



# Transparency Report

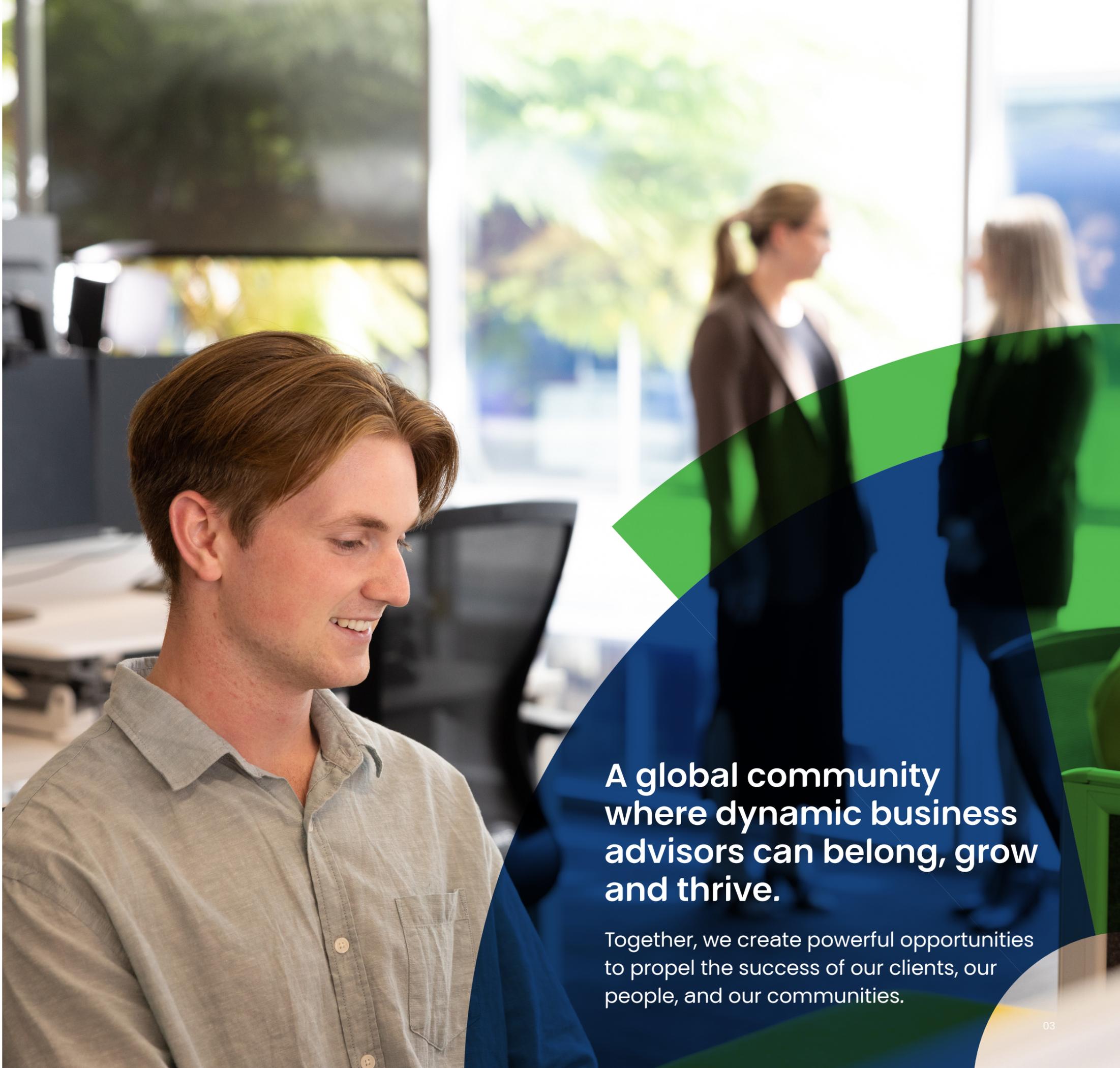
For the year ended 30 June 2023

Propel your future



# Contents

Foreword.....	04
Legal structure and ownership ....	05
Governance .....	06
National network.....	07
International network .....	08
Quality control system .....	10
Statement of effectiveness .....	13
Complaints and allegations.....	14
Independence procedures and practices.....	15
External audit monitoring .....	17
Partner remuneration .....	18
Public interest entities audited by the Firm .....	19



