Report for the year ended 30 June 2022.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a wholly owned subsidiary of Findex Group Ltd (“the Group”).

## Governance and management

Findex Group Ltd is governed by a Board. The Board has ultimate responsibility for the Group’s internal quality control and risk management.

Further information about the Board can be found at <http://www.findex.com.au/about-us/the-board>.

The responsibility for managing the day-to-day operations of the Group is held within the management team. This includes responsibility for developing, implementing and monitoring quality control and risk-related matters. The management team comprises Senior Management and Divisional Executive Managing Partners.

Further information about the management team can be found at <https://www.findex.com.au/about-us/senior-management> and <https://www.findex.com.au/about-us/executive-managing-partners>.

The Board provides oversight, support, resources and supervision to the Co-CEOs and management team. This is done whilst maintaining a high level of transparency, ethical standards and corporate governance and ensuring that all obligations to, and interests of, all stakeholders and shareholders are known and met accordingly.

The Board, through the Risk Management Committee, reviews the design and operations of the internal quality control and risk management systems. The Board is satisfied that the Group’s systems of internal control operated effectively, as designed, during the year.

## Our global connections

As a top 10 global accounting network, Crowe Global has over 200 independent accounting and advisory services firms in 150 countries around the world. Each member firm is recognized as a market leader in their home country and committed to impeccable quality and standards.

For over 100 years, Crowe has helped make smart decisions for multinational clients working across borders.

Crowe's leaders work with governments, regulatory bodies and industry groups to shape the future of the profession worldwide. Their exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects.

For the calendar year ending 31 December 2021, Crowe Global's worldwide revenue was US\$4.6 billion. In 2021, accounting & audit represented 39% of the total revenue.

### Legal and constitutional structure

Crowe Global is an international network of independently owned and managed accounting and advisory firms that are licensed to use the "Crowe" brand in connection with the provision of accounting, auditing, tax, advisory and other professional services to their clients.

Crowe Global is commercially organised under the laws of Switzerland as a *verein* (Association) and is a non-practicing entity and does not provide professional services in its own right. Crowe Global is wholly owned by its member firms. Crowe Global operates through a wholly owned subsidiary incorporated under the laws of the State of New York in the United States of America where it is headquartered.

Crowe Global is considered a "network" as defined under the Code of Ethics of the International Ethics Standards Board for Accountants (IESBA) and by virtue of its membership of the Forum of Firms.

Crowe Global also license Horwath HTL to member firms offering consultancy services in the hotel, tourism and leisure industries.





### **Leadership, governance and management**

The Crowe Global Board of Directors (“Crowe Board”) is responsible for the governance of Crowe Global. The Crowe Board is charged with overseeing the activities of the network, including setting strategy and policy. The Crowe Board consists of individuals, representing senior management from its member firms, as well as its appointed Chief Executive Officer (CEO). Except for the CEO all Crowe Board members, including the Chair, are appointed for two-year periods. At the expiry of these terms, the Chair and the majority of the Board seats are elected by the membership. Three Crowe Board seats are allocated under the bylaws to representatives from the largest members.

The Crowe Board operates four sub-committees in the furtherance of its role: compensation, strategic planning, bylaws & governance, and audit & risk committees.

The Management Committee is appointed by the CEO and oversees the day-to-day management of the network. Its responsibilities come from the bylaws and the authority delegated to it from the Crowe Board.

It is led by the CEO and comprises a Chief Operating Officer, three regional executives, a global marketing director, an international accounting & audit director and an international tax director.

# Internal Quality Control System

Outlined in this section are the key elements of Crowe Australasia's internal quality control system for audit quality.

## Leadership

Audit quality is integral to the work we do, and supports our objective of delivering a high quality and seamless service to our clients.

The Findex Board sets the 'tone at the top' and the communication of messages relating to audit quality emanates from the Findex Board.

It is the responsibility of the Executive Head of Audit and Assurance to ensure that the Firm's quality control practices are adhered to. All partners are responsible for promoting a culture that recognises audit quality.

