



**TRANSPARENCY
INTERNATIONAL
AUSTRALIA**

TRANSPARENCY INTERNATIONAL AUSTRALIA

[A COMPANY LIMITED BY GUARANTEE]

ABN: 23 068 075 525

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017



**ACFID
MEMBER**

www.transparency.org.au

CONTENTS

Directors' Report	3
Auditor Independence	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	20
Independent Auditor's Report	21

DIRECTORS' REPORT

The Directors present their report together with the financial report of Transparency International Australia ("*the Company*") for the year ended 30 June 2017 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:

Michael Ahrens	Previously senior partner of law firm Baker & McKenzie, Sydney. Director since 18 May 2004. Executive Director of Transparency International Australia 1 March 2006- 4 January 2016.
Jarrod Baker	Senior Managing Director in the Forensic Accounting & Advisory Services practice of FTI Consulting, Singapore. Director of Transparency International Australia since 20 November 2014.
AJ Brown	Professor of Public Policy & Law, Centre for Governance and Public Policy, Griffith University. Director of Transparency International Australia since 24 September 2010. Member of Transparency International global board since 15 October 2017.
Keith Christiansen	Previously Group Manager International Development with GHD Pty Ltd and CEO GHD Perunding Malayasia, and retired Australian Army Officer (Colonel). Director of Transparency International Australia - appointed 08 September 2015 and resigned 30 June 2017.
Rebecca Davies	Previously a senior partner of a major law firm and now has a portfolio of non-executive positions in the government, health and charity sectors. Writer and facilitator of courses for the Australian Institute of Company Directors. Director since 30 September 2016.
Holly Lindsay	Manager, Engagement and Research, Australian Council for Superannuation Investors and Governor of WWF Australia. Director since 8 September 2015.
Peter Moore	Previously Managing Director Accenture. Non-exec Director Montsalvat Limited and Vastigo Limited. Transparency International Australia Director since 24 November 2015.
Greg Thompson	Director of Australian Volunteers International (to 31 October 2017); Director of ABM-Australia Ltd; Director of TI Australia since 16 June 1995. Executive Director International of Transparency International Australia 18 November 2009-4 January 2016.
Wendy Tyrrell	Managing Director of The Long View Consulting. Director of Transparency International Australia - appointed 4 December 2012 and resigned 14 September 2017.

Harold Werksman	Partner, Thomson Geer; Lawyers. Director of Transparency International Australia since 27 January 2009.
Anthony Whealy QC	Mediator. Former Law Reform Commissioner, Judge NSW Court of Appeal and ICAC Commissioner. Assistant Commissioner Police Integrity Commission. Director of Transparency International Australia since 8 September 2015. Chairman of Transparency International Australia since 25 November 2015.

DIRECTORS' REPORT (cont.)

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	10	10
Jarrold Baker	8	10
AJ Brown	8	10
Keith Christiansen	9	9
Rebecca Davies	9	9
Holly Lindsay	10	10
Peter Moore	10	10
Greg Thompson	9	10
Wendy Tyrrell	9	10
Harold Werksman	8	10
Anthony Whealy QC	10	10

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 national coalitions against corruption as part of the global TI movement
- fostering and supporting research, development and dissemination of effective corruption prevention and enforcement tools, guidance and practices
- raising awareness and advocating action by government, business and civil society

TI Australia is a non-profit organisation and accredited as the Australian national chapter of TI, the worldwide coalition against corruption. It is funded mainly by subscription income from individual, corporate and organisation members. The Mining for Sustainable Development Programme receives funding from the BHPB Foundation and the Department of Foreign Affairs and Trade (DFAT).

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.

DIRECTORS' REPORT (cont.)

Results

The net deficit for the company for the financial year was 2017 \$58,389 (2016 - Surplus \$31,825).

Review of Operations

Transparency International Australia continued its work to raise awareness of corruption and its devastating impact, and to strengthen anti-corruption and integrity frameworks in Australia. This has been achieved through active engagement with government, the private sector, partnerships and alliances, and the media.

A key initiative was the inaugural National Integrity Conference in March 2017, in partnership with Griffith University. The focus was strengthening Australia's National Integrity System (NIS) and key priorities for reform. The event was well attended and a great success. It played an important role in raising the profile of TIA and our key policy reform agenda, including the need for a federal anti-corruption agency and better whistleblower protection in all sectors.

Efforts to increase the membership of TI Australia (TIA) by companies, NGOs and individuals remained a priority, with further refinement of the value proposition and active engagement with existing and potential corporate members. This has resulted in additional expenditure being incurred during the year to advance our corporate engagement and support our membership. The Board recognises this commitment is reflected in the year-end result.

The Board continued oversight of the transition from a voluntary Board-run organisation to a small non-government organisation with professional staff. The CEO resigned in January 2017, and a new CEO commenced in March 2017. TIA's program continues to be aligned with the TI Movement's Strategy 2020.

Phase One of the Mining for Sustainable Development Programme has been well executed with all staff recruited and the programme activities underway across the 20 participating countries. The programme is supported by the BHP Billiton Foundation and grant from DFAT via the Natural Resource Governance Institute. It runs until 31 December 2017.