**A global community  
where dynamic business  
advisors can belong, grow  
and thrive.**

Together, we create powerful opportunities  
to propel the success of our clients, our  
people, and our communities.



Darren Shillington  
Managing Director  
dshillington@pkfperth.com.au

# Legal structure and ownership

PKF Perth (the Firm) is a partnership owned by its equity partners and governed by its Partnership Agreement.

As at 30 June 2023 there were nine equity partners and three non-equity partner. The Firm operates from its office at 35 Havelock Street, West Perth, WA 6005.

The MLDM Unit Trust was used by the partnership as the main operating vehicle. Employees are employed through this entity.

There is one active related company, PKF Perth Financial Services Pty Ltd. Its principal activity is the provision of financial planning and wealth management services.

## The Firm offers a range of services comprising:



Audit and Assurance



Corporate Finance



Business Advisory



Taxation



Superannuation and Administration Services



Financial Planning and Wealth Management

## Foreword

We are pleased to present our Transparency Report for the year ended 30 June 2023.

This report provides information on PKF Perth and our relationship with network firms in the PKF Australia and International Network. It is designed to give information to existing and potential clients, as well as other key stakeholders, on the ownership and governance of the Firm and the measures we take to maintain high quality standards.

Audit and related services are an important part of our business and we welcome the requirement to publish this transparency report. Quality is a key pillar of our organisation, underpinned by a commitment from all team members to continuous improvement and recognition that quality is both about service and our compliance with the regulatory requirements.

Our approach to training, process change, peer review and adoption of technology all serves towards this ethos of continuous improvement that clients understand and are able to work with in the interests of all stakeholders.

# Governance

The Firm is managed by the equity and non-equity partners (Partners) and includes a Managing Partner who is elected by the Partners.

The Partners meet regularly throughout the year, to discuss various operational and strategic matters.

The Partners also meet periodically to discuss matters that arise which need to be urgently addressed.

As at 30 June 2023 the Partners were:

## Equity Partners

### Managing Partner:

Darren Shillington (Chairman)

### Other Partners:

Anthony Russo Battagliolo (Taxation)

Carl Longshaw (Taxation)

Christopher Roos (Taxation)

Dean Pike (Taxation)

Matthew Van Reiseen (Taxation)

Simon Fermanis (Audit and Assurance)

Peter Sinclair (Taxation)

Tony Munday (Financial Planning and Wealth Management)

Effective 1 July 2022, Stashu Poliwka was admitted as a non-equity partner, and Peter Sinclair was made an equity partner.

The board has created various sub-committees to attend to day to day matters relating to these areas, and meet on a periodic basis similar to the Board. These consist of the following:

- People and Culture
- Service Delivery and Infrastructure
- Marketing and Branding
- Business Performance.

## Non-Equity Partners

Shane Cross (Audit and Assurance)

Kirsty Jones (Taxation)

Stashu Poliwka (Taxation)

After 30 June 2023, Matthew Van Reiseen retired, and Alexandra Carvalho was admitted as non-equity partner.

# National network

PKF Perth is a member firm of the PKF International Network, admitted under an individual Operating Licence Agreement.

The PKF firms in Australia are located in Adelaide, Brisbane, Canberra, Gold Coast, Hobart, Melbourne, Newcastle, Perth, Port Stephens, Rockhampton, Sydney, Tamworth, Townsville, Upper Hunter and Walcha.

All PKF firms within Australia have signed a Members' Agreement with PKF Australia Limited (PKFA).

