

# Transparency Report 2023





## ACKNOWLEDGEMENT OF COUNTRY

RSM Australia acknowledges the Traditional Owners of the lands and waters on which we live and work. We pay respect to Elders past and present as the custodians of their culture and continuous connection to Country.

*Artwork entitled "Koora-Benang-Bidi" by Michelle Kickett depicts Perth's waterways symbolising RSM's establishment on Whadjuk Country over 100 years ago, and captures the firm's growth across six states and territories of Australia.*

<b>INTRODUCTION</b> .....	3
Our legal structure and ownership .....	3
<b>AUDIT QUALITY</b> .....	4
Leadership, Governance and Culture .....	4
Governance Structure .....	5
Ethics and Independence .....	6
Acceptance and Continuance of Client Engagements.....	7
<b>ENGAGEMENT TEAM MANAGEMENT</b> .....	8
Recruitment, retention and promotion .....	8
Professional development .....	8
Assignment of engagement teams .....	9
<b>AUDIT ENGAGEMENT PERFORMANCE</b> .....	10
Planning and performing the audit .....	10
Supervision and review, including engagement quality review .....	10
Communicating audit results.....	10
<b>TOOLS AND RESOURCES</b> .....	11
Audit innovation.....	12
Technological and intellectual resources .....	13
<b>MONITORING AND REMEDIATION</b>	
<b>INTERNAL MONITORING</b> .....	13
Firm level monitoring and remediation activities.....	14
<b>EXTERNAL MONITORING</b> .....	14
<b>OUR NETWORK</b> .....	15
<b>OUR CLIENTS</b> .....	17
<b>FINANCIAL INFORMATION</b> .....	19

**100+**

years of supporting  
Australian  
business

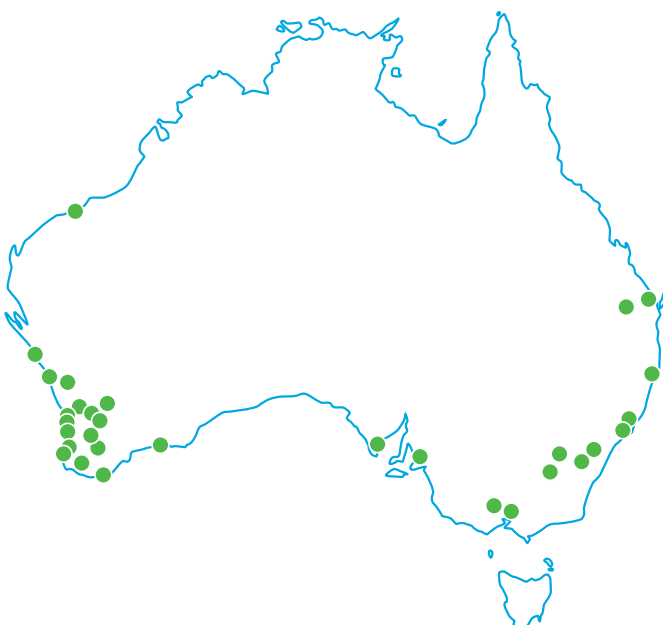
# Introduction

RSM Australia (the Firm) is a full-service national accounting firm delivering expert corporate, financial and advisory accounting services to clients across diverse industry sectors.

Celebrating our centenary in 2022, the Firm has developed an extensive understanding of Australian business trends and conditions for over 100 years. Boasting a national network of 32 offices, our unique culture nurtures strong collaborative client partnerships across growth-focused entrepreneurial businesses, leading multinational organisations operating within diverse industry sectors, not-for-profit organisations, and government entities.

As a single firm, we provide strong service benefits to our clients. Our structure enhances business efficiencies, reduces internal bureaucracy, and underpins our client focused culture. It also assists our clients in readily connecting to partners, directors, and senior advisers, providing both leading advice and great value for money.

**1,700+** PEOPLE   **137** PARTNERS   **32** OFFICES



## OUR LEGAL STRUCTURE AND OWNERSHIP

RSM Australia conducts business through the following entities, controlled by the partners and directors of RSM:

- **RSM Australia Partners**  
Conducts statutory audit and formal insolvency appointments pursuant to the Corporations Act 2001
- **RSM Corporate Australia Pty Limited**  
An Australian Financial Services Licensee conducting corporate advisory services
- **RSM Financial Services Australia Pty Limited**  
An Australian Financial Services Licensee conducting a licensed financial planning business
- **RSM Australia Pty Ltd, as trustee for the Birdanco Practice Trust, trading as RSM**  
Conducts all other engagements, including non-statutory audit and insolvency engagements

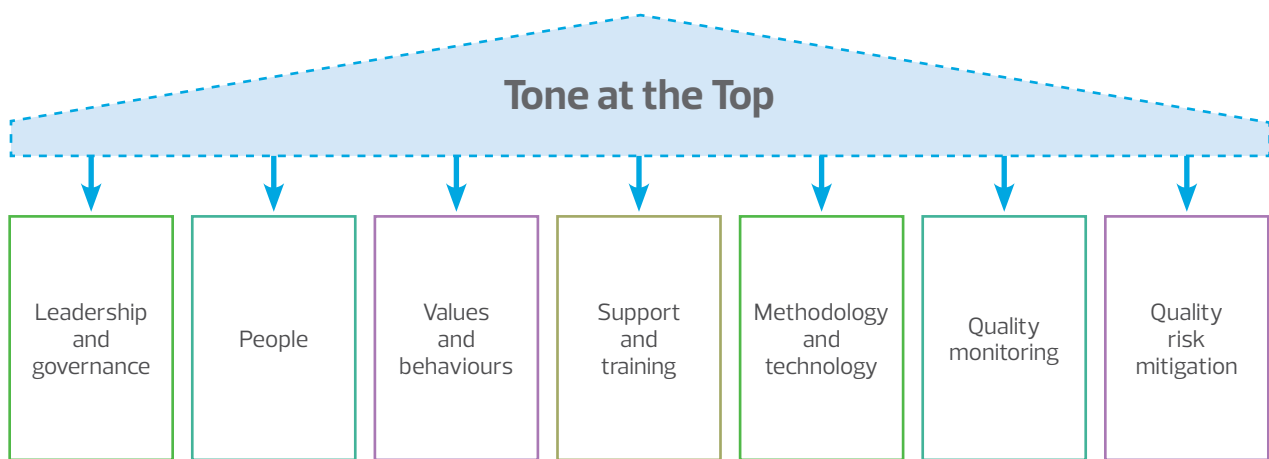
# Audit quality

## Quality management at RSM

Quality is a fundamental cornerstone for RSM, underpinning everything we do. The implementation of ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Historical Financial Statements, or Other Assurance and Related Services Engagements* has only strengthened our already robust system of quality management.

