Supporting material only

Australian Government
Australian Accounting Standards Board

Staff Paper

Project:	**Auditor remuneration disclosures**	**Meeting:**	AASB August 2026 (M222)
Topic:	**Disclosure of AASB S2-related sustainability assurance fees**	**Agenda Item:**	6.2
		Date:	13 August 2026
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The objective of this paper

1. The objective of this staff paper is to provide additional background and contextual information relevant to the AASB's consideration of auditor remuneration disclosures.

Structure of this paper

2. This staff paper is set out as follows:

   (a) Section 1 – Brief history of AASB 1054 auditor remuneration disclosure requirements;

   (b) Section 2 – AASB Research Report 15;

   (c) Section 3 – Remaining Corporations Act auditors' fees disclosure requirements;

   (d) Section 4 – Extracts of APES 110;

   (e) Section 5 – Extracts from large firm model financial statements; and

   (f) Section 6 – APRA reporting – appointment of auditors.

Section 1 Brief history of AASB 1054 auditor remuneration disclosure requirements

3. As noted in Agenda Paper 6.1, the location and wording of the auditor fee disclosure requirements have changed over time. However, the substance of the current requirements in AASB 1054 *Australian Additional Disclosures* remains largely unchanged from the original requirements in Schedule 5 of the *Corporations Regulations 1990*.

4. A brief history of the requirements is outlined in the table below.

Year	Location	Comments
1989-1990	Uniform corporations legislation scheme established to replace state-based companies legislation [see: Key Documents in the History of Australian Corporate Law]	
1990	Corporations Regulations 1990 – Schedule 5 Requirements for financial statements under Corporations Law s297(1)	Included auditors' fees disclosure requirements.
1995	AASB ED 67 *Information to be Disclosed in Financial Reports*	Corporate Law Economic Reform Program included streamlining requirements by removing most Schedule 5 financial statement disclosure requirements from Regulations to Accounting Standards. Among other things, ED 67 proposed moving auditors' fees disclosure requirements from Schedule 5 into Accounting Standards.
1996	AASB 1034 *Information to be Disclosed in Financial Reports*	Wording largely unchanged from the Schedule 5 wording.
1997	The Ministerial Council for Corporations Working Party report *Review of Requirements for the Registration and Regulation of Company Auditors*	Recommended disclosure requirements relating to non-audit services be expanded to require a breakdown of the nature of those services and to include services provided by entities whose beneficial ownership is substantially the same as that of the auditor's firm.
1998	AASB ED 91 *Financial Report Disclosures*	Proposed amendments to require disclosure of the remuneration for other services provided by a related practice of the auditor.
1999	Revised AASB 1034 *Information to be Disclosed in Financial Reports*	Added requirement to disclose remuneration of a related practice of the auditor for other services in relation to the entity.
2004	AASB 101 *Presentation of Financial Statements*	Requirements in AASB 1034 transferred to AASB 101 on adoption of IFRS Accounting Standards – limited amendment of wording.
2010	AASB Exposure Draft ED 200B *Proposed Separate Disclosure Standards*	Joint ED with the New Zealand Financial Reporting Standards Board – aimed at enhancing Trans-Tasman harmonisation and relocating Australian/NZ-specific disclosure requirements from Standards aligned with IFRS Accounting Standards into separate domestic standards.
2011	AASB 1054 *Australian Additional Disclosures*	Australian-specific disclosure requirements transferred to AASB 1054 – wording simplified (including replacing the 'related practice' notion with 'network firm' from APES 110 *Code of Ethics for Professional Accountants*).