PKFA is governed by a board of directors, consisting of a partner representative from each of the PKF firms in Australia (excluding any correspondent members), and an external Chairman/CEO, appointed by the Board.

### Currently, the members of the Board are:

Adelaide	Antoniette Tatarelli Nicole Peterson
Brisbane	Liam Murphy Sara Crevillen
Canberra	George Diamond
Gold Coast	Matthew Butler
Hobart	Daniel Rands
Melbourne	Timothy Bow Jason Stone
Newcastle/Sydney	Bob Bell Clayton Hickey
Perth	Chris Roos Darren Shillington
Tamworth	Brian Wall

Steve Meyn (Chair)

Peter Cannan (CEO)

The Board meets face-to-face at a minimum three times per year and conducts monthly teleconferences. The Board is responsible for protecting the interests and reputation of the members of PKFA, and for the oversight of the management and operations of the national network from a strategic level. The functions and powers of PKFA are specified within the Members Agreement. To assist the Board in performing these functions and powers, the following sub-committees have been established and the various functions and powers delegated:



**Audit and Assurance**



**Business Advisory**



**Business Recovery & Insolvency**



**Corporate Finance**



**Information Technology**



**Marketing**



**Taxation**



**Wealth Management**

A representative from each office is entitled to have a member on each of these sub-committees. Each sub-committee has a chairperson, who is required to report up to the Board on a regular basis and various matters set out within the Members Agreement.

The PKF Australia CEO also attends sub-committee meetings.

# International network

The Firm is a member firm of the PKF International Limited (PKFIL) network of separately owned firms. Globally, PKF consists of 530+ offices worldwide, operating in 150 countries, across five regions.

The Firm does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms within PKFIL. PKF Perth is a separate legal entity to all other PKFIL network firms and accordingly is not responsible for the decisions and actions made by other PKF network firms.

## Legal basis

The network formed by PKFIL (the Licensor) and the member firms (the Licensees) is regulated by adherence to an Operating Licence Agreement (OLA) between the Licensor and individual Licensees. The form of the OLA authorises the Licensee to use the PKF name as defined under specific circumstances, under specific conditions, for specific purposes (The Business) and in a specific territory (The Territory), in consideration for which, the Licensee pays a royalty and Licence fee to the Licensor.

PKFIL is a company registered in England and limited by guarantee (registered number 03816253). The Company's Articles of Association require a Board of Directors who conducts the business of the Company and the network. The Board authorizes recruitment of PKFIL's staff, authorizes a number of international committees, divides the member firms into geographical regions, and sets an annual licence fee for the member firms within the network.

Each member firm is legally independent. Contractual relations are only formed between a client and the member firm engaged by the client and no other member firm may be held liable. PKFIL has no financial or management interest in any member firm.

None of the directors of PKFIL has a financial or management interest in any member firm other than his or her own.

## Structure

The PKFIL Board comprises at least one member from each geographical region and each region has a Board. The following committees have been established which report to the Board:

- **International Professional Standards Committee (including Assurance)** - this establishes the minimum professional standards to be met by member firms and conducts a global quality review program. It promotes audit materials and capabilities as well as organising audit and accounting events.
- **International Tax Committee** - this promotes the development of tax capabilities on a global basis and organises tax events.

A number of additional practice area committees operate regionally and internationally.

## Quality assurance

PKFI operates a Global Monitoring Program (GMP) covering member firms. The principal objectives are to ensure that the standards expected for the performance of certain types of professional work by Member Firms are established and communicated to Members, that those standards meet appropriate recognised professional practice requirements at least for transnational and referred work, and that a program of monitoring of compliance with expected standards is operating effectively.

## Member firms

PKFI distinguishes between Member Firms and correspondent firms. Correspondent firms do not form part of the Network as defined by the Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants (IESBA), do not have equivalent rights and privileges of member firms or responsibilities of Member Firms, and are covered by the GMP only to the extent of assessing correspondent firms as part of their admission to full membership. An up to date list of Members and correspondent firms, including the firm names and countries in which they are registered and operate from, can be found at [www.pkf.com](http://www.pkf.com).

