



**TRANSPARENCY INTERNATIONAL AUSTRALIA**

**(A Company Limited by Guarantee)**

**ABN: 23 068 075 525**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2015**



**ACFID**  
MEMBER

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## DIRECTORS' REPORT

The directors present their report together with the financial report of Transparency International Australia ("***the Company***") for the year ended 30 June 2015 and the Auditor's Report thereon.

### Directors

The Directors, at any time during the financial year or since the end of the financial year to date of signing, are:

<b>Michael Ahrens</b>	Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Chief Executive of Transparency International Australia since 1 March 2006.
<b>Jarrold Baker</b>	Senior Managing Director in the Forensic Accounting & Advisory Services practice of FTI Consulting, Singapore. Director of Transparency International Australia since 20 November 2014.
<b>AJ Brown</b>	Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Director of TI Australia since 24 September 2010.
<b>Keith Christiansen</b>	Previously Group Manager International Development with GHD Pty Ltd and CEO GHD Perunding Malaysia, and retired Australian Army Officer (Colonel). Director of Transparency International Australia since 8 September 2015.
<b>Jane Ellis Seabrook</b>	Principal, Assertia Pty Ltd. Board Member of WaterAID. Former partner of law firm, Ashurst Australia. Director of Transparency International Australia from 6 February 2008 (previously a Director 2001-2005) to 24 March 2015.
<b>Michael Forde</b>	Mediator and Probity Adviser and consultant to UHY Haines Norton Chartered Accountants, Brisbane. Director of Transparency International Australia from 26 November 2013 to 8 September 2015.
<b>Roger Gyles AO QC</b>	Mediator and Arbitrator, Independent Security Legislation Monitor, previously a barrister and then a judge of the Federal Court from 1999 until 2008. Director of TI Australia since 10 November 2010 and Chairman since 1 January 2011.
<b>Grahame Leonard AM</b>	Lawyer and Consultant. Chairman of Escrow Angel Pty Ltd, Health Media Group Pty Ltd and Digital Collective Pty Ltd. Commissioner Victorian Multicultural Commission, Director Genetic Technologies Ltd, Skylabs Pty Ltd, Opco Pty Ltd and Sunnymarsh Pty Ltd. Chief Executive Officer of Transparency International Australia from 13 May 2003 to 1 March 2006. Director from 11 December 2002 to 20 November 2014.
<b>Holly Lindsay</b>	Advisor to Regnan Governance, Research and Engagement, Principal of Integrity Matters and Governor of WWF Australia. Director since 8 September 2015.

<b>Elizabeth O’Keeffe</b>	Strategic Management Consultant. Previously a senior executive in the Victorian Public Service. Director of TI Australia from 7 August 2006 to 20 November 2014.
<b>Greg Thompson</b>	Director of Australian Volunteers International; Director of ABM-Australia Ltd; Director of TI Australia since 16 June 1995. Executive Director International of TI Australia since 18 November 2009.
<b>Neville Tiffen</b>	Principal, Neville Tiffen & Associates, specialist consultant – corporate governance, business integrity and compliance. Formerly Global Head of Compliance and other senior positions with Rio Tinto. Director of TI Australia from 26 November 2013 to 21 August 2015.
<b>Wendy Tyrrell</b>	Managing Director of The Long View Consulting. Director of TI Australia since 4 December 2012.
<b>Harold Werksman</b>	Partner, Holding Redlich; Lawyers. Director of TI Australia since 27 January 2009.
<b>Anthony Whealy QC</b>	Mediator and Law Reform Commissioner; Former Judge NSW Court of Appeal and ICAC Commissioner. Director since 8 September 2015.

## DIRECTORS' REPORT (continued)

### Directors' Meetings

The number of formal directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

	Number attended	Number held or eligible to attend
Michael Ahrens	6	6
Jarrold Baker	2	2
AJ Brown	6	6
Jane Ellis Seabrook	4	5
Michael Forde	6	6
Roger Gyles AO QC	6	6
Grahame Leonard AM	2	4
Elizabeth O'Keeffe	3	4
Greg Thompson	6	6
Neville Tiffen	3	6
Wendy Tyrrell	5	6
Harold Werksmen	6	6
Keith Christiansen	0	0
Holly Lindsay	0	0
Anthony Whealy	0	0

### Principal Activities

The Company's principal activities are to promote transparency, accountability and integrity nationally in Australia and globally through the network of Transparency International (TI) by:

- mobilising a broad-based nationwide coalition as part of the global TI movement
- fostering and supporting research, development and dissemination of effective corruption prevention and enforcement
- raising awareness and advocating action by government, business and civil society.

It is a non-profit organisation and accredited as the Australian national chapter of TI, the worldwide movement against corruption. It is funded mainly by subscription income from individual and organisation members.

