



Grant Thornton

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Committee Secretary
Parliamentary Joint Committee on
Corporations and Financial Services
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By email: corporations.joint@aph.gov.au

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24 March 2020

Inquiry into Regulation of Auditing in Australia

Dear Secretary,

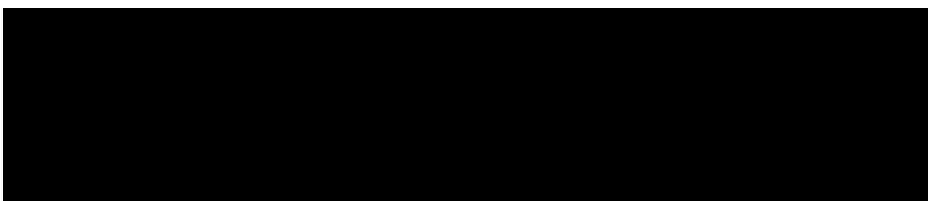
Thank you for the opportunity to participate in the Inquiry into Regulation of Auditing in Australia.

Please find attached clarifications to the Hansard script from the parliamentary session held on the 7th February 2020.

In our initial submission (submission 30) we highlighted the need for multidisciplinary firms in order to ensure the appropriate skillset and specialists are available as auditors experts. With the finalisation of the Brydon report and their recommendations, the evidence shows that a multidisciplinary approach, drawing on deep methodology and frameworks for assurance, combined with specialist and subject matter expertise, is well positioned to meet this need and will be increasingly vital as the market continues to evolve towards integrated thinking.

Should you have any queries related to our submission, please feel free to contact us.

Yours sincerely



Greg Keith
CEO
Grant Thornton Australia Limited

Andrew Rigele
National Managing Partner - Audit & Assurance
Grant Thornton Australia Limited

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Clarification to Hansard transcript from Friday 7th February 2020 parliamentary session

In this section, Grant Thornton Australia clarifies some aspects of the transcript as transcribed during the parliamentary joint committee session on 7th February 2020.

1. Hansard Proof Transcript from 7 February, Non audit services (page 29)

Statement:

Senator WHISH-WILSON: I have two other lines of questioning, if I have the time, Chair. We've just received data back from the big four as to their breakdown, essentially, of revenue or fee services between audit services and non-audit services. Are you able to give us an idea of the evolution of your businesses in that respect as well? You can take it on notice or, if you can give us a rough breakdown now, that would be appreciated.

Mr Britten: I think it's in our transparency report that's lodged with ASIC each year.

Senator WHISH-WILSON: Could you quickly give us that?

Mr Keith: I understand our number is that, out of \$82 million audit revenue, we do \$12 million non-audit services.

Senator WHISH-WILSON: So it's around the other way for you guys. Are you attempting to grow your non-audit service revenue with the existing clients?

Mr Keith: No. We have a policy of not providing non-audit services. In that regard, ours tends to be around tax as a general rule.

Clarification:

Grant Thornton in 2019 had audit revenue of \$82 million and we undertook \$12 million of non-audit services **in relation to those audits**.

We have a policy of not **promoting** non-audit services **to audit clients**. Instead, we ensure all non-audit services provided to audit clients are in line with the Accounting Professional and Ethical Standards Board Standard 110 and the requirements of the Corporations Act 2001.

2. Political donations (page 36)

Statement:

"Mr Keith: We do extremely little government work. We don't pay any political donations at all."

Clarification:

Following this statement, it has come to our attention that several small political donations were made in the name of Grant Thornton Australia Limited to the NSW Liberal Party during the year ended 30 June 2019 to the total amount of \$3,285 and these were included in our annual disclosure to the NSW Electoral Commission.