40

years' experience in Western Australia

15

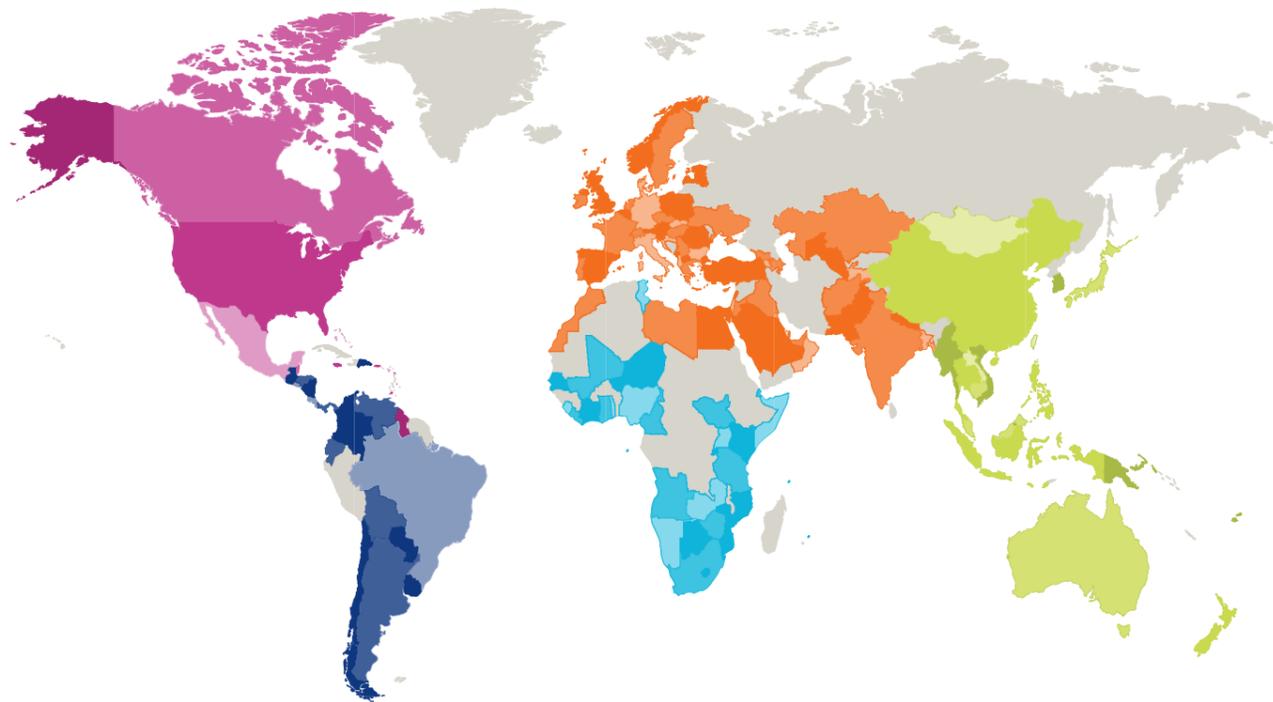
offices across Australia

10<sup>th</sup>

largest accountancy network in Australia

800

people in Australia



# Quality control system

PKF Perth together with the PKF International Network, has comprehensively reviewed and updated the firm's system of quality management (SOQM) to respond to the requirements of the new Australian Standard of Quality Management (ASQM 1) which came into effect on 15 December 2022.

ASQM 1 applies to firms who perform audits, reviews of financial statements and other assurance/related service engagements. The standard requires the firm to design, implement and operate a SOQM which covers all aspect of the work of the firm.

Responsibility and accountability for the effective operation of the SOQM lies with the Managing Partner (Darren Shillington) and Audit Partner (Simon Fermanis). Operational responsibility for the SOQM is held by Chris Roos (Taxation Partner). Responsibility for compliance with independence requirements lies with Shane Cross (Audit Partner).