Year	Location	Comments
2020	Parliamentary Joint Committee on Corporations and Financial Services (PJC) Interim Report and Final Report *Regulation of Auditing in Australia*	Recommendation 3 The committee recommends that the Financial Reporting Council, in partnership with ASIC, by the end of the 2020–21 financial year, oversee consultation, development and introduction under Australian standards of: • defined categories and associated fee disclosure requirements in relation to audit and non-audit services; and • a list of non-audit services that audit firms are explicitly prohibited from providing to an audited entity.
2021	AASB Research Report 15 *Review of Auditor Remuneration Disclosure Requirements*	Considered and analysed the above PJC recommendation and concluded on an approach that could be taken to implementing it. Section 2 summarises the findings set out in AASB Research Report 15.
2024	The *Australian Government response to the Joint Committee on Corporations and Financial Services report: Regulation of Auditing in Australia: Final Report*	"The Government notes this recommendation. However, given the passage of time since this report was tabled, a substantive Government response is no longer appropriate." Accordingly, no action has been taken on the PJC's Recommendation 3.

Section 2 AASB Research Report 15

5. In February 2021, staff published *AASB Research Report 15: Auditor Remuneration Disclosure Requirements* to review the existing Australian disclosure framework, which was last substantially revised in 2010, in the context of ongoing concerns about inconsistent disclosure practices. The report also responds to the Parliamentary Joint Committee recommendation to develop defined categories and enhanced disclosure requirements for audit and non-audit services. Staff observed that the current framework, which reflects a simplified approach introduced as part of trans-Tasman harmonisation, provides only a low level of disaggregation, thereby limiting the usefulness of disclosures for assessing threats to auditor independence.

6. The research report identifies several key issues and policy considerations relevant to potential standard-setting activity, including:

   (a) the inadequacy of current disclosures due to limited disaggregation and inconsistent application;

   (b) the absence of clearly defined categories for non-audit services, noting that comparable international jurisdictions require categorisation of services such as audit-related, taxation and other services;

   (c) the risk that significant non-audit fees may give rise to self-review and advocacy threats to auditor independence; and

(d) the need to balance enhanced transparency against the cost and complexity of additional disclosure requirements. The Research Report presented a range of options, from retaining the current aggregate disclosure approach to introducing moderate or high levels of disaggregation, and expressed a preference for a moderate approach involving specified categories aligned with APES 110.

7. The Research Report considered that this approach would improve transparency, support assessment of independence risks and enhance comparability while maintaining an appropriate cost-benefit balance. However, as noted in Agenda Paper 6.1, the AASB decided to wait for the government's response to the PJC Inquiry before issuing an Exposure Draft.

8. AASB Research Report 15, based on a letter addressing the subject 'disclosure of fees to auditors' from ASIC to the AASB Chair dated 11 November 2019, noted that at the time ASIC suggested:

"… the AASB may wish to consider whether there would be benefit in amending AASB 1054 to require fees paid and payable to auditors to be disclosed for each of the following categories:

(a) Fees to the group auditor for:

(i) auditing the statutory financial report of the parent covering the group;

(ii) auditing the statutory financial reports of any controlled entities;

(b) Fees for assurance services that are required by legislation to be provided by the auditor (e.g. for certain reporting to the Australian Prudential Regulation Authority, or for the auditor's report to ASIC on an Australian Financial Services licensee using Form FS 71);

(c) Fees for other assurance services and agreed-upon-procedures services under other legislation or contractual arrangements (e.g. assurance on revenue information under a royalty agreement) where there is discretion as to whether the service is provided by the auditor or another firm; and

(d) Fees for other services (e.g. tax compliance)."

Section 3 Remaining Corporations Act auditors' fees disclosure requirements

9. Section 300 of the *Corporations Act 2001* requires listed companies to make disclosures in the directors' report **about** amounts paid or payable to their auditors for non-audit services.

10. The sub-sections below were introduced into the Corporations Act by the Corporate Law Economic Reform Program (Audit and Corporate Disclosure) Bill 2003.

11. Staff currently consider there are no inconsistencies between these requirements, which focus on the reasons for the directors being satisfied with the non-audit service fees paid to auditors, and the requirements in AASB 1054. Staff are noting the requirements by way of context – since the AASB should avoid including anything in its Standards that would be inconsistent with legislation made directly by the Parliament of Australia.