In Australia, the Company seeks to build a national coalition of those committed to reducing corruption through state-based and national activities mainly in co-operation with other organisations. It does not investigate or expose specific cases but works to improve conduct and systems in Australia and overseas.

### Results

The net deficit for the company for the financial year was \$18,900 (2014 - surplus \$56,992).

## **DIRECTORS' REPORT (continued)**

### **Review of Operations**

Company operations continued as in the past (raising awareness of corruption and anti-corruption measures in Australia through media outreach, newsletters, electronic updates and the website; organising and participating in anti-corruption events; and public speaking) with a number of initiatives to continue to strengthen awareness, institutions, systems and the political will to recognise and combat corruption in the Asia Pacific Region and beyond.

Efforts have continued to increase the membership of TI Australia (TIA) by companies, NGOs and individuals, and the extent of collaboration with supporters.

The Board developed a new 3 year Strategic Plan for 2015 – 2018 which builds on what was achieved over the past 3 years. The Plan will ensure that TIA's program continues to be in line with the TI Movement's Strategy new strategy 2020. Our work in Australia is strengthened through strategic engagement with the wider movement.

The Board has taken the decision to recruit our first full time CEO. An appointment will be made late in 2015.

### **Regional Committees**

The work of TIA's active Regional Committees in Brisbane, Sydney, Canberra, Melbourne and Perth is expanding. A number of initiatives are being undertaken and members recruited. The work of our local Committees is developing in line with our new Strategic Plan to focus on issues relevant to each state. The work of Regional Committees continues to be a strategically important extension of our activities, reaching out to new audiences, and gaining new perspectives and valuable contributions from the organisers as we address corruption risks.

### **Addressing Key Corruption Issues in Australia**

During the year the Board developed a series of draft Policy Position Papers intended to frame TI Australia's key positions in a clear way to inform policymakers, the media, our own members and the general public. That work is ongoing and further consultation is taking place. In turn the policy papers provide a basis for submissions and media releases. TIA also has monitored other significant matters affecting NSW institutions such as the ICAC and political party donations and in Victoria the effectiveness of the IBAC.

### **Engaging the G20**

As a member of the C20, TIA Director Greg Thompson actively led TIA's engagement with the G20 process during this year of Australia's Presidency with the crucial support of TI's Maggie Murphy, and TIA Director Prof. AJ Brown who worked with the T20. TI A welcomed the G20 Anti-Corruption Working Group's commitment to a new Action Plan, strengthened by an implementation plan endorsed by the G20 Leaders at Brisbane's G20 Summit in November 2014. TI A continues to work with the TI G20 Working Group to monitor implementation of the Action Plan in 2015 – 16.

## **DIRECTORS' REPORT (continued)**

### **International Engagement**

Internationally, during this past year TIA participated actively in serious initiatives to strengthen the capacity of the TI network at the AMM and TI Global and Asia Pacific meetings in Berlin, Vanuatu and Wellington.

TI Australia, with the support of the TI Secretariat, has engaged more than 20 chapters across the Movement in the development of a global initiative to prevent corruption in the award of mining permits, licences and contracts. Once that program is established, TI Australia will provide leadership by establishing a Centre of Expertise in Australia.

### **State of affairs**

In the opinion of the directors there were no other significant changes or matters in the state of affairs of the Company during the financial year under review not otherwise disclosed in this report or the financial statements.

### **Derivatives and other financial instruments**

The Company does not consider itself exposed in any material manner to any exchange rate fluctuations or interest rate risks.

The Company has strict credit policy, and only deals with reputable banks. Financing facilities and operating cash flows are managed to ensure the company is not exposed to any adverse liquidity risks.

### **Environmental regulation**

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

### **Events subsequent to balance date**

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### **Indemnification**

Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company, other than that contained in the Company's constitution. Under this the Company indemnifies past and present officers against any liability which results from their service with the Company in that capacity, other than liabilities which the Company is prohibited by law from indemnifying.

**DIRECTORS' REPORT (continued)**

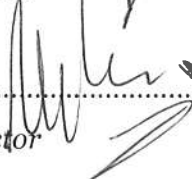
**Insurance premiums**

The Company holds Directors' and Officers' liability insurance.

Signed in accordance with a resolution of the directors:

  
.....  
Director Sydney

15 October 2015  
.....  
Date

  
.....  
Director Sydney

15 October 2015  
.....  
Date





## Auditor's Independence Declaration

As lead auditor for the audit of Transparency International Australia Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Transparency International Australia during the period.