Our strategy is based around the eight quality components that work together to support our people in delivering quality audits. Our model sits within the ISQM 1 system of quality management, with accountability through our National Executive Committee.

### CORE COMPONENTS OF AUDIT QUALITY



## LEADERSHIP, GOVERNANCE AND CULTURE

Quality starts at the top, with the consistency of the tone of our leadership providing the foundation for the delivery of high-quality audits. The importance of audit quality is reiterated to the audit division through a variety of channels and events, including our return to in person conferences in 2023.

### The Power of Being Understood

The Power of Being Understood is a promise to our clients and our people that when they work with RSM, they are working with professionals who will take the time to truly understand them, who will bring tailored ideas and insight to their environment, and who are committed to helping them make confident decisions about their future.

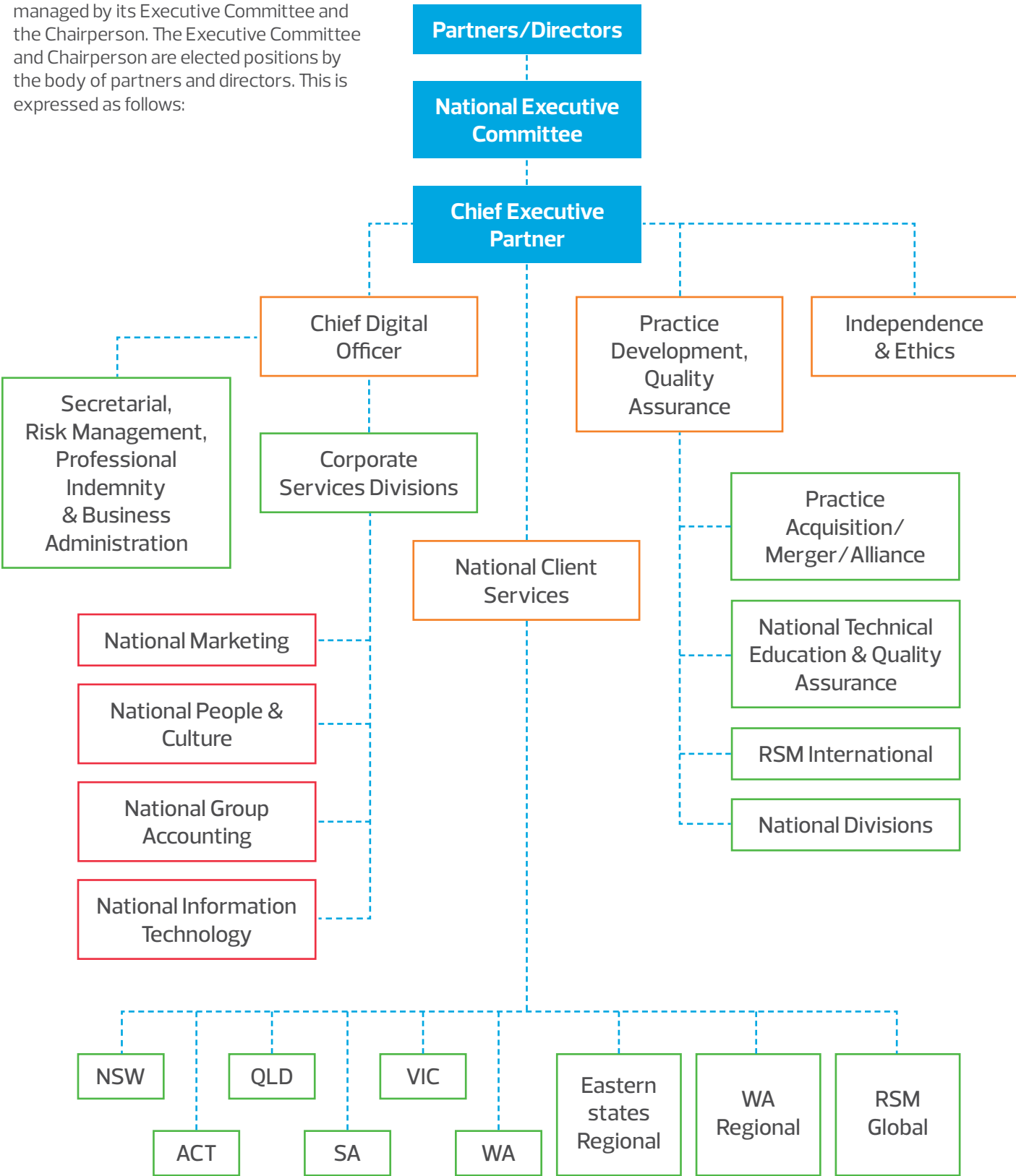
To create experiences that set us apart, at RSM we encourage and reward the following critical behaviours in our people:

	<b>Caring</b>
	Building strong, long-term relationships by understanding others and their aspirations, and remaining empathetic to their unique challenges, needs and preferences.
	<b>Curious</b>
	Asking probing questions and seek diverse perspectives to gain understanding, challenge thinking and generate new ideas.
	<b>Collaborative</b>
	Working together to create better outcomes – seeking out and sharing perspectives to encourage innovative thinking, to solve problems, and enable others to seize opportunities.
	<b>Courageous</b>
	Demonstrating strength and confidence by challenging traditional ways of thinking – having the courage to look forward and prepare for tomorrow.
	<b>Critical thinkers</b>
	Simplifying complex information and concepts in order to provide clarity, objectivity and depth.



# GOVERNANCE STRUCTURE

The governance structure of the Firm is managed by its Executive Committee and the Chairperson. The Executive Committee and Chairperson are elected positions by the body of partners and directors. This is expressed as follows:



---

## ETHICS AND INDEPENDENCE

RSM International maintains Ethics and Independence policies which member firms are required to adopt to provide reasonable assurance that member firms, partners and professional employees comply with the independence and ethical requirements of the following:

- International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants
- RSM International

RSM Australia augments this policy with local requirements to comply with local jurisdiction requirements, such as:

- The Accounting Professional and Ethical Standards Board's Code of Ethics for Professional Accountants
- Chartered Accountants Australia and New Zealand (CAANZ) and other local professional organisations
- Local security exchange regulators
- Other relevant regulatory authorities

Each Member Firm has a Head of Ethics and Independence – a partner (or equivalent position) who has responsibility to augment these policies, as necessary. This also includes ensuring that their Member Firm reflects any additional local ethical codes or regulatory requirements that establish higher standards than those reflected in the minimum RSM ethics and independence policies. Any amendments made to the global RSM policies (to include additional local requirements) are submitted to the Global Executive Office (GEO) for review.

Partners or professional employees who have any questions regarding the RSM ethics and independence policies are required to consult promptly with their Member Firm's Head of Ethics and Independence. If the Member Firm's Head of Ethics and Independence has a question regarding these policies, they consult with the GEO.