300 Annual directors' report—specific information

…

Listed companies—non-audit services and auditor independence

(11B) The report for a listed company must also include the following in relation to each auditor:

(a) details of the amounts paid or payable to the auditor for non-audit services provided, during the year, by the auditor (or by another person or firm on the auditor's behalf);

(b) a statement whether the directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by this Act;

(c) a statement of the directors' reasons for being satisfied that the provision of those non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) did not compromise the auditor independence requirements of this Act.

These details and statements must be included in the directors' report under the heading "Non-audit services". If consolidated financial statements are required, the details and statements must relate to amounts paid or payable to the auditor by, and non-audit services provided to, any entity (including the company, registered scheme, registrable superannuation entity or disclosing entity) that is part of the consolidated entity.

(11C) For the purposes of paragraph (11B)(a), the details of amounts paid or payable to an auditor for non-audit services provided, during the year, by the auditor (or by another person or firm on the auditor's behalf) are:

(a) the name of the auditor; and

(b) the dollar amount that:

(i) the listed company; or

(ii) if consolidated financial statements are required—any entity that is part of the consolidated entity;

paid, or is liable to pay, for each of those non-audit services.

(11D) The statements under paragraphs (11B)(b) and (c) must be made in accordance with:

(a) advice provided by the listed company's audit committee if the company has an audit committee; or

(b) a resolution of the directors of the listed company if paragraph (a) does not apply.

(11E) For the purposes of subsection (11D), a statement is taken to be made in accordance with advice provided by the company's audit committee only if:

(a) the statement is consistent with that advice and does not contain any material omission of material included in that advice; and

(b) the advice is endorsed by a resolution passed by the members of the audit committee; and

(c) the advice is written advice signed by a member of the audit committee on behalf of the audit committee and given to the directors.

Section 4 Extracts of APES 110

12. Section 410 of the APES 110 sets out the requirements that apply to a Firm in relation to the public disclosure of fee-related information by the Firm in relation to financial statement audit/review clients.

Public Disclosure of Fee-related Information

410.29 A1 In view of the public interest in the audits of Public Interest Entities, it is beneficial for stakeholders to have visibility about the professional relationships between the Firm and the Audit Client which might reasonably be thought to be relevant to the evaluation of the Firm's Independence. In a wide number of jurisdictions, there already exist requirements regarding the disclosure of fees by an Audit Client for both audit and services other than audit paid and payable to the Firm and Network Firms. Such disclosures often require the disaggregation of fees for services other than audit into different categories.

R410.30 If laws and regulations do not require an Audit Client to disclose audit fees,[23] fees for services other than audit paid or payable to the Firm and Network Firms and information about fee dependency, the Firm shall discuss with Those Charged with Governance of an Audit Client that is a Public Interest Entity:

(a) The benefit to the client's stakeholders of the client making such disclosures that are not required by laws and regulations in a manner deemed appropriate, taking into account the timing and accessibility of the information; and

(b) The information that might enhance the users' understanding of the fees paid or payable and their impact on the Firm's Independence.

23 Refer to sections 300 (11B) to (11E) of the *Corporations Act 2001* for requirements imposed on Those Charged with Governance in Australia in relation to disclosure relating to fees and auditor Independence. In addition, AASB 1054 *Australian Additional Disclosures* and AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* also set out requirements in relation to the disclosure of audit fee information.

410.30 A1 Examples of information relating to fees that might enhance the users' understanding of the fees paid or payable and their impact on the Firm's Independence include:

- Comparative information of the prior year's fees for audit and services other than audit.
- The nature of services and their associated fees as disclosed under paragraph R410.31(b).

- Safeguards applied when the total fees from the client represent or are likely to represent more than 15% of the total fees received by the Firm.