Paul Lewis  
Partner  
PricewaterhouseCoopers

Melbourne  
15/10/2015

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

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**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
Subscription Revenue		158,335	134,400
Donated funds		336	1,660
Other revenues from ordinary activities		<u>14,442</u>	<u>31,987</u>
<b>Total Revenue</b>		173,113	168,047
Administrative expenses		<u>(192,013)</u>	<u>(111,055)</u>
<b>Surplus/(Deficit) from ordinary activities before related tax expense</b>	<b>2</b>	(18,900)	56,992
Income tax attributable to operating deficit	<b>1(c)</b>	—	—
<b>Net surplus/(deficit)</b>		<u>(18,900)</u>	<u>56,992</u>

There were no non-owner transactions entered into during the year which changed the equity of the Company.

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 14 to 19.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Current Assets</b>			
Cash		203,301	224,493
Receivables	6	<u>41,932</u>	<u>18,086</u>
		<u>245,233</u>	<u>242,579</u>
<b>Non-Current Assets</b>			
Fixed assets		-	-
		-	-
<b>Total Assets</b>		<u>245,233</u>	<u>242,579</u>
<b>Current Liabilities</b>			
Payables	7	7,833	8,494
Deferred Subscriptions	8	<u>51,350</u>	<u>30,855</u>
		<u>59,183</u>	<u>39,349</u>
<b>Non-Current Liabilities</b>			
Deferred Subscriptions	8	5,405	3,685
<b>Total Liabilities</b>		<u>64,588</u>	<u>43,034</u>
<b>Net Assets</b>		<u>180,645</u>	<u>199,545</u>
<b>Accumulated Surplus</b>			
Accumulated surplus	3	<u>180,645</u>	<u>199,545</u>
<b>Accumulated Surplus</b>		<u>180,645</u>	<u>199,545</u>

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 14 to 19.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Accumulated surplus</b>	<b>TOTAL \$</b>
<b>Balance at 1 July 2013</b>	142,553	142,553
Net surplus for the year ended 30 June 2014	<u>56,992</u>	<u>56,992</u>
<b>Balance at 30 June 2014</b>	<u>199,545</u>	<u>199,545</u>
<b>Balance at 1 July 2014</b>	199,545	199,545
Net deficit for the year ended 30 June 2015	<u>(18,900)</u>	<u>(18,900)</u>
<b>Balance at 30 June 2015</b>	<u>180,645</u>	<u>180,645</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 14 to 19.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		193,272	211,227
Interest Received		6,335	5,402
Cash payments in the course of operations		<u>(220,799)</u>	<u>(140,744)</u>
<b>Net cash (used)/provided by operating activities</b>	<b>9</b>	<u>(21,192)</u>	<u>75,885</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		—	—
<b>Net cash (used in) investing activities</b>		—	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash provided by/(used) in investing activities</b>		—	—
<b>Net (decrease)/increase in cash held</b>		(21,192)	75,885
<b>Cash at the beginning of the financial year</b>		<u>224,493</u>	<u>148,608</u>
<b>Cash at the end of the financial year</b>		<u>203,301</u>	<u>224,493</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 19.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1 STATEMENT OF ACCOUNTING POLICIES**

The significant policies adopted in the preparation of these financial statements are:

**(a) Basis of preparation**

In the opinion of the directors, Transparency International Australia is not a reporting entity. The financial report of the Company has been drawn up as a special purpose financial report for distribution to the members and for the purposes of fulfilling the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

The financial report has been prepared on the accrual basis of accounting as defined in AASB 108 Accounting Policies, using the historical cost convention and a going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets.

The accounting policies have been consistently applied and except where there is a change in accounting policy, are consistent with those of the previous year.

The Financial Report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

There are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the Company's financial report in the period of initial application. There were no Australian Accounting Standards that have been adopted early.

**(b) Revenue recognition**

Revenue consists of subscriptions and project grants received. Subscription revenue is brought to account over the period of subscription.

**(c) Income taxes**

Based on advice received the directors believe the Company to be tax exempt.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Receivables**

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

Other receivables to be settled within 60 days are carried at amounts due.

**(e) Depreciation**

Plant and Equipment are depreciated over their estimated useful lives. Plant and equipment are first depreciated in the year of acquisition using the straight line method. The depreciation rate used for plant and equipment is 20%.

**(f) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The Company became registered for GST on 1 May 2003.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
(A Company Limited by Guarantee)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**2 SURPLUS FROM ORDINARY ACTIVITIES**

	<b>2015</b>	<b>2014</b>
	\$	\$
Operating surplus has been arrived at after including:		
Revenue from operating activities:		
Subscription revenue	158,335	134,400
Interest income	4,749	5,378
Other revenue	<u>10,029</u>	<u>28,269</u>
	<u>173,113</u>	<u>168,047</u>
Operating expenses:		
Administrative expenses	<u>192,013</u>	<u>111,055</u>
Included within administrative expenses		
Depreciation expense	-	-

No single appeal or other form of fundraising for a designated purpose generated 10% or more of total income for the year.