Partners and professional employees are required annually to complete an independence compliance questionnaire confirming that they:

- Have read the RSM global ethics and independence policies
- Have read their Member Firm's ethics and independence policies
- Understand the applicability to their activities
- Are, and have been for the past year, in compliance with those policies

Any qualifications to such confirmation are fully explained in writing and corrective actions are taken by a Member Firm.

RSM has an Independence Committee comprised of members of the GEO and representatives from Member Firms. The committee provides input to the GEO on independence matters.

At the engagement level, the engagement director is responsible for monitoring the independence of the engagement team as well as the provision of other services.

At the Firm level, the Director Responsible for Ethics and Independence monitors compliance with all aspects of the Ethics and Independence policies. In addition, the Firm monitors compliance with all RSM quality policies, including independence, through its internal monitoring and inspection program.

RSM Australia is required to report annually to the RSM Global Executive Office (GEO), that the Firm has adopted the minimum policies and procedures set forth in the quality assurance policies, which includes reference to the Ethics and Independence policies.

### RSM InTrust

RSM Australia utilises the integrated global independence, entity management and service authorisation system, RSM InTrust. Maintained by the GEO, RSM Australia is required to use RSM InTrust to list assurance and non-assurance clients in the following categories:

- Public interest entities, including listed entities
- Private equity groups or funds
- Private entities with ownership or affiliates located in another jurisdiction or country

Additionally, all clients that are affiliates of groups meeting the above criteria are required to be included on InTrust.

The GEO, under the direction of the Global Ethics and Independence Leader, is responsible for overseeing the timely maintenance of the system by Member Firms and for overseeing the adequate functioning of the relevant policies and processes.

Member Firm partners and professional employees are required to consult RSM InTrust, and take such other precautions that are considered necessary in the circumstances to ensure compliance with the RSM Ethics and Independence policies with respect to financial, business, family, or employment interests.

They are also required to ensure compliance with respect to identifying potential conflicts of interest in the services Member Firms provide to clients or prospective clients – particularly international groups. Annually, Member Firms are required to perform procedures to assess the completeness and accuracy of their client information required to be included in RSM InTrust, and report accordingly to the GEO.

When a Member Firm partner or professional employee identifies a potential impairment of independence or conflict of interest with respect to a client or prospective client of another member Firm through system searches and other conflict of interest checks, the Head of Ethics and Independence of the Member Firm is required to be informed.

The Head of Ethics and Independence communicates the relevant details of the client (or prospective client) and engagement to the Head of Ethics and Independence of the other Member Firm(s).

The relevant Heads of Ethics and Independence then assess the facts and circumstances relating to the potential impairment of independence or conflict of interest and apply the appropriate safeguards, which may include withdrawal from an engagement or opportunity.

If Member Firms are unable to agree appropriate safeguards, the CEO and the Chair of the Board are requested to consider the potential impairment of independence or conflict of interest. The Member Firms provide the GEO with the necessary information regarding the relevant facts and circumstances, which will be used to assess the potential impairment of independence or conflict of interest. The CEO and the Chair of the Board will then, after considering the request and information provided, make a recommendation as to the resolution of the potential impairment of independence or conflict of interest which the Member Firms are required to follow.



## ACCEPTANCE AND CONTINUANCE OF CLIENT ENGAGEMENTS

It is the Firm's policy to accept engagements only with those clients who share RSM's core values, by only accepting client relationships with those who fit key RSM acceptance criteria, and who are prepared to pay a fair fee for high quality work.

Such criteria include client integrity (including compliance with all local laws and regulations, including anti-money laundering requirements), independence (including compliance with RSM's ethics and independence policies), understanding the client's needs and service requirements, and having the capabilities, in terms of both resources and expertise, to perform the work required and to render the necessary reports and other deliverables within the reporting time frames, to a high standard.

This evaluation is documented and signed by the prospective engagement partner. The level of approvals required to accept a client depends on a risk assessment process. Clients assessed as higher risk require additional approvals.

It is the Firm's policy to obtain such information as is considered necessary in the circumstances before accepting

an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client.

If a potential conflict of interest is identified during the consideration of accepting an engagement from a new or existing client, the firm determines whether it is appropriate to accept the engagement based on whether appropriate safeguards can be implemented to mitigate the risk. Where issues have been identified and the firm decides to accept or continue the client relationship, the engagement director records how the issues were resolved, and any safeguards put in place to mitigate the risk.

During the client acceptance process, the prospective engagement partner, or lead assignment partner, also assesses the level of risk attached to the engagement and determines whether special staffing, supervision and review requirements apply. A second partner is assigned to concur with a conclusion to accept any engagement or a client relationship that meets certain risk profiles.

---

# Engagement team management

## **Recruitment, retention and promotion**

RSM has developed and maintains hiring policies and procedures to provide reasonable assurance that individuals are recruited and hired on a timely basis to meet the Firm's human resource requirements. An annual recruiting plan is prepared by the Firm based on projections anticipating expected growth, turnover, advancements, retirements and other factors.

The Firm's personnel needs and hiring objectives are communicated to those involved in hiring. Individuals who are recruited and hired have integrity and the motivation and aptitude for the profession. They have adequate educational backgrounds, and qualifications which are appropriate for the positions for which they are hired.

The stages of recruitment include application by form or resume, interview, checking of references, and offer and acceptance of employment.

The hierarchical structure to career planning and advancement within the Firm has eight formal levels of career development across all divisions of the firm. The Firm's career development plan (CDP) specifies relevant subject knowledge, competencies and training for each of these career levels. This includes both technical knowledge and behaviours.

The structure and content of the CDP forms the basis of the performance appraisal process and is an integral part of assessing the progress and capability of all staff.

The performance of each professional is continuously evaluated by individuals who are most familiar with the professional's performance. Each professional is periodically (and at least annually) formally advised of progress towards their objectives, and their strengths and weaknesses to incorporate into their development plan, by means of an evaluation meeting with an appropriate manager and/or partner/director. The results are recorded in an online system, so that performance can be monitored over an extended period of time.

Advancement decisions are based on performance evaluations so that those selected for advancement have the qualifications necessary for fulfilment of the responsibilities they will be called upon to assume, and have the necessary commitment to, and understanding of, the firm's ethical requirements and quality assurance and risk containment policies.

The firm's partners/directors are remunerated by salary and income share, the latter determined by reference to assessment criteria that includes reporting in accordance with outcomes from the firm's system of quality management.

Personnel files are maintained by the Human Resources division. They include details of the professional's career development, experience, performance evaluations and qualifications. Professional development courses are maintained on the staff training records database.

## **Diversity and Inclusion**

Diversity and Inclusion play a critical role in facilitating high levels of employee satisfaction as a result of belonging, connectedness, critical thinking and personal growth. Diversity and inclusion benefit individual employees, and enhance the employee experience, but they also have a broader benefit to families and communities, while simultaneously advancing business initiatives, and client service through higher levels of engagement, increased productivity, and the forging of stronger relationships.