Simon Fermanis (Audit Partner) and Carl Longshaw (Taxation Partner) have responsibility for the monitoring and remediation process.

The firm developed its SOQM through a series of workshops involving subject matter experts to identify the quality objectives, the quality risks and responses to those risks to ensure it provides reasonable assurance to meet the requirements of ASQM 1.

The fundamental response to the quality risks lies within the firm's policies and procedures which are set out in Firm's Quality Control Manual (QCM).

ASQM 1 requires that an annual evaluation of the SOQM is undertaken. The first such review is being completed by the Firm and the results will be shared in the next Transparency Report. The Firm's system of internal quality control and how it complies with the requirements are detailed below.

## 1. Leadership responsibilities

The overall responsibility for the Firm's SOQM has been accepted by Darren Shillington (Managing Partner) and Simon Fermanis (Audit Partner). The Firm has documented the above SOQM within the Firm's Quality Control Manual. This document sets out various policies and procedures that reflect the ASQM 1 requirements. The Partners reinforce their commitment to quality, and an annual review of these policies and procedures is performed and updated, when required.

The Partners' commitment to quality within these standards is reinforced to staff through the following:

- All team members are expected to maintain the tone of a high level of quality through the application to their various assigned tasks
- Quality will not be compromised on assignments
- Procedures and processes will be consistently followed by all team members
- Team members' annual performance reviews include an assessment on their commitment to quality

- Ongoing training is provided to ensure quality is maintained.
- Team members are encouraged to participate and actively attend training sessions internally and externally.

## 2. Ethical requirements

The Firm's professional standards note covering independence sets out the following:

- Adherence to the Chartered Accountants Australia New Zealand's (CA ANZ's) Code of Ethics and Professional Standards issued by the Accounting Professional & Ethical Standards Board (APESB) takes precedence over commercial considerations
- Before accepting any new work assignments from either new or existing clients, partners and staff must take reasonable steps to identify circumstances that could pose a conflict of interest both within the Firm and the PKF network.
- Conflict of interest checks within the PKF network must include a review of the PKFI Transnational Entities database to establish if any network firm has an existing relationship with the new or existing clients.
- Partners and managers are required to keep independence issues under constant review and, in respect of audit assignments, reconfirm the Firm's independence having regard to the APESB Code of Ethics and Professional Standards, prior to the commencement of every audit
- All members of the Firm are required to complete an annual declaration of their independence, freedom from conflicts of interest and that they hold no prohibited investments.
- Partners of network firms are required to complete a prohibited securities declaration annually.

The requirement to comply with the CA ANZ's Code of Ethics and the APESB's Professional Standards is set out in the Firm's Quality Control Manual and forms part of the employees' contracts of employment.

## 3. Acceptance and continuance of client relationships and specific engagements

The Firm has detailed procedures covering the acceptance and continuance of client relationships and new specific engagements. This includes conducting an independence check throughout the PKF Australia network for all public interest entity (PIE) tenders and proposed appointments.

For all PIEs, a comprehensive client acceptance form must be completed prior to acceptance of an appointment.

This requires identification of the prospective client, an assessment of the Firm's independence and freedom from conflicts of interest, and an assessment of whether the Firm has the requisite skills and resources to carry out the engagement and an assessment of the risk the prospective client would present to the Firm.

Conflict of interest checks are completed prior to preparing a proposal for a potential new client or before agreement for the provision of a new service to an existing client. The checks include a consideration of whether the entity is a transnational entity, a public interest entity or a listed entity. Transnational entities are those entities whose financial statements may be relied upon outside the audited entity's home jurisdiction for the purposes of significant lending, investment or regulatory decisions. A database of such entities is maintained by PKFI to enable identification of those entities where another network member firm provides services to that entity.

Upon acceptance of a new client or a specific engagement from an existing client, the Firm issues a detailed engagement letter for agreement by the client. This includes the nature of the assignment and the Firm's standard terms of business.