R410.31 **After the discussion with Those Charged with Governance as set out in paragraph R410.30, to the extent that the Audit Client that is a Public Interest Entity does not make the relevant disclosure, subject to paragraph R410.32, the Firm shall publicly disclose:**

(a) Fees paid or payable to the Firm and Network Firms for the audit of the Financial Statements on which the Firm will express an Opinion;

(b) Fees, other than those disclosed under (a), charged to the client for the provision of services by the Firm or a Network Firm during the period covered by the Financial Statements on which the Firm will express an Opinion. For this purpose, such fees shall only include fees charged to the client and its Related Entities over which the client has direct or indirect control that are consolidated in the Financial Statements on which the Firm will express an Opinion;

(c) Any fees, other than those disclosed under (a) and (b), charged to any other Related Entities over which the Audit Client has direct or indirect control for the provision of services by the Firm or a Network Firm when the Firm knows, or has reason to believe, that such fees are relevant to the evaluation of the Firm's Independence; and

(d) If applicable, the fact that the total fees received by the Firm from the Audit Client represent, or are likely to represent, more than 15% of the total fees received by the Firm for two consecutive years, and the year that this situation first arose.

410.31 A1 The Firm might also disclose other information relating to fees that will enhance the users' understanding of the fees paid or payable and the Firm's Independence, such as the examples described in paragraph 410.30 A1.

410.31 A2 Factors the Firm might consider when making the determination required by paragraph R410.31(c) are set out in paragraph 410.26 A1.

410.31 A3 When disclosing fee-related information in compliance with paragraph R410.31, the Firm might disclose the information in a manner deemed appropriate taking into account the timing and accessibility of the information to stakeholders, for example:

- On the Firm's website.
- In the Firm's transparency report.
- In an audit quality report.
- Through targeted communication to specific stakeholders, for example a letter to the shareholders.
- In the auditor's report.

R410.32 **As an exception to paragraph R410.31, the Firm may determine not to publicly disclose the information set out in paragraph R410.31 relating to:**

(a) A parent entity that also prepares Group Financial Statements provided that the Firm or a Network Firm expresses an opinion on the Group Financial Statements; or

(b) An entity (directly or indirectly) wholly-owned by another Public Interest Entity provided that:

(i) The entity is consolidated into Group Financial Statements prepared by that other Public Interest Entity; and

(ii) The Firm or a Network Firm expresses an opinion on those Group Financial Statements.

Considerations for Review Clients

R410.33 This section sets out requirements for a Firm to communicate fee-related information of an Audit Client that is a Public Interest Entity and to disclose publicly fee-related information to the extent that the client does not disclose such information. As an exception to those requirements, the Firm may determine not to communicate or pursue disclosure of such information where a Review Client is not also an Audit Client.

13. Section 5410 of the APES 110 sets out the requirements that apply to a Firm in relation to the public disclosure of fee-related information by the Firm in relation to sustainability assurance engagements.

Public Disclosure of Fee-related Information

5410.29 A1 In view of the public interest in the assurance of Sustainability Information disclosed by Public Interest Entities, it is beneficial for stakeholders to have visibility about the professional relationships between the Firm and the Sustainability Assurance Client which might reasonably be thought to be relevant to the evaluation of the Firm's Independence.

R5410.30 If laws and regulations do not require a Sustainability Assurance Client to disclose sustainability assurance fees,[61] fees for services other than the Sustainability Assurance Engagement paid or payable to the Firm and Network Firms and information about fee dependency, the Firm shall discuss with Those Charged with Governance of a Sustainability Assurance Client that is a Public Interest Entity:

(a) The benefit to the client's stakeholders of the client making such disclosures that are not required by laws and regulations in a manner deemed appropriate, taking into account the timing and accessibility of the information; and

(b) The information that might enhance the users' understanding of the fees paid or payable and their impact on the Firm's Independence.

5410.30 A1 Examples of information relating to fees that might enhance the users' understanding of the fees paid or payable and their impact on the Firm's Independence include:

- Comparative information of the prior year's fees for sustainability assurance and services other than the Sustainability Assurance Engagement.
- The nature of services and their associated fees as disclosed under paragraph R5410.31(b).
- Safeguards applied when the total fees from the client represent or are likely to represent more than 15% of the total fees received by the Firm.