The recent appointment of a Global Diversity and Inclusion Leader, who works with RSM member firms to reap the business benefits of a diverse and inclusive workforce is another way that we demonstrate that RSM has a culture that puts its people first.

At RSM Australia, we have worked with the NeuroLeadership Institute to put all our leadership team through decision making training that will empower our teams to make objective people and business judgements that are free from bias. We have also implemented 'Flexible Work at RSM' to create greater awareness of our flexible work policies and practices. Ultimately, our firm understands we need an agile workforce to manage the changing business environment, and allow all our employees to reach their potential.

## **Professional development**

RSM creates and maintains training and Continuing Professional Development (CPD) programmes that provide directors and professional employees with adequate training and training updates. The National Learning & Development (L&D) division is responsible for professional development, education and training. The National Executive is ultimately responsible for training overall, with National Technical Education and Quality Assurance Committee (NTEQAC) taking responsibility for technical training.



RSM embraces a hybrid method of learning, with 2023 seeing the return of our mandatory in person technical conferences. All participants complete evaluations on the conferences and presenters with this information collated by the L&D division for review by the National Heads of each division.

Virtual learning is provided through the firms proprietary learning and development platform, OWL (Our Way of Learning), which runs on cornerstone software. The OWL platform allows us to deliver both pre-recorded and live content digitally, while tracking attendance and completion of learning material.

As a member of the RSM International network, the Firm is required to create and maintain training and CPD programmes that provide directors and professional employees with adequate training and training updates (covering changes to underlying rules and standards) in the following areas:

- RSM Audit Methodology and Australian Auditing Standards
- Ethics and Independence policies
- International Financial Reporting Standards (IFRS)
- Relevant taxation laws which affect the determination of amounts and disclosures in the audited financial statements
- IT applications used by directors and professional employees for their employment duties and as evaluators of IT systems in the context of the financial statements audit
- Industry or product specific knowledge and understanding

RSM Assurance and Advisory Services Training and CPD policies require all partners / directors and qualified professional employees to develop and maintain competencies relevant and appropriate to their work and professional responsibilities. The responsibility for developing and maintaining competence rests primarily with each director and qualified professional employee.

Each partner / director and qualified professional employee must complete a minimum of 30 hours of Structured CPD per year, with a minimum of 90 hours in every three-year period. Each qualified partner / director and professional employee must complete a minimum of 120 hours CPD (including unstructured CPD) in every three-year period.

This policy is consistent with the requirements of the Chartered Accountants Australia and New Zealand (CAANZ) Continuing Professional Education Requirements under which members must undertake a minimum of 120 hours over a three-year period. At least 20 hours (including a maximum of 10 hours of technical reading) must be completed annually.

## Assignment of engagement teams

The Head of each service line is responsible for establishing and maintaining suitable processes for the assignment of a lead director to each engagement, to take responsibility for that engagement on behalf of the firm. They also ensure that the basis upon which such assignments are made are reviewed regularly, and that such basis include the requirements that the identity and role of the engagement director are communicated to the key members of client management and those charged with governance. The responsibilities of the engagement director are clearly defined and communicated to that director. This includes understanding their role in managing and achieving quality in all engagements.

The engagement director is responsible for ensuring that the engagement team has the appropriate expertise, ability and time to perform the engagement in accordance with professional standards and applicable local regulatory or legal requirements, to enable an appropriate report / other deliverable(s) to be issued in the circumstances.



# Audit engagement performance



## Planning and performing the audit

The engagement team is required to plan the audit work so that an effective audit is performed, designing procedures that are responsive to the fraud risks and other risks of material misstatement identified. Deployed across more than 100 countries worldwide, our optimal risk-based audit methodology, RSM Orb, is designed with a focus on the middle market and scales with client complexity to provide a robust, quality audit. This technology platform enables our auditors to focus on risks and design procedures tailored to each unique circumstance and environment. Thereby, an RSM audit delivers consistency, innovation, critical insights and confidence.

The nature, timing and extent of procedures performed are consistent with risk assessments made and the approach described in the planning documentation. The appropriateness of planned procedures is reconsidered when significant changes in risk factors are identified during the

execution of tests of controls and substantive procedures.

RSM professionals are expected to seek assistance from persons possessing specialised knowledge and expertise whenever they encounter situations where they lack sufficient knowledge and experience and in certain specific situations prescribed by RSM policy. The engagement director is responsible for ensuring that the issue on which consultation was sought and the results of the consultation – including the decisions taken, the basis thereof and how those decisions were implemented – are fully documented and agreed with the person(s) consulted.

Our tools enable the preparation of audit documentation (a) in sufficient detail to provide a clear understanding of its purpose and source and the conclusions reached and (b) in a manner that provides a clear link to the significant findings and issues. In addition to audit documentation supporting the audit opinion, these tools facilitate an effective review.

## Supervision and review, including engagement quality review

NTEQAC is responsible for ensuring each service line develops specific performance and documentation requirements for services provided in their service line, including the form and content of workpapers. The engagement director has the overall responsibility for the direction, supervision and performance of the engagement in compliance with applicable professional standards, regulatory and legal requirements and for ensuring an appropriate report is issued.

Specific responsibilities to ensure quality management are:

- Ensuring engagement team compliance with ethical and independence requirements
- Ensuring appropriate acceptance and continuance procedures are performed and documented
- Ensuring engagement team has appropriate competence and experience
- Ensuring an engagement quality reviewer (EQR) is assigned where required
- Ensuring appropriate consultations take place
- Reviewing work performed to ensure it is compliant with applicable professional standards, regulatory and legal requirements and supports the conclusion
- Ensuring report(s) or other deliverable(s) are in accordance with the terms of the engagement and any specific policies applying to the type of engagement
- Considering whether any deficiencies arising from the monitoring process have any effect on the engagement
- Supervision and Review

The level of supervision and review will vary with the type of engagement and composition of the team. Each service line is responsible for determining specific review requirements for services they provide. As a minimum, our review requirements ensure that work has been properly carried out, concluded upon and documented in accordance with any additional service line policies. In addition, the review is designed to ensure that there is a reasonable basis for the opinions, presentations or conclusions expressed in the report or other deliverable.