## People and culture

Our people demonstrate high standards of technical competency and commitment to the Firm's values and professional standards. In order to ensure that these standards are met, the Firm maintains a comprehensive performance appraisal system and provides all audit partners and staff with comprehensive learning and development opportunities, including:

- A structured audit training program which is designed to provide all audit engagement team members in the Australasia region with both technical and soft-skills training appropriate to their level of experience

- Local office-based or web-based courses focusing on topical subjects or specific areas of expertise
- Alerts to ensure that staff are kept informed of technical and regulatory developments
- Access to a library of local and international technical reference materials on accounting and audit matters
- Participation at Crowe Global conferences and events

Graduate recruits are expected to study for professional qualifications with either the Chartered Accountants Australia and New Zealand (CAANZ) or CPA Australia. Successful completion of professional exams is taken into account in making decisions about promotion and remuneration.

All audit partners and staff are expected to complete at least 120 hours of relevant continuing professional education over a three-year cycle, with a minimum of 20 hours in each year. From 1 July 2021, CAANZ members are also able to include on-the-job training for up to 50% of the 90 hours of verifiable CPD.

Senior audit staff attend approved external courses if their training and development needs are not addressed in-house.

### Client acceptance and continuance

Our client acceptance and continuance processes are instrumental in ensuring that we only take on engagements where we have the competence and capacity to deliver the standard of work which our clients and profession expect, and where we can comply with our ethical and independence obligations.

Our client acceptance process includes a risk assessment process, which considers the client's risk profile, the nature of its operations, its ownership structure, the background of its directors and key management, and independence-related matters, including financial interests and any non-audit services provided.

### Higher risk engagements

Certain engagements may be considered to have an increased level of risk, either because they are Public Interest Entities, or because specific non-standard risks are identified during the acceptance process. Examples of such risks may include complex transactions, or material operations within emerging markets.

### Audit approach

As a member of Crowe Global, we apply Crowe Global's Audit Methodology. This provides us with a consistent, high-quality approach across the global network.

It ensures compliance with International Standards on Auditing (ISAs), and with other relevant professional and ethical requirements.

Supplementary material is developed and maintained by our local Audit Quality Team, to ensure that Australian-specific legal and regulatory requirements are addressed.



## Audit Quality Team

During the year, our Audit Quality Team was responsible for implementing initiatives relating to audit quality, and technical support. This included:

- Providing timely, accurate and practical interpretation of accounting, auditing and professional standards, audit methodology and policies and procedures
- Developing an awareness relating to the practical application of accounting, auditing and professional standards amongst partners and staff
- Preparing thought leadership material in response to technical developments within the profession
- Engaging with the professional bodies and standard setters
- Managing and participating in certain monitoring activities
- Liaising with external reviewers and regulators
- Developing and maintaining our audit methodology to ensure our risk-based audit approach remains current and relevant
- Leveraging developments and support from process team on risk-based audit software, tools and resources to perform tasks efficiently and effectively

Our audit methodology adopts a risk-based approach, which relies on developing an in-depth understanding of the entity under audit, its risks, and the system of internal control in place to manage those risks. This allows us to develop a tailored response to each issue identified, and to ensure that all material risks of misstatement are appropriately mitigated.

Our audit approach supports the application of professional judgement and an appropriate level of skepticism on each engagement, and our audit software includes compulsory schedules dedicated to ethical and independence requirements to ensure that these areas are considered on every audit engagement.

Our policies include detailed requirements in respect of the timely review of audit work performed. The nature, timing and extent of review depend on the level of audit risk and complexity associated with the client that is under review, and the experience of the engagement team member.

We are currently working in conjunction with Crowe Global on our implementation plans for International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements with implementation planned by 15 December 2022.



### Engagement quality control review

Engagements that are graded as higher risk are subject to an independent Engagement Quality Control Review (EQCR). The requirement to perform an EQCR and the review policies themselves extend beyond the minimum requirements of the law and professional regulation, and are a key element of our system of internal quality control.