R5410.31 After the discussion with Those Charged with Governance as set out in paragraph R5410.30, to the extent that the Sustainability Assurance Client that is a Public Interest Entity does not make the relevant disclosure, subject to paragraph R5410.32, the Firm shall publicly disclose:

(a) Fees paid or payable to the Firm and Network Firms for the Sustainability Assurance Engagement;

(b) Fees, other than those disclosed under (a), charged to the client for the provision of services by the Firm or a Network Firm during the reporting period for the engagement. For this purpose, such fees shall only include fees charged to the client and its Related Entities over which the client has direct or indirect control where the Sustainability Information of those entities is consolidated in the Sustainability Information on which the Firm will express an opinion;

(c) **Any fees, other than those disclosed under (a) and (b), charged to any other Related Entities over which the Sustainability Assurance Client has direct or indirect control for the provision of services by the Firm or a Network Firm when the Firm knows, or has reason to believe, that such fees are relevant to the evaluation of the Firm's Independence; and**

61 Refer to sections 300 (11B) to (11E) of the *Corporations Act 2001* for requirements imposed on Those Charged with Governance in Australia in relation to disclosure relating to fees and auditor Independence. In addition, AASB 1054 *Australian Additional Disclosures* and AASB 1060 General *Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* also set out requirements in relation to the disclosure of audit fee information.

(d) **If applicable, the fact that the total fees received by the Firm from the Sustainability Assurance Client represent, or are likely to represent, more than 15% of the total fees received by the Firm for two consecutive years, and the year that this situation first arose.**

5410.31 A1 The Firm might also disclose other information relating to fees that will enhance the users' understanding of the fees paid or payable and the Firm's Independence, such as the examples described in paragraph 5410.30 A1.

5410.31 A2 Factors the Firm might consider when making the determination required by paragraph R5410.31(c) are set out in paragraph 5410.26 A1.

5410.31 A3 When disclosing fee-related information in compliance with paragraph R5410.31, the Firm might disclose the information in a manner deemed appropriate taking into account the timing and accessibility of the information to stakeholders, for example:

- On the Firm's website.
- In the Firm's transparency report.
- Through targeted communication to specific stakeholders, for example a letter to the shareholders.
- In the sustainability assurance report.

R5410.32 **As an exception to paragraph R5410.31, the Firm may determine not to publicly disclose the information set out in paragraph R5410.31 relating to:**

(a) **A parent entity that also prepares Group Sustainability Information provided that the Firm or a Network Firm expresses an opinion on the Group Sustainability Information; or**

(b) **An entity (directly or indirectly) wholly-owned by another Public Interest Entity provided that:**

(i) **That entity's Sustainability Information is consolidated into Group Sustainability Information prepared by that other Public Interest Entity; and**

(ii) **The Firm or a Network Firm expresses an opinion on that Group Sustainability Information.**

[Paragraph R5410.33 is intentionally left blank]

14. APES 110 also includes the following transitional provisions:

12. The Australian Ethics Standards for Sustainability Assurance (including Independence Standards) (AESSA) and Other Revisions to the Code Relating to Sustainability Assurance and Reporting has the effective dates as set out below.

- Except for the provisions in Sections 5405 and 5406 applicable to assurance work performed at Value Chain Components, the provisions in the Glossary, Section 120, Section 260, Section 300, Section 360, Part 4A and 4B, and Part 5 will be effective for Sustainability Assurance Engagements on Sustainability Information for periods beginning on or after 1 January 2026, or as at a specific date on or after 1 January 2026.
- The revisions in Sections 100, 200, 210, 220, 240, 270, 300, 310, 320 and 330 will be effective as of 1 January 2026.

The provisions in Sections 5405 and 5406 applicable when assurance work is performed at a Value Chain Component will be effective for Sustainability Assurance Engagements on Sustainability Information for periods beginning on or after 1 July 2028, or as at a specific date on or after 1 July 2028.

Early adoption is permitted and encouraged.