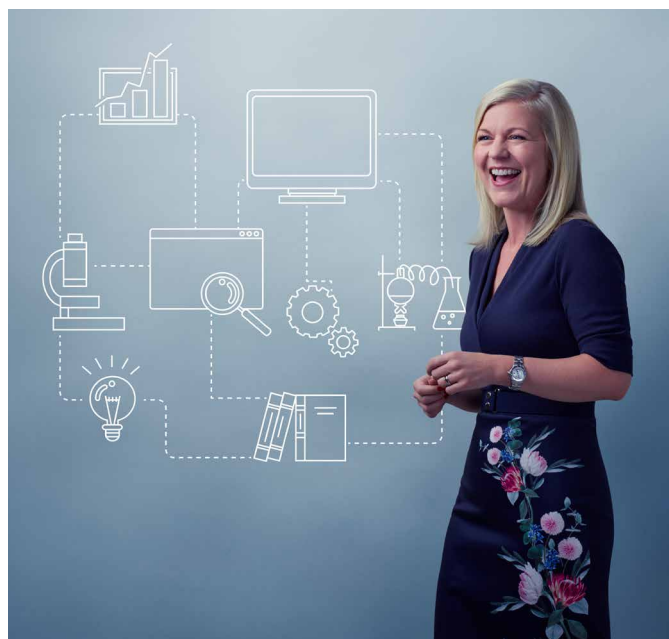
The objective of the firm, through appointing an eligible Engagement Quality Reviewer (EQR), is to perform an objective evaluation of the significant judgements made by the engagement team and the conclusions reached thereon. The EQR evaluates significant judgements in the context of the applicable professional standards and legal and regulatory requirements for the engagement. This review supports the report or other deliverable prior to their release. RSM policy requires engagement quality reviews to be conducted for any engagement or a client relationship in specified circumstances which indicate an engagement or client to be of higher-than-normal risk. This will include engagements with disclosing entities and other major public interest entities.

The Head of Audit & Assurance is responsible for developing processes for assigning EQRs to each relevant engagement. An EQR is required to be an independent partner or director, or other suitably qualified and experienced person or team, who is not engaged in the performance of the engagement or the provision of other services to the client entity or group of entities. They are required to meet the requirements of ASQM 2 *Engagement Quality Reviews*, including having the necessary authority and required competency and capabilities to perform the review. For example, an engagement quality reviewer assigned to the audit of a listed entity should be an individual who has sufficient experience and authority to serve as an engagement director on audits of listed entities.

## Communicating audit results

Effective and timely delivery of required communications that are accurate and complete promotes important dialogue between the client and the auditor that enhances audit quality. We communicate in writing and orally, as appropriate, with the directors' and/or those charged with governance all matters required by the Australian Auditing Standards, including, but not limited to:

- An overview of our overall audit strategy, including information about the scope and timing of the audit
- Significant risks we identified during planning, our planned approach and findings, and any significant changes to the planned strategy or risks which occurred during the course of the audit
- Key audit matters, where applicable
- Our areas of focus, including significant accounting estimates
- Uncorrected and corrected misstatements
- Control environment observations, including recommendations and deficiencies identified



---

# Tools and resources

## Audit innovation

RSM embraces audit innovation which drives audit quality, including the use of data analytics and other artificial intelligence. We are continuously investing in our toolset to create audit efficiencies, with our auditors driving the areas of development to ensure that the tools meet our teams needs.

### CONTINUOUS AUDITING:

#### Real-time compliance and assurance before an external audit

By **Louis Quintal** | *Audit Partner, Sydney*

For any company engaged in an external audit, there's always a sense that leadership is holding their breath – just waiting to hear of an uncovered non-compliance or discrepancy that's going to cost time and money to resolve.

As highly experienced external auditors, delivering bad news to a client is not something we enjoy. In a perfect world, every organisation would have flawless records underpinned by 5-star controls and processes.

However, in a medium to large enterprise with potentially thousands of staff, this can often seem impossible to achieve. Human error, inconsistent practices, or intentional circumvention inevitably leads to faults and it's not until the external audit process unfolds after year end that these issues may be brought to light.

Fortunately, there is audit technology emerging which has the potential to tackle these challenges head-on and provide next-level assurance for senior executives and boards.

### What is continuous auditing?

Imagine an intelligent system that is capable of overseeing (but without disturbing) your business's critical systems. One that continuously validates every input against any set of compliance requirements to enable real-time identification and rectification of issues.

Known as continuous auditing, this is a very real capability and is set to revolutionise audit and assurance for organisations in both the public and private sectors.

Leveraging the latest in data analytics and machine learning, continuous auditing is a valuable extension of external auditing as it allows your auditor to manage risk more effectively on your behalf. Rather than waiting months to identify and flag concerns, such as unauthorised transactions or duplicate payments, your auditor will be alerted to them instantly and can raise them with you before they become more serious or systemic.



## How does continuous auditing work?

As an adjunct to annual financial reporting and auditing requirements, continuous auditing does not replace an external audit but can significantly streamline the process.

It uses various technologies and software which connect to your key systems and establish 24/7 monitoring based on explicit inputs. These inputs can be tailored to meet the specific regulatory obligations that apply to your business, and even enhanced to include internal policies and controls that form part of your standard auditing process.

Because it is an autonomous system, the technology is not compromised by human input. It simply analyses data based on a set of parameters and serves up insights via a dashboard to keep your auditor informed.

With automated flagging of discrepancies, continuous auditing means:

- Issues can be resolved in a timely manner
- The annual audit process is more streamlined
- Leadership gains unprecedented assurance of ongoing compliance
- The business saves time and money by not having to rectify past inconsistencies

## When can I implement continuous auditing?

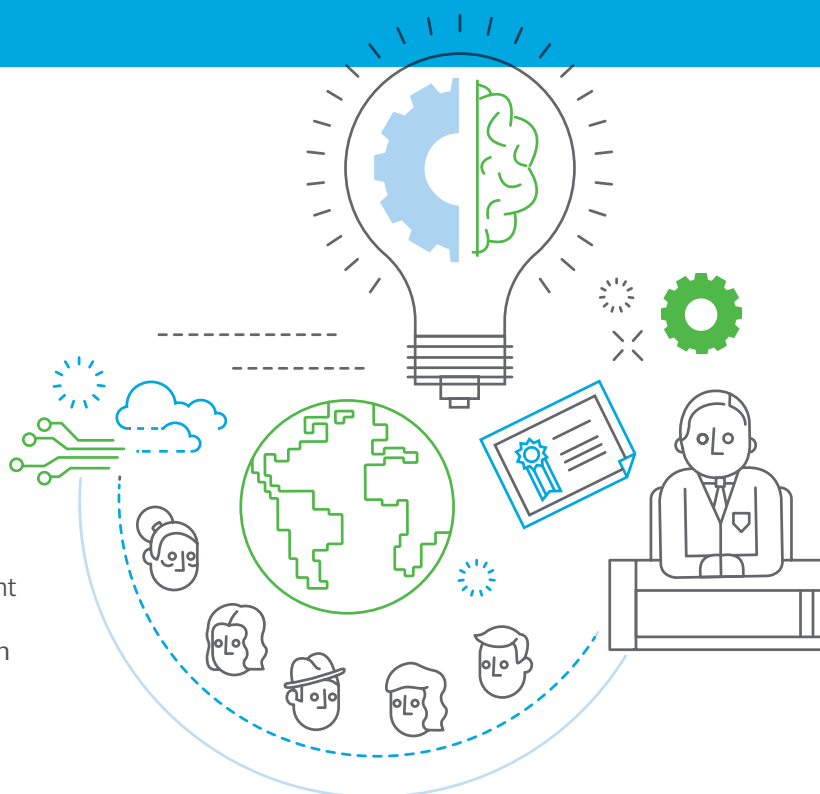
At RSM, we've been keeping a close eye on the emerging capability in this space to identify the best possible software solutions for continuous auditing.