Regional Committees

The work of Regional Committees in Sydney, Brisbane, Perth, Canberra and Melbourne continued with Victoria being particularly active in organising events and roundtable discussions with key corporate members. More needs to be done to guide and govern the Regional Committees to maximise their contribution and safeguard the TI brand and reputation.

Addressing Key Corruption Issues in Australia

During the year the Board and CEO made numerous submissions to government and appearances before Senate and Parliamentary Inquiry Committees. This is a critical aspect of TIA's advocacy and influencing work. The speed of movement for anti-corruption reform continues to explain Australia's position on the Corruption Perceptions Index.

DIRECTORS' REPORT (cont.)

Open Government Partnership and Extractive Industry Transparency Initiative

TI Australia has continued to support the Open Government Partnership (OGP) and the Extractive Industry Transparency Initiative (EITI). A welcome development was the development of Australia's first OGP National Action Plan in December 2016. TIA played a key role in ensuring issues such as EITI, Beneficial Ownership, whistleblower protection, and a strengthened national integrity framework was included. Implementation to date has been slow on these issues.

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 a 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

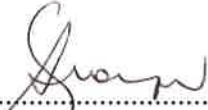
Since the end of the previous financial year, the company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company, other than that contained in the Company's Constitution. Under this the Company indemnifies 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 (cont.)

Insurance premiums


The Company holds Directors' and Officers' liability insurance.

Signed in accordance with a resolution of the Directors:


.....
DIRECTOR
GREGORY THOMAS ROW

Melbourne
.....
LOCATION

30.10.2017
.....
DATE


.....
DIRECTOR
PETER MOORE

Melbourne
.....
LOCATION

30.10.2017
.....
DATE



Auditor's Independence Declaration

As lead auditor for the audit of Transparency International Australia Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been 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.

A handwritten signature in blue ink that reads 'Paul Lewis'.

Paul Lewis
Partner
PricewaterhouseCoopers

Melbourne
30/10/2017

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TRANSPARENCY INTERNATIONAL AUSTRALIA
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Subscription Revenue		190,987	185,434
Donated funds		610	50
Interest		2,260	1,392
Other revenues		5,845	399
Project Income	2	<u>1,073,177</u>	<u>75,608</u>
Total Revenue		1,272,879	262,883
Project Expenses	2	(1,073,177)	(70,186)
Administrative/Operations Expenses	2	<u>(258,091)</u>	<u>(160,872)</u>
Surplus/(Deficit) from ordinary activities before related tax expense	2	(58,389)	31,825
Income tax attributable to operating deficit	1(c)	—	—
Net surplus/(deficit)		<u>(58,389)</u>	<u>31,825</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 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash		703,865	392,461
Receivables	6	21,968	2,947
Other current assets		<u>41,894</u>	<u>-</u>
		<u>767,727</u>	<u>395,408</u>
Non-Current Assets			
Fixed assets		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Total Assets		<u>767,727</u>	<u>395,408</u>
Current Liabilities			
Payables	8	74,061	24,366
Deferred Income	9	<u>534,965</u>	<u>156,262</u>
		<u>609,026</u>	<u>180,628</u>
Non-Current Liabilities			
Deferred Income	9	<u>4,620</u>	<u>2,310</u>
Total Liabilities		<u>613,646</u>	<u>182,938</u>
Net Assets		<u>154,081</u>	<u>212,470</u>
Accumulated Surplus			
Accumulated surplus	3	<u>154,081</u>	<u>212,470</u>
Accumulated Surplus		<u>154,081</u>	<u>212,470</u>

The Statement of Financial Position 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 CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated surplus	TOTAL \$
Balance at 1 July 2015	180,645	180,645
Net surplus for the year ended 30 June 2016	<u>31,825</u>	<u>31,825</u>
Balance at 30 June 2016	<u>212,470</u>	<u>212,470</u>
Balance at 1 July 2016	212,470	212,470
Net deficit for the year ended 30 June 2017	<u>(58,389)</u>	<u>(58,389)</u>
Balance at 30 June 2017	<u>154,081</u>	<u>154,081</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 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		1,670,576	430,633
Interest Received		2,260	1,392
Cash payments in the course of operations		<u>(1,361,432)</u>	<u>(242,865)</u>
Net cash (used)/provided by operating activities	10	311,404	189,160
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		—	—
Net cash (used in) investing activities		—	—
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by/(used) in investing activities		—	—
Net (decrease)/increase in cash held		311,404	189,160
Cash at the beginning of the financial year		<u>392,461</u>	<u>203,301</u>
Cash at the end of the financial year		<u>703,865</u>	<u>392,461</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
(A Company Limited by Guarantee)

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. Project grants are recognised as income when the obligations associated with the grant are satisfied. Where obligations associated with the project grant have not been satisfied at year end, any grant money received in advance is recognised in the Statement of Financial Position as deferred income.