**3 ACCUMULATED SURPLUS**

	<b>2015</b>	<b>2014</b>
	\$	\$
Accumulated surplus at beginning of year	199,545	142,553
Surplus/(Deficit) for the year	<u>(18,900)</u>	<u>56,992</u>
Accumulated surplus at end of year	<u>180,645</u>	<u>199,545</u>

**4 AUDITOR'S REMUNERATION**

Audit and other services have been provided without charge by PricewaterhouseCoopers.

**5 RELATED PARTIES**

The names of persons holding the position of director of the Company during the financial year are:

Michael Ahrens  
Jarrod Baker  
AJ Brown  
Jane Ellis Seabrook  
Michael Forde  
Roger Gyles AO QC  
Grahame Leonard AM  
Elizabeth O'Keeffe  
Greg Thompson  
Neville Tiffen  
Wendy Tyrrell  
Harold Werksman



**TRANSPARENCY INTERNATIONAL AUSTRALIA  
(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Directors' remuneration**

All of the Directors in the current and prior year have acted on a pro-bono basis and have received no remuneration.

**Loans to directors**

No loans were made to directors during the year.

**Other transactions with the Company**

The directors had no other transactions with the Company during the year, other than authorised reimbursement of out of pocket expenses.

**6 RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	\$	\$
Accounts receivable	41,932	16,500
Other receivables	<u>-</u>	<u>1,586</u>
	<u>41,932</u>	<u>18,086</u>

**7 PAYABLES**

	<b>2015</b>	<b>2014</b>
	\$	\$
Accounts payable	5,155	6,800
GST payable	<u>2,678</u>	<u>1,694</u>
<b>Total payables</b>	<u>7,833</u>	<u>8,494</u>

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**8 DEFERRED SUBSCRIPTIONS**

	<b>2015</b>	<b>2014</b>
	\$	\$
Current	51,350	30,855
Non-Current	5,405	3,685
<b>Total deferred subscriptions</b>	<u>56,755</u>	<u>34,540</u>

Deferred subscription revenue relates to subscription periods that extend through 2015/2016 and subsequent years.

**9 NOTES TO STATEMENT OF CASH FLOWS**

<b>Reconciliation of surplus/deficit from ordinary activities after income tax to net cash provided by operating activities</b>	<b>2015</b>	<b>2014</b>
	\$	\$
Surplus/(Deficit) from ordinary activities after income tax	(18,900)	56,992
Add back non-cash items:		
Depreciation expense	—	—
Net cash provided by operating activities before change in assets and liabilities	<u>(18,900)</u>	<u>56,992</u>
Change in assets and liabilities during the financial year		
(Increase)/Decrease in receivables	(23,846)	17,681
Increase/(Decrease) in payables	(661)	(6,848)
Increase/(Decrease) in deferred subscriptions	<u>22,215</u>	<u>8,060</u>
Net cash provided by operating activities	<u>(21,192)</u>	<u>75,885</u>

**10 A COMPANY LIMITED BY GUARANTEE**

Each member undertakes to contribute to the property of the Company if the Company is wound up whilst they are a member, or within one year after they cease to be a member, for payment of the Company's debts and liabilities contracted before they cease to be a member such amount as may be required, but not exceeding \$10.

This includes the costs, charges and expenses of winding up the Company and for the adjustment of the rights of the contributories among themselves.

Each member has one vote at any general meeting of the Company.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
**(A Company Limited by Guarantee)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**11 OTHER INFORMATION**

The Company is incorporated and domiciled in Australia. The Company has no paid employees. Certain administrative tasks are subcontracted.

The address of the Company's registered office is the Level 5, Deutsche Bank Place, 126 Phillip Street, Sydney NSW 2000.

**TRANSPARENCY INTERNATIONAL AUSTRALIA**  
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**DIRECTORS' DECLARATION**

As stated in Note 1(a) to the financial statements, in the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet the *Australian Charities and Not-for-profits Commission Act 2012* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 17 are in accordance with *the Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) complying with Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements; and
  - (ii) presenting fairly the company's financial position as at 30 June 2015 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the directors.

Director

Director

Sydney

15 October 2015



## **Independent auditor's report to the members of Transparency International Australia Ltd**

### **Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of Transparency International Australia (the company), which comprises the statement of financial position as at 30 June 2015, and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Independent auditor's report to the members of Transparency International Australia Ltd (continued)**

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

***Auditor's opinion***

In our opinion, the financial report of Transparency International Australia is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date, and
- (b) complying with Australian Accounting Standards to the extent described in Note 1.

***Basis of accounting and restriction on distribution and use***

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of Transparency International Australia.



PricewaterhouseCoopers



Paul Lewis  
Partner

Melbourne  
15/10/ 2015