Reviewers are involved throughout the entire audit process and their role is not limited to a review immediately prior to completion of the engagement. All reviews are performed by audit partners who themselves perform audits of higher risk engagements, and we do not permit reviewers to delegate the performance of this responsibility to any other audit partner or member of staff.

We see the function of engagement quality control reviewers not to simply accept or override conclusions but to challenge judgements of the audit team in areas that are complex, significant or highly judgmental.

### Consultation and collaboration

All audit partners and other team members are encouraged to consult with peers, subject matter experts and the Audit Quality Team on complex or contentious issues throughout audit engagements.

Specialists within the Firm and from Crowe Global are available to provide expert skills in areas such as information technology, valuations and taxation.

The Firm requires mandatory consultation outside of the audit engagement team when certain modified audit opinions are to be issued.

### Monitoring processes and audit quality

The Group's Risk Management & Compliance team is responsible for conducting a quality process that forms part of the overall monitoring of the Firm's system of audit quality. This is a key component of the Firm's overall drive for continuous improvement in audit quality.

Our quality monitoring program includes:

- Periodical inspections of completed assurance engagements for each audit partner
- Targeted reviews of specific areas of selected completed audit engagements
- Pre-issuance reviews of specific areas of selected assurance engagements before the report is issued
- Follow-up of previous recommendations and agreed actions

Outcomes of individual monitoring activities must be reported to the Head of Risk Management & Compliance who will decide on the appropriate course of action in accordance with relevant policies.



Crowe Australasia is subject to review by a number of regulatory and professional bodies:

- Chartered Accountants Australia and New Zealand (CAANZ)
- CPA Australia
- Australian Securities and Investments Commission (ASIC) \*
- Public Company Accounting Oversight Board (PCAOB) \*\*
- Crowe Global \*\*\*

*\* ASIC completed the latest round of continuous monitoring of our Firm in 2018.*

*\*\* Our Sydney audit partnership is registered with the PCAOB. The PCAOB conducted a review in November 2019.*

*\*\*\* The Crowe Global International Accounting & Audit Director leads this review. Our last review from Crowe Global was conducted in April 2021.*

## Partner Remuneration

The Partner's remuneration includes the following elements:

- Base salary
- Short term incentives (STI's)

Partners' base salary is determined in consultation with the executive management team on an annual basis.

STI's are performance-based remuneration, which is calculated based on various financial and non-financial measures. For audit partners, audit quality is one of the benchmarks used in measuring performance.

No significant element of partner or audit staff remuneration is directly related to the provision of non-audit services to audit clients.

## Independence Practices

Managing conflicts of interest and maintaining our independence is vital to our ability to service our clients. All audit partners and staff are expected to maintain the highest standard of ethics and be fully conversant with the requirements of the Code of Ethics for Professional Accountants.

In Australia, Crowe Australasia has developed and implemented policies and methodologies that allow us to perform audit services in conformity with:

- The Codes of Ethics and professional standards issued by the Australian Professional and Ethics Standards Board (APESB) and IESBA
- Local regulatory requirements (e.g. Corporations Act 2001)
- Crowe Global requirements

Crowe Global provides support to member firms in complying with the Code of Ethics of the IESBA.