We understand the criticality in selecting the most advanced and robust solutions which encompass optimal features without the challenges that are often associated with inaugural models.

### Technological and intellectual resources

Appropriate technological resources are maintained by the to ensure reliable operation of our system of quality management and performance of quality audits in line with our proprietary audit methodology.

The firm has obtained and developed various intellectual resources, including audit manuals, training materials, practice aids, templates, guidance documents and RSM Orb resources, that support the firm's system of quality management and performance of quality engagements. Our National Technical department is responsible for maintaining content, ensuring updates in professional standards are reflected in a timely manner.





# Monitoring and remediation

## INTERNAL MONITORING

### Global inspection and monitoring programmes

In our relentless pursuit of quality, RSM has developed both individual member firm inspection and monitoring programmes, as well as RSM's global inspection and monitoring programme. As we ease into the new normal, a hybrid model of both in person and remote inspections were carried out. RSM continues to evaluate the structure and content of the Member Firm and Global inspection programmes, including updates for any changes in standards, such International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Historical Financial Statements, or Other Assurance and Related Services Engagements, which became effective on 15th December 2022.

Firm inspection programmes provide the Member Firm with reasonable assurance that the policies and procedures relating to the system of quality control over its assurance and other professional services practices are relevant, adequate, operating effectively, and are aligned with RSM expectations and all applicable requirements established by the International Federation of Accountants (IFAC) standard-setting boards including:

- International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Historical Financial Statements, or Other Assurance and Related Services Engagements*
- International Standard on Auditing (ISA) 220 (revised), *Quality Management for an Audit of Financial Statements*
- IESBA International Code of Ethics for Professional Accountants (including International Independence Standards)

Further objectives of an RSM Member Firm's inspection programme are to provide an evaluation of:

- The extent of the Firm's alignment with RSM policies and procedures
- The Firm's adherence to local/national professional standards and applicable local/national legal and regulatory requirements
- Whether the Firm's quality management system is operating effectively, so that reports that are issued by the Firm or engagement partners are appropriate in the circumstances
- Areas where further actions are needed by either the Firm or RSM in order to take corrective actions or make improvements to the Firm's quality management system

A distinct benefit of the inspection process is that it provides the opportunity to identify areas for improvement in engagement management and client service production and delivery systems. Under RSM's global inspection programme, an inspection team comprised of partners and staff from other Member Firms periodically performs an inspection at Member Firms on a cycle not exceeding three years.

RSM global inspections are conducted by independent qualified partners and senior personnel of other Member Firms under the direction of GEO personnel and the Global Leader, Quality & Risk. The RSM global inspection programme is also designed to meet the membership obligations of the Forum of Firms. The RSM International Board has the authority to impose sanctions on a Member Firm to ensure compliance with professional requirements and RSM methodologies, policies and procedures.

RSM policies require a partner to be specifically assigned as the partner responsible for the Member Firm's Inspection Program. In Australia, this responsibility is assigned to

NTEQAC, and more specifically, to the divisional heads. The responsibilities taken on include:

- The maintenance of policies and procedures for the inspection program, which will meet or exceed RSM International and local inspection requirements
- The overall planning of the program including:
  - Office and partner rotation
  - Scope of the programme
  - Selection of inspection teams and appointment of team captains, including ensuring that the individuals performing the monitoring activities have the appropriate competence and capabilities, sufficient time and are independent of the engagements inspected
  - Selection of engagements for review
  - The development and issuance of inspection instructions, including training and documentation requirements
- Overall supervision of the program and the inspection teams
- The summarisation and communication of inspection results and conclusions
- Monitoring the implementation of corrective action plans

The division heads are required to communicate deficiencies noted as a result of the inspection process to the relevant engagement directors and personnel, including recommendations for appropriate remedial action. This may include changes to the firm's quality management policies and procedures or disciplinary action for repeated failure to comply with Firm policies.

The firm evaluates the severity and pervasiveness of identified deficiencies through performance of root cause analysis, if appropriate, and identifying the impact of the identified deficiencies, individually and in aggregate, on the system of quality management. Root cause analysis is not limited to identified deficiencies; the process is extended to assist with understanding and implementing positive findings.

Inspection program reports are presented to NTEQAC on an annual basis. A report on the audit and assurance practice is also submitted to the RSM International Global Executive Office commenting on the process and results of the inspection, any deficiencies identified and the monitoring and remediation activities that will be implemented to address them.

## Firm level monitoring and remediation activities

The firm designs monitoring and remediation activities outside of the yearly inspection process in response to findings of inspections, root cause analyses, external monitoring, and any other relevant feedback received. These activities are reviewed regularly to ensure they are suitable to address our quality risks.

## EXTERNAL MONITORING

External monitoring under Australia's regulatory framework is conducted by the following bodies:

### Australian Securities and Investments Commission (ASIC)

ASIC has responsibility for oversight of auditors in Australia. ASIC is responsible for administering the requirements of the Corporations Act 2001 as it relates to auditor independence (Divisions 3, 4 and 5 of Part 2M.4) and audit quality (Division 3 of Part 2M.3).

ASIC implements a continuous inspection process for the larger audit firms, including RSM. As such, we are subject to rolling file reviews in each inspection cycle. As at 30 June 2023, the inspection for the current cycle remained in progress.

### Chartered Accountants Australia and New Zealand (CAANZ)

CAANZ has a quality review program to monitor whether members have the quality control policies and procedures in place to comply with professional standards and legal requirements. The program is compliance focused.

Under CAANZ's approach for major firms, an online quantitative survey is used to assess the perceptions of various respondent groups (partners, managers, qualified staff and graduates) on the firms' commitment to the drivers of audit quality.

RSM Australia will be subject to inspection by CAANZ during the year ended 30 June 2024.

### Overseas monitoring

RSM Australia holds registration with various overseas regulators and may potentially be subject to inspections by these bodies. No inspections have occurred in the year ended 30 June 2023.

# Our network

RSM Australia is a member of the RSM International Network (the Network) and trades as RSM, which is the trading name used by the members of the Network. Members of the Network are independent professional services firms and separate legal entities practising in their own right. RSM International Limited is a private company limited by guarantee and is registered in England and Wales. Intellectual property rights used by members of the network are owned by RSM International Association.