(c) Income taxes

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

TRANSPARENCY INTERNATIONAL AUSTRALIA
(A Company Limited by Guarantee)

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)

2 DEFICIT FROM ORDINARY ACTIVITIES

	2017	2016
	\$	\$
Operating surplus has been arrived at after including:		
Revenue from operating activities:		
Subscription revenue	190,987	185,434
Interest income	2,260	1,392
Project Income – M4SD Programme (NRGI)	272,118	-
Project Income – M4SD Programme (TI – Secretariat)	794,211	60,476
Project Income – Other	6,848	15,132
Other revenue	<u>6,455</u>	<u>449</u>
Other revenue		
	<u>1,272,879</u>	<u>262,883</u>
Operating expenses:		
Project Expenses – M4SD Programme	1,066,329	59,015
Project Expenses – Other	6,848	11,171
Administrative/Operations Expenses	258,091	160,872
Included within administrative expenses		
Depreciation expense	-	-
	<u>1,331,268</u>	<u>231,058</u>
NET Surplus / (Deficit)	<u>(58,389)</u>	<u>31,825</u>

With the exception of project income received in association with the Mining Project, 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

	2017	2016
	\$	\$
Accumulated surplus at beginning of year	212,470	180,645
Surplus/(Deficit) for the year	<u>(58,389)</u>	<u>31,825</u>
Accumulated surplus at end of year	<u>154,081</u>	<u>212,470</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
Keith Christiansen

TRANSPARENCY INTERNATIONAL AUSTRALIA
(A Company Limited by Guarantee)

Rebecca Davies
Holly Lindsay
Peter Moore
Gregory Thompson
Wendy Tyrrell
Harold Werksman
Anthony Whealy QC

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

	2017	2016
	\$	\$
Accounts receivable	17,600	900
Tax receivable	<u>4,368</u>	<u>2,047</u>
	<u>21,968</u>	<u>2,947</u>

7 OTHER CURRENT ASSETS

	2017	2016
	\$	\$
Prepayments	41,247	-
Reimbursements	<u>647</u>	<u>-</u>
	<u>41,894</u>	<u>-</u>

TRANSPARENCY INTERNATIONAL AUSTRALIA
(A Company Limited by Guarantee)

8 PAYABLES

	2017	2016
	\$	\$
Accounts payable	33,599	14,011
GST and PAYG payable	<u>40,462</u>	<u>10,355</u>
Total payables	<u>74,061</u>	<u>24,366</u>

9 DEFERRED INCOME

	2017	2016
	\$	\$
<i>Current</i>		
Deferred Subscriptions	58,175	27,762
Deferred Income – M4SD Programme (TI Secretariat)	<u>397,822</u>	128,500
Deferred Income – M4SD Programme (NRGI)	<u>78,968</u>	<u>-</u>
<i>Total Current</i>	<u>534,965</u>	<u>156,262</u>
<i>Non-Current</i>	<u>4,620</u>	<u>2,310</u>
Total deferred income	<u>539,585</u>	<u>158,572</u>

Deferred subscription revenue relates to subscription periods that extend through 2017/2018 and subsequent years.

TRANSPARENCY INTERNATIONAL AUSTRALIA
(A Company Limited by Guarantee)

10 NOTES TO STATEMENT OF CASH FLOWS

Reconciliation of surplus/deficit from ordinary activities after income tax to net cash provided by operating activities	2017	2016
	\$	\$
Surplus/(Deficit) from ordinary activities after income tax	(58,389)	31,825
Add back non-cash items:		
Depreciation expense	—	—
Net cash provided by operating activities before change in assets and liabilities	<u>(58,389)</u>	<u>31,825</u>
Change in assets and liabilities during the financial year		
(Increase)/Decrease in receivables	(19,021)	38,985
(Increase)/Decrease in other assets	(41,894)	-
Increase/(Decrease) in payables	49,695	16,533
Increase/(Decrease) in deferred income	<u>381,013</u>	<u>101,817</u>
Net cash provided by operating activities	<u>311,404</u>	<u>189,160</u>

11 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.

12 OTHER INFORMATION

The Company is incorporated and domiciled in Australia.

The address of the Company's registered office is the Level 4, Deutsche Bank Place, 126 Phillip Street, Sydney NSW 2000.

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

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 2017 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
GREGORY THOMPSON
MELBOURNE
30.10.2017

Director

PETER MOORE
MELBOURNE
30.10.2017
2017



Independent auditor's report

To the members of Transparency International Australia

Our opinion

In our opinion:

The accompanying financial report of Transparency International Australia (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
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T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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Auditor's Independence Declaration (continued)

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in 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 (ACNC) Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Transparency International Australia and its members and should not be used by parties other than Transparency International Australia and its members. Our opinion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of *Australian Charities and Not-for-profits Commission (ACNC) 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 the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



Auditor's Independence Declaration (continued)

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

A blue ink signature in cursive script, appearing to read 'PricewaterhouseCoopers', is written above the company name.

Paul Lewis
Partner

A blue ink signature in cursive script, appearing to read 'Paul Lewis', is written above the name and title.

Melbourne
30 October 2017