Transitional Provisions

For Sustainability Assurance Engagements on Sustainability Information for periods beginning, or as at a specific date, prior to 1 July 2028, that involve assurance work performed at a Value Chain Component:

(a) A Group Sustainability Assurance Firm or Component Practitioner that performs assurance work at a Value Chain Component shall apply the conceptual framework set out in Section 5120 to identify, evaluate and address threats to Independence in relation to such assurance work;

(b) If the Group Sustainability Assurance Firm intends to use the assurance work of Another Practitioner, the Group Sustainability Assurance Firm shall be satisfied that the other practitioner is independent, and in that regard may rely on a statement of Independence in accordance with Part 4B or other professional requirements relating to Independence; and

(c) The Group Sustainability Assurance Firm shall publicly disclose that Independence provisions applicable to assurance work performed at Value Chain Components under the AESSA have not been applied, pursuant to a deferred effective date for such provisions as specified in the AESSA.

If a Firm has not served as the auditor of the Financial Statements, the requirement in paragraph R5540.10a also applies where the Firm will perform a Sustainability Assurance Engagement on Sustainability Information for a period beginning prior to 1 January 2026.

For non-assurance services engagements a Firm or Network Firm has entered into with a Sustainability Assurance Client before 1 January 2026, which would be prohibited under Section 5600 and its subsections but for which work has already commenced, the Firm or Network Firm may continue such engagements in accordance with the original engagement terms for no more than one reporting cycle.

A Firm might apply the provisions in the AESSA before their effective date. In such a case, if the Firm intends to use the assurance work of Another Practitioner performed for a standalone or Group Sustainability Assurance Engagement and the other practitioner has complied with the Independence provisions of Part 4B in relation to that work, the Firm may treat a confirmation or statement of such compliance from the other practitioner as satisfying the requirements of Section 5406 of Part 5.

Section 5 Extracts from large firm model financial statements

15. The following extracts from the model financial statements and related material published by the six large audit firms (BDO, Deloitte, EY, Grant Thornton, KPMG and PwC) illustrate how auditor remuneration information might be disclosed. As noted in Agenda Paper 6.1, the example disclosures are generally consistent and group fees to auditors into the following categories:

    (a) Fees to the group auditor for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities;

    (b) Fees for assurance services that are required by legislation to be provided by the auditor;

    (c) Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm; and

    (d) Fees for other services.

Source: BDO article

Auditors of the Group – BDO and related network firms

Audit and review of financial statements

Group

Controlled entities and joint operations

Total audit and review of financial statements

Other statutory assurance services (e.g. for AFS licensees)

Other assurance services (e.g. for turnover rental agreements)

Non-audit services

Taxation advice

Taxation compliance services

Consulting services

Total non-audit services

Total services provided by BDO

Other auditors and their related network firms

Audit and review of financial statements

Controlled entities and joint operations

Other statutory assurance services (e.g. for AFS licensees)

Other assurance services (e.g. for turnover rental agreements)

Non-audit services

Taxation compliance services

Total services provided by other auditors (excluding BDO)

Source: Deloitte International GAAP Holdings Limited

Deloitte and related network firms*

Audit or review of financial reports:
- Group
- Subsidiaries and joint operations

Audit or review of sustainability reports:
- Group
- Subsidiaries and joint operations

Total audit or review of financial and sustainability reports

Statutory assurance services required by legislation to be provided by the auditor

Other assurance and agreed-upon procedures under other legislation or contractual arrangements

Other services:
Tax compliance services*
Other *[describe]*

*The auditor of International GAAP Holdings Limited is Deloitte Touche Tohmatsu

Other auditors and their related network firms

Audit or review of financial reports:
- Subsidiaries and joint operations
- Other *[describe]*

Audit or review of sustainability reports:
- Group
- Subsidiaries and joint operations

Total audit or review of financial and sustainability reports

Other auditors and their related network firms (continued)

Statutory assurance services required by legislation to be provided by the auditor

Other assurance and agreed-upon procedures under other legislation or contractual arrangements

Other services:
Tax compliance services*
Other *[describe]*

Source: EY Quality Holdings (Australia) Limited

Fees to Ernst & Young (Australia)

- Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities
- Fees for assurance services that are required by legislation to be provided by the auditor
  Assurance related
  Special audits required by regulators
- Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm
  Sustainability assurance services
  Other
- Fees for other services
  Tax compliance

Total fees to Ernst & Young (Australia)