The RSM network connects member firms through shared core values which focus on the delivery of excellence. This is reflected in common methods and processes, including commonly agreed and applied quality standards. This connection provides comfort to RSM member firm partners and their clients that the quality of service and advice to referred clients will be to a consistently high standard, everywhere in the world.



Further information on the RSM International network of firms can be found in the [RSM Global Annual Review](#)



## MEMBERSHIP IN THE FORUM OF FIRMS

RSM International is a member of the Forum of Firms, an association of international networks of accounting firms that perform transnational audits.

RSM is active in and fully supports the objective of the Forum of Firms which is to promote consistent and high-quality standards of financial reporting and auditing practices worldwide and to support convergence of national audit standards with the International Standards on Auditing.

Marion Hannon, Global Leader for Quality and Risk for RSM International, currently represents RSM as member of the Forum of Firms' Transnational Auditors Committee.

### Global resources

#### RSM Centres of Excellence (CoEs)

CoEs play a critical part in our international business development efforts, and also serve to enhance member firm core competencies in services delivered. The groups are resourced by professionals from various Member Firms who aim to establish common practices, facilitate seamless regional delivery and align RSM's resources. CoEs are particularly focused on building and developing capabilities and as such improving the quality of services internationally.

The purpose of service line groups is to promote consistent services, share best practices and to explore ways in which RSM's collective expertise can be used. Sector groups seek to ensure engagement teams across Member Firms understand the implications of sector issues that impact clients and apply deep expertise whether it be through delivering audit, tax or consulting services.

There are currently six CoEs:

- Global Audit
- Global Consulting
- IFRS
- International Tax
- Global Risk Advisory
- Global Legal Group

#### Global IFRS Resources

Australian Accounting Standards are fully aligned with International Financial Reporting Standards ("IFRS"), and therefore are a core skill for RSM. RSM's National Technical Director is a member of the global RSM IFRS Advisory Committee, which comprises member firm representatives possessing high level IFRS expertise. The responsibility of the IFRS Advisory Committee is to provide direction and strategy with respect to IFRS services to the Global Executive Office as well as serving as the top IFRS consultant body within RSM. The RSM Centre of Excellence comprises representatives from each member firm who possess IFRS expertise in particular facets of IFRS.

The IFRS Centre of Excellence, under the direction of the IFRS Advisory Committee, promotes global quality and consistency of IFRS services through the following activities:

- Operation of an IFRS help desk
- Development and delivery of IFRS training programmes and material, covering timely and relevant IFRS topics
- Publishing technical alerts and monthly bulletins and other technical resources and tools
- RSM is also active in the development of IFRS on a profession-wide scale by contributing global comment letters on proposed new standards and participating in the review process for new training on IFRS offered by standard-setting bodies

#### Global Quality Committee (GQC)

As an executive sub-committee of the RSM International Board of Directors, the GQC operates as an overseer and a maker of recommendations to the Board for consideration and final approval. The Board established the Global Quality Committee in April 2021 as a successor to the Transnational Assurance Services Executive Committee, to ensure quality matters receive the time and attention necessary to drive uniform high-quality professional services.

According to its terms of reference, the GQC, whose members are appointed by the Board, consists of five to nine members of suitably qualified and experienced partners or equivalent from RSM Member Firms. The composition of the GQC is designed to ensure representation from across the RSM regions. The Chair of the GQC is selected by the Board from members of the Committee and serves for a term of three years and can be renominated at the end of the three-year term.

The GQC's responsibilities include to:

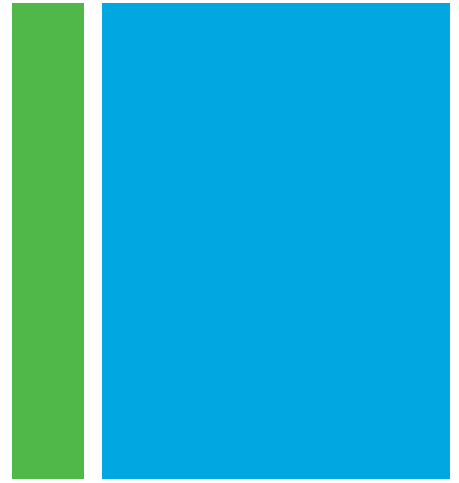
- Consider and recommend RSM policies in relation to areas such as:
  - Ethics and Independence
  - Anti-Bribery and Corruption
  - Quality Management systems/ frameworks
  - Member Firm Inspection Programme and Global Inspection Programme
  - Learning and Development, including professional development policies
  - Non-audit services (to the extent necessary) complying with relevant international professional standards
- Oversee the suitability of software tools or systems which:
  - House RSM Orb
  - Ensure compliance with RSM Ethics and Independence policies
  - Support the delivery of quality services or aid efficiency across the Network, including engagement risk and compliance systems or other systems used by all service lines
- Undertake any other activities pursuant to promoting quality across the Network

When appropriate, the GQC, upon recommendation of the Global Executive Office, also recommends sanctions against member firms and professionals as a result of non-compliance with the Committee's directives. The RSM Board of Directors ultimately acts on any such recommendations.

## OUR CLIENTS

Entities in section 332 (A) of the Corporations Act 2001, for which RSM conducted an audit under Div 3 of Pt 2M.3 in the reporting year, are:

333D Limited	Genesis Resources Ltd	Parkd Limited
Admiralty Resources NL	Goconnect Limited	Paterson Resources Limited
Aerison Group Limited	Great Boulder Resources Limited	Peppermint Innovation Limited
Agrimin Limited	Green Technology Metals Limited	PharmAust Limited
Alderan Resources Limited	Greenvale Mining Limited	Pivotal Metals Limited
Aldoro Resources Limited	Hansen Technologies Limited	Pointsbet Holdings Ltd
Althea Group Holdings Limited	Hazer Group Limited	Polymetals Resources Limited
Amaero International Limited	High Peak Royalties Limited	PropTech Group Limited
Aquis Entertainment Limited	Hiremii Limited	Q Mines Limited
Arcadia Minerals Ltd	Hot Chili Limited	Quantum Graphite Limited
ArchTIS Limited	Identitii Limited	QX Resources Limited
Argenica Therapeutics Pty Ltd	Imagion Biosystems Limited	Raiden Resources Limited
Argosy Minerals Limited	Indiana Resources Limited	Red Mountain Mining Limited
Astute Metals NL	Innlanz Limited	Red River Resources Ltd
Aurum Resources Limited	Intelicare Holdings Ltd	Red Sky Energy Limited
Austral Resources Limited	Jayride Group Limited	Rent.com.au Limited
Australian Gold & Copper Limited	Kalium Lakes Ltd	Resources & Energy Group Limited
Beam Communications Limited	Kinactico Limited	Respiri Limited
Bioxyne Limited	Kingwest Resources Limited	Rimfire Pacific Mining Limited
Bisalloy Steel Group	Krakatoa Resources Limited	Rincon Resources Limited
Bowen Coking Coal Limited	Kuniko Limited	Rocketbooks Limited
Bridge Saas Limited	Lithium Plus Minerals Limited	Roto-Gro International Limited
Burgundy Diamond Mines Ltd	Lotus Resources Limited	Sierra Nevada Gold Inc Limited
C29 Metals Limited	Love Group Global Ltd	SportsHero Ltd
Caprice Resources Ltd	Lycopodium Limited	Sultan Resources Limited
Careteq Limited	Macarthur Minerals Limited	Suvo Strategic Minerals Limited
Catalyst Metals Limited	Mach7 Technologies Limited	Tempus Resources Limited
Celsius Coal Limited	Macro Metals Limited	Tesoro Resources Ltd
Cosmo Metals Limited	MedAdvisor Limited	The Market Herald Limited
Crater Gold Mining Limited	Metal Bank Limited	Torrens Mining Limited
Culpeo Minerals Limited	Mighty Craft Limited	Toys "R" Us ANZ Limited
Decmil Group Limited	Mineral Resources Limited	Trajan Group Holdings Limited
Delorean Corporation Limited	Miramar Resources Limited	Tribune Resources Limited
Douugh Limited	Mitre Mining Corporation Limited	Unith Limited
Dropsuite Limited	Moho Resources Limited	Vanadium Resources Limited
Duratec Limited	Mt Malcolm Mines NL	Vango Mining Limited
Eastern Metals Limited	My Foodie Box Limited	Vection Technologies Limited
EcoGraf Limited	My Rewards International Limited	Victory Offices Limited
EDU Limited	Nanollose Limited	Vonex Ltd
EGL – The Environmental Group Limited	Navarre Minerals Limited	VRX Silica Limited
Energy Action Limited	New Age Exploration Limited	Vulcan Energy Resources Limited
ENRG Elements Limited	NIMY Resources Limited	Waterco Limited
Estrella Resources Limited	Nova Minerals Limited	Wellfully Limited
Experience Co Limited	Olympio Metals Limited	West Cobar Metals Limited
Fitzroy River Corporation Limited	One Click Group Limited	Whitehawk Limited
Focus Minerals Ltd	Optima Technology Group Limited	Wide Open Agriculture Limited
Foresters Financial Limited	Osmond Resources Limited	Xantippe Resources Limited
Fremantle Community Financial Services Limited	Paradigm Biopharmaceuticals Limited	XTEK Limited
	Paragon Care Ltd	Yowie Group Limited



# FINANCIAL INFORMATION

The relevant financial information for the year ended 30 June 2023 is as follows:

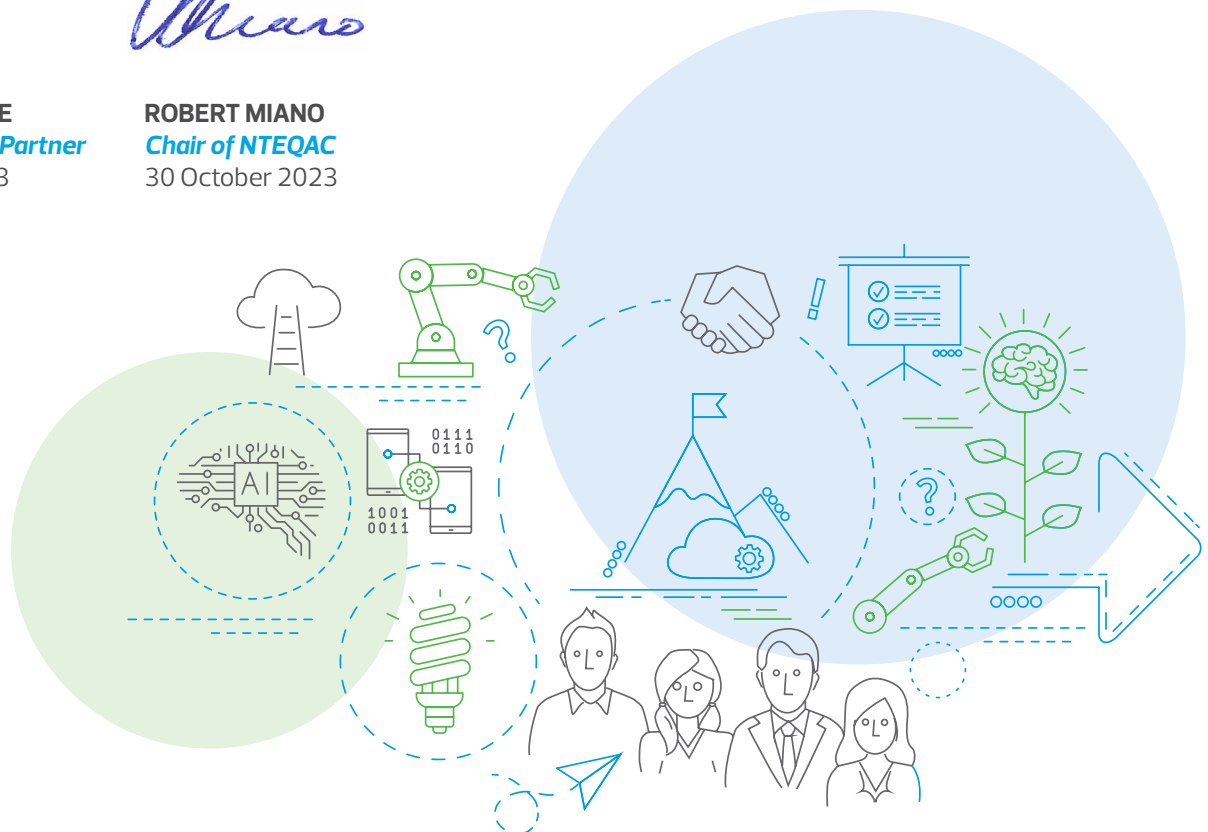
	\$m
Total Firm revenue	328.0
Revenue from auditing of financial statements	57.7
Revenue from other services	270.3

## Statement by the Executive Committee on the effectiveness of the functioning of the quality management system

The Executive Committee of the Firm confirms that to the best of its knowledge and belief, the Firm's system of quality management operated effectively during the year ended 30 June 2023 to provide reasonable assurance that assurance engagements comply with applicable legal, regulatory and professional requirements.

JAMIE O'ROURKE  
Chief Executive Partner  
30 October 2023

ROBERT MIANO  
Chair of NTEQAC  
30 October 2023



## THE POWER OF BEING UNDERSTOOD

### AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, 2nd Floor, London EC4N 6JJ.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association

[rsm.com.au](https://rsm.com.au)

Liability limited by a scheme approved under professional standards legislation