## 4. Resources

The Firm has established policies and procedures to ensure that its people are equipped with the required technical skills, commitment to client service and high professional and ethical standards covering objectivity, integrity and independence. We have also engaged an independent Human Resource consultant to assist the Firm on focusing on fulfilling the above objectives.



## 5. Recruitment and performance evaluation

The Firm sets high standards for the recruitment and promotion of personnel, in particular with regard to the selection and interview of candidates and the qualifications required. Partners are involved in all interviews and references are always taken, including from professional and regulatory bodies. All new staff are subject to a compulsory six month probationary period as part of their employment agreement.

All personnel undergo annual appraisals measured against specific competencies and dealing with performance, future development and training needs. Audit staff receive performance appraisals informally at the end of each significant assignment, which form part of their annual appraisal.

## 6. Training and CPD requirements

PKF Perth develops the capabilities and competence of its staff through a variety of methods. Formal training courses are developed internally or are sourced from reputable professional educators including but not limited to the CA ANZ, and GAAP Consulting. Formal courses may take the form of group conferences, webinars, workshops or seminars.

We expect, as a minimum, that personnel meet the professional development requirements of the CA ANZ. A summary of these requirements is as follows:

- The undertaking of CPE to achieve a minimum of 120 CPE hours over a three year period
- At least 20 hours must be completed annually
- Over the three year period, a maximum of 30 hours technical reading may be claimed as CPE
- Professional staff are expected and encouraged to take personal responsibility for maintaining their skills and knowledge by monitoring relevant professional developments.

## 7. Engagement performance

The Firm's procedures for engagements are set out in the PKF's quality control manual. In respect of audit and assurance engagements the Firm uses a mixture of proprietary audit and developed programs. Internationally recognised audit software, Caseware, is used to ensure audit engagements comply with Australian Auditing Standards and Ethical Requirements.

All professional work is subject to review by line managers and Partners, with clear guidelines laid down for second partner consultation and the use of external experts where required.

Adequate supervision is provided to staff in performing their tasks through the following:

- All team members have direct access to Partners
- In-charge auditors meeting with Partners for one-on-one consultations

Partners and managers are constantly monitoring actual WIP compared to the time budgets agreed within planning.

## 8. Monitoring

The responsibility for quality control is taken on by all managers and Partners. All engagements are reviewed by the engagement partner and any issues identified at the time must be addressed and cleared before the final result is achieved. This engagement review includes reviewing whether the Firm's policies and procedures have been followed.

Engagement Quality Reviews (EQR) are required on all public listed and disclosing entity client audits. An EQR must be performed by a registered company auditor, either from within the Firm, one of the PKF network firms or other contracted firms.

# Statement of effectiveness

Based on the results of monitoring we are satisfied that our quality control system is operating effectively to ensure that we comply with professional standards and deliver a quality service to our clients.

# Complaints and allegations

When a formal complaint is received the client is immediately advised that we have received the complaint.

The matter is then referred to the engagement partner for resolution. A complaints register is used to log and monitor the complaint and PI insurers are notified if the matter is serious.

Policies and procedures are assessed to determine if a weakness exists within the quality process that needs to be addressed and rectified.

The Firm has a culture whereby staff can discuss a complaint from a client openly.

All staff are aware of the whistleblower legislation.

# Independence procedures and practices

The Firm's Quality Control Manual sets out the independence and ethical requirements and procedures in relation to audits.

This reflects and satisfies the requirements of the APESB's Code of Ethics and Professional Standards and an exercise has been carried out to map the manual against these requirements.

The audit software, Caseware, also has comprehensive programs and directions in relation to independence. The Firm's procedures cover:

- Integrity, objectivity and independence
- Financial, business, employment and personal relationships
- Long association with the audit engagement
- Fees, remuneration and evaluation policies, litigation, gifts and hospitality
- Non-audit services.