Fees to other overseas member firms of Ernst & Young (Australia)

- Fees for auditing the financial report of any controlled entities
- Fees for assurance services that are required by legislation to be provided by the auditor
  Assurance related
- Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm
  Assurance compliance procedures
- Fees for other services
  Taxation services
  Other non-audit services

Total fees to overseas member firms of Ernst & Young (Australia)

Total auditor's remuneration

Source: Grant Thornton

Audit and review of financial statements
• auditors of IFRS Example Consolidated - Grant Thornton Australia
• overseas Grant Thornton network firms
Remuneration for audit and review of financial statements
Other services
Auditors of IFRS Example Consolidated – Grant Thornton Australia:
• taxation compliance
Overseas Grant Thornton network firms:
• taxation compliance
Total other services remuneration
Total auditor's remuneration

Source: KPMG Example Public Company Limited

47. Auditors' remuneration[a, b, c]

In dollars

Audit and review services[d]
Auditors of the Group – KPMG
  Audit and review of financial statements – Group[e]
  Audit and review of financial statements – controlled entities[e]

Other auditors
  Audit and review of financial statements

Assurance services[f]
Auditors of the Group – KPMG
  Regulatory sustainability report assurance services[g, k]
  Other regulatory assurance services[g]
  Other assurance services[h, j]

Other auditors
  Other assurance services[h]

Other services[f, i]
Auditors of the Group – KPMG
  Taxation advice and tax compliance services

Other auditors
  Valuation services

Source: PwC Value Accounts Holdings Limited

(a) Auditors of the Group – PwC and related network firms [12,13]

Audit and review of financial reports [3-5]
  Group
  Controlled entities and joint operations [14]
Total audit and review of financial reports

Other statutory assurance services [6,7,8]

Other assurance services [9,10]

Other services [11]
  Tax compliance services
  Tax advisory services
  Consulting services
Total other non-audit services

Total services provided by PwC

(b) Other auditors and their related network firms [12,13]

Audit and review of financial reports [3-5]
  Controlled entities and joint operations [14]
Other statutory assurance services [7,8]
Other assurance services [9,10]
Other non-audit services [11]
  Tax compliance services

Total services provided by other auditors (excluding PwC)

Section 6 APRA reporting – appointment of auditors

16. The following content helps demonstrate that there are requirements for mandatory audits that might involve the use of more than one auditor/audit firm beyond those for the sustainability report, and extends for example to APRA reporting in certain circumstances.

17. APS 310 *Audit and Related Matters*

15 For the purposes of this Prudential Standard, an ADI must appoint an auditor (the appointed auditor). The appointed auditor may be the same auditor who audits an ADI for the purposes of the Corporations Act 2001. Separate auditors may be appointed to meet the requirements in this Prudential Standard on a Level 1 and Level 2 basis, and to undertake the different engagements required by this Prudential Standard. APRA may also require, by notice in writing, that an ADI appoint another auditor, in addition to any auditor already appointed by the ADI, for the purposes of this Prudential Standard.

18. This implies that either the same auditor or a different auditor could audit a bank's financial statements and the APRA returns.

19. GPS 310 *Audit and Related Matters*

8 Under the Act, an insurer must appoint an auditor (Appointed Auditor).

20. Sections 39 and 40 of the *Insurance Act 1973* note:

39 Requirement for general insurers to have an auditor and actuary

(1) A general insurer must have:

(a) an auditor appointed by the insurer; and

(b) an actuary appointed by the insurer.

40 Additional auditors

(1) APRA may, by written notice, require a general insurer to appoint a person who is specified in the notice to be an auditor for a purpose that is specified in the notice.

Example: APRA may require a general insurer to appoint an auditor who has specialist qualifications or experience to perform a special purpose audit.

(2) The specified person may be:

(a) the principal auditor; or

(b) another auditor.

21. These sections imply that the same auditor would audit a general insurer's financial statements and APRA returns, unless APRA requires another auditor to be appointed.