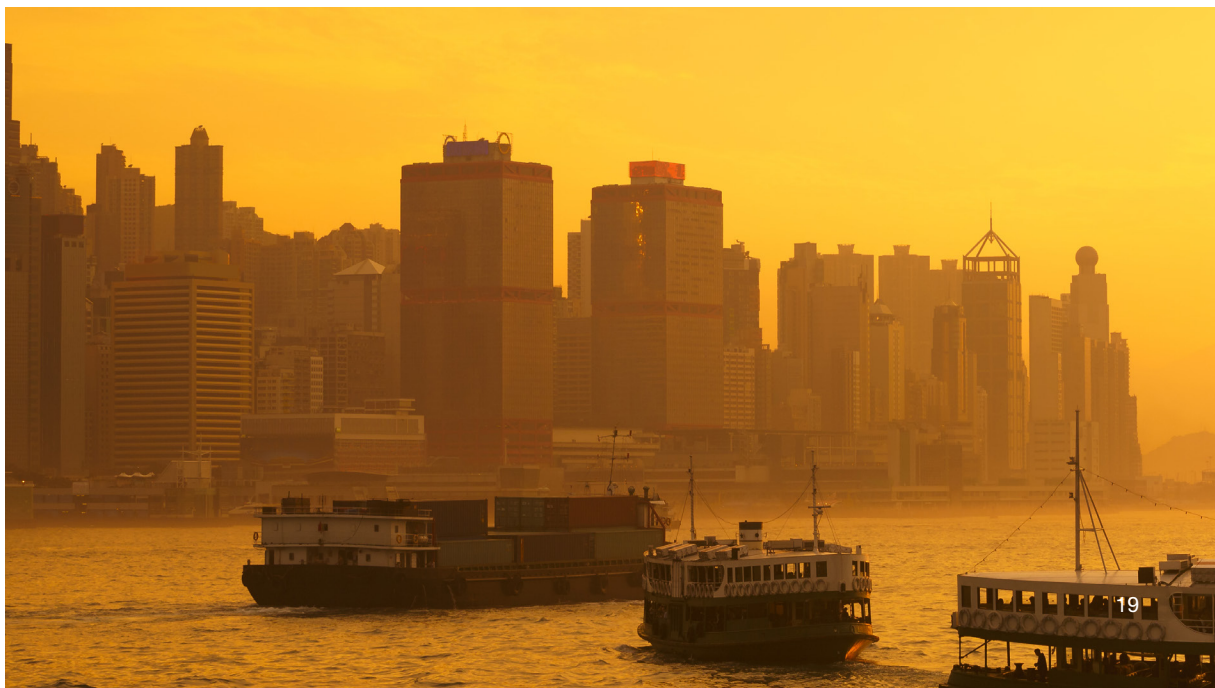
Policies and guidance on financial interests in audit clients, business relationships, fee arrangements, rotation requirements, and the provision of non-audit services to audit clients are updated periodically and made available to all staff electronically.

Our procedures require any member of staff to notify the Firm immediately should any matters touching upon independence or ethical requirements arise.

All staff are required to complete an annual Independence declaration.

Engagement partners are required to follow a process to ensure that Firm's independence is established before a client engagement is accepted or continued. These procedures include the need to perform an independence check to be carried out by the Firm and within the Crowe Global network, as necessary, before acceptance of any new client relationship.

Our in-house Findex Independence Checks System involves all staff across the Group. Compliance with our independence procedures is reviewed internally at various times during the year through the application of a range of procedures.





## Financial Information

Financial information for the year ended  
30 June 2022 for Crowe Sydney:

Total audit revenue: **\$6.45m**

Crowe Australasia operates from a number of audit partnerships.  
The total external audit revenue of all Australian partnerships  
for the year ended 30 June 2022 is \$35.47m.

## Audit and assurance clients

The following relevant bodies were  
audited during the year ended 30 June  
2022 by Crowe Sydney:

- Agricultural Land Trust
- Allegra Orthopaedics Limited
- Alternative Investment Trust
- Design Milk Co Limited
- Donaco International Limited
- Gateway Mining Limited
- N1 Holdings Limited
- Oncosil Medical Ltd
- Silver Mines Limited
- Xref Limited







## **Crowe Sydney**

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Sydney NSW 2000  
02 9262 2155

## **Findex Head Office**

Head Office  
Level 42, 600 Bourke Street  
Melbourne, VIC 3000  
03 9292 0101  
[www.findex.com.au](http://www.findex.com.au)  
[www.crowe.com.au](http://www.crowe.com.au)

## **Visit our website or social media**

We have a range of tools and  
ideas to help businesses, as  
well as specific information  
about our services and people.



@croweaustralasia



Crowe Australasia

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

Liability limited by a scheme approved under Professional Standards Legislation.

Crowe Global is a leading international network of separate and independent accounting and consulting firms that are licensed to use "Crowe" in connection with the provision of professional services to their clients. Crowe Global itself is a non-practicing entity and does not provide professional services to clients. Services are provided by the member firms. Crowe Global and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

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