All staff are required to complete the annual refresher training session in relation to the independence requirements set out within the Firm's Quality Control Manual presented by the Independence Officer within the Firm.

## Integrity, objectivity and independence

The Audit Partner is ultimately responsible for making decisions on independence and objectivity matters. Where a threat to objectivity is identified, the Partner considers whether safeguards can be introduced such as having different types of work for the same client done by different teams or introducing an engagement quality control reviewer. If the safeguards are determined to be sufficient to reduce the threat to an acceptable level then the relevant issue can be overcome. The audit practice has not to date needed to deal with any of these types of threats.

Partners are expected to report all threats to objectivity and independence to those charged with governance of the client with details of the relevant safeguards where appropriate and this is recorded on the audit file.

All Partners and staff are required to sign an independence declaration annually and any new employees upon commencement.

Governance is further managed by regular partner meetings.

## Financial, business, employment and personal relationships

Partners and their immediate families are prohibited from having a financial interest in an audit client of the Firm. Members of staff and their immediate families cannot have a financial interest in clients where they have an involvement in the audit.

Neither the Firm nor Partners, staff and their immediate families can enter into a business relationship with an audit client of the Firm unless this involves the purchase of goods and services in the ordinary course of business, on an arm's length basis and the value is not material to either party, or the relationship is clearly inconsequential to both parties.

Partners and staff must report to the Managing Partner where a member of their immediate or close family has an employment relationship with an audit client. Where a Partner leaves the Firm to join his or her audit client, unless two years have elapsed since the last audit report was signed, the Firm must resign from the audit engagement.

## Long association with the audit engagement

In the case of listed companies the Partners and directors must rotate from the audit after five years, with 'cooling off' periods undertaken as consistent with APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

A rotation database is maintained holding a record of every PIE client. The database is reviewed by the Audit Partners on a regular basis.

## Fees, remuneration and elevation, policies, gifts and hospitality

The Firm's policies specifically prohibit Partners and staff from receiving incentives or rewards for selling non-audit services to audit-clients.

Contingency fees are prohibited for certain types of work such as audit and where they may rely on novel or contentious matters relating to the audit. There are also restrictions on the potential quantum of fees so they cannot individually be material in a financial sense to the Firm.

Gifts and hospitality may not be accepted from audit clients. Hospitality is provided to clients and on an ad hoc basis. Such hospitality is immaterial in nature.

## Non-audit services

The overriding consideration in deciding whether the Firm can properly provide a non-audit service to an audit client is whether it is probable that a reasonable and informed third party would regard the objectives of the non-audit service as being consistent with the objectives of the audit of the financial statements.

The Firm has a policy that whenever a partner or member of staff is contemplating providing non-audit services to an audit client the Audit Partners are informed promptly so that the Audit Partners can make an assessment of the relevant threats and safe guards.

## Documentation

Ethical and independence considerations are documented at the following stages:

- The client acceptance and continuance stages
- The planning stage of each audit engagement
- The conclusion of each audit engagement.

The Firm reports to those charged with governance of audit client's incorporate independence confirmations. Specific management issues are then incorporated into closing reports to audit clients.

A prescribed list is maintained of all entities where investment is prohibited because of client relationships. This list is accessible to all staff and is applicable across the PKF Network.

## Conflicts of interest

The Firm's system for identifying conflicts of interest is built around internal database searches and e-mail notifications of potential engagements to all Partners. Procedures for dealing with actual and potential conflicts are set out in the Firm's Quality Control Manual and the PKF International Professional Standards Manual, and include notifications of potential conflicts to interested parties, establishing safeguards, and not proceeding with the potential engagement.

A register of business relationships with clients is maintained and reviewed annually by a specified Partner and its accuracy confirmed each year by every Partner.

## Monitoring and review

Procedures are in place to monitor compliance with the Firm's independence requirements. As part of their review procedures, the Managing Partner reviews and checks compliance with the Firm's independence procedures. The audit quality assurance programme considers adherence to the Firm's ethical and independence requirements on each engagement selected for review. Additionally an annual declaration is made by every Partner and member of staff confirming compliance with all ethical and independence requirements.