22. LPS 310 *Audit and Related Matters*

6 Under the Act, a life company must appoint an auditor.

23. Sections 83 and 83A of the *Life Insurance Act 1995* note:

83 Requirement for life company to have an auditor

(1) A life company must have an auditor appointed by the life company (the **principal auditor***) to perform the functions of an auditor set out in the prudential standards.*

(2) Within 6 weeks after a person stops being the principal auditor of a life company, the life company must appoint another person to be the principal auditor.

(3) The principal auditor must perform the functions of an auditor set out in:

(a) the prudential standards; and

(b) the reporting standards determined by APRA under the Financial Sector (Collection of Data) Act 2001.

83A ***Additional auditors***

(1) APRA may, by written notice, require a life company to appoint a person who is specified in the notice to be an auditor for a purpose that is specified in the notice.

Example: APRA may require a life company to appoint an auditor who has specialist qualifications or experience to perform a special purpose audit.

(2) The specified person may be:

(ii) the principal auditor; or

(iii) *another auditor.*

24. These sections imply that the same auditor would audit a life insurer's financial statements and APRA returns, unless APRA requires another auditor to be appointed.

25. The extracts below illustrate different approaches to categorising audit, assurance and other services in recent listed-entity auditor remuneration disclosures of APRA regulated entities:

Macquarie Bank FY26, page 279

Note 41

Audit and other services provided by PricewaterhouseCoopers

During the financial year, PricewaterhouseCoopers (PwC) and its network firms, the auditor of the Consolidated Entity, earned the following remuneration.

	CONSOLIDATED 2026 $'000	2025 $'000
Audit of the Group and controlled entities:		
PwC – Australia	**30,089**	31,606
Network firms of PwC Australia	**22,953**	26,855
Total audit services	**53,042**	58,461
Audit-related services:[1]		
PwC – Australia	**13,113**	12,184
Network firms of PwC Australia	**1,210**	1,992
Total audit-related services	**14,323**	14,176
Total audit and audit-related services	**67,365**	72,637
Other services:		
PwC – Australia	**1,768**	1,460
Network firms of PwC Australia	**125**	755
Total other non-audit services	**1,893**	2,215
Total remuneration paid to PwC for audit, audit-related and other non-audit services[2]	**69,258**	74,852

Use of PwC's services for engagements other than audit is restricted in accordance with the Consolidated Entity's *Audit and Assurance Independence Policy.*

[1] Audit related services consist of assurance and related services traditionally performed by the independent external auditor of the Consolidated Entity. While in addition to their statutory audit role, these services are consistent with the role of the external auditor and include statutory assurance and other assurance services such as engagements required under regulatory, prudential, legislative or financing programmes as well as reviews requested by regulators and other agreed upon procedures.

QBE FY25, page 162

8.7 Remuneration of auditors

Overview

QBE may engage the external auditor for non-audit services (which include assurance and non-assurance services) other than excluded services. This is subject to the general principle that the fees for non-assurance services should not exceed 50% of all fees paid to the external auditor in any one financial year. The Board believes some non-audit services are appropriate given the external auditor's knowledge of the Group. External tax services are generally provided by an accounting firm other than the external auditor. Consistent with prior periods, the external auditor cannot provide excluded services which include preparing accounting records or financial reports or acting in a management capacity.

	2025 US$000	2024 US$000
PricewaterhouseCoopers (PwC) Australian firm		
Audit or review of financial reports of the ultimate parent entity	**2,502**	2,329
Audit of financial reports of controlled entities	**2,176**	2,161
Audit or review of statutory returns	**713**	668
Other assurance services	**589**	515
Taxation services	**–**	9
Advisory services	**106**	–
	6,086	5,682
Related practices of PwC Australian firm (including overseas PwC firms)		
Audit of financial reports of controlled entities	**12,065**	10,925
Audit or review of statutory returns	**1,624**	1,183
Other assurance services	**665**	188
Taxation services	**–**	9
Advisory services	**–**	29
	14,354	12,334
	20,440	18,016
Audit and assurance services	**20,334**	17,969
Other services	**106**	47
	20,440	18,016
Other auditors		
Audit of financial reports of controlled entities	**148**	1,864