During the year the Managing Partner carried out a review of the Firm's independence procedures and confirmed he was satisfied with them.

# External audit monitoring

PKF Perth Audit and Assurance department during the year ended 30 June 2023 comprised the following significant principals:

### Equity Partner

Simon Fermanis  
Registered company auditor, FCA

### Non-Equity Partner

Shane Cross  
Registered company auditor, CA

The Firm is regulated in the conduct of its services by:

- The CA ANZ. The Firm is subject to periodic audit and whole firm practice assurance reviews, which was carried out in August 2021.
- The Australian Securities and Investments Commission (ASIC). ASIC performed a detailed review on a significant listed client 's file for the year ended 30 June 2009 in January 2010, a significant unlisted public AFSL client for the years ended 30 June 2012 and 2013 in January 2014 and a significant listed client's file for the year ended 30 June 2015 in March 2016.
- The Canadian Public Accountability Board.

As a member of the PKF Network, the Firm is subject to audit engagement review by an independent PKF peer reviewer on a bi-annual basis. The Firm is also subject to an overall quality peer review on a bi-annual basis.

Having regard to auditor independence, partners are not incentivised to gain non-audit work from audit clients.

Both Partners are representatives on the PKF National Audit Committee, which meets at least four times per year.

# Partner remuneration

Equity Partners are remunerated out of the profits of the Firm receiving percentage share of the profits based on equity holdings. The Equity Partners received an agreed fixed amount determined annually, with the remainder being drawn down as available.

Non-equity Partners are remunerated based on an agreed fixed amount determined annually and incentive payments for introducing new clients to the Firm.

No Partners receive a bonus for exceptional performance. Having regard to auditor independence, Partners are not incentivised to gain non-audit work from audit clients.

	Year ended 30 June 2023
	\$000s
Audit fees	\$3,552
Fees for non-audit services to audit clients	\$873
Total fees from audit clients	\$4,224
Fees for other non-audit clients	\$11,521
<b>Total Firm revenue</b>	<b>\$15,745</b>

# Public interest entities audited by the Firm

The following is a list of public interest entities which we were appointed auditors during the year ended 30 June 2023:

Morella Corporation Limited (formerly Altura Mining Limited)	Auscann Group Holdings Ltd	Balkan Mining and Minerals Limited	Corazon Mining Limited
DMC Mining Limited	Dreadnought Resources Ltd	Galena Mining Ltd	Global Lithium Resources Limited
Hammer Metals Ltd	Ironbark Zinc Ltd	EchoIQ Limited	Pioneer Lithium Ltd
4DS Memory Limited	Odin Metals Limited	Orthocell Limited	Synergia Energy Ltd (formerly Oilex Ltd)
Horizon Minerals Ltd	Predictive Discovery Limited	Rand Mining Limited	Riedel Resources Limited
Dragonfly Biosciences Limited (formerly Siburan Resources Limited)	Southern Hemisphere Mining Limited	Discovex Resources Limited	Chilwa Minerals Ltd
	Motio Limited	Zenith Minerals Limited	Minrex Resources Limited



# Connect with us

## Propel your future



**Darren Shillington**  
Managing Partner

T: +61 8 9426 8999  
E: [dshillington@pkfperth.com.au](mailto:dshillington@pkfperth.com.au)



**Simon Fermanis**  
Audit Partner

T: +61 8 9426 8999  
E: [sfermanis@pkfperth.com.au](mailto:sfermanis@pkfperth.com.au)



**Shane Cross**  
Audit Partner

T: +61 8 9426 8999  
E: [scross@pkfperth.com.au](mailto:scross@pkfperth.com.au)



**PKF Perth**  
Level 5, 35 Havelock Street  
West Perth WA 6005  
Australia

T: +61 8 9426 8999

[pkf.com.au](http://pkf.com.au)

PKF Perth is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).