
2025 Inspection PKF Brisbane Audit

(Headquartered in Brisbane, Australia)

December 22, 2025

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002



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2025 INSPECTION

In the 2025 inspection of PKF Brisbane Audit, the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of issuers. Our inspection was conducted in cooperation with the Australian Securities and Investments Commission.

We selected for review three audits of issuers with fiscal years generally ending in 2023. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

2025 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not necessarily constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work or of all of the audit procedures performed for the audits reviewed.

View the details on the [scope of our inspections and our inspections procedures](#).

OVERVIEW OF THE 2025 INSPECTION

The following information provides an overview of our 2025 inspection, which was our first inspection of this firm. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

Firm Data and Audits Selected for Review

	2025
Firm data	
Total issuer audit clients in which the firm was the lead/principal auditor	2
Total issuer audits in which the firm was not the lead/principal auditor	1
Total engagement partners on issuer audit work ¹	2
Audits reviewed	
Total audits reviewed ²	3
Audits in which the firm was the lead/principal auditor	2
Audits in which the firm was not the lead/principal auditor	1
Integrated audits of financial statements and internal control over financial reporting (ICFR)	0
Audits with Part I.A deficiencies	3
Percentage of audits with Part I.A deficiencies	100%

If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In certain cases, the firm may have performed remedial actions after the

¹ The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection.

² The population from which audits are selected for review includes both audits for which the firm was the lead/principal auditor and those where the firm was not the lead/principal auditor but played a role in the audit.

deficiency was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

Our inspection may include a review, on a sample basis, of the adequacy of a firm’s remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer’s financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer’s public disclosures. We do not have direct access to the issuer’s management, underlying books and records, and other information.

Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2025 inspection. For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer’s financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2025	
Audit area	Audits reviewed
Business combinations	2
Revenue and related accounts	1
Long-lived assets	1
Goodwill and intangible assets	1
Related party transactions	1

PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, (1) at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR or (2) in audit(s) in which it was not the lead/principal auditor, had not obtained sufficient appropriate audit evidence to fulfill the objectives of its role in the audit.

Part I.B discusses certain deficiencies, if any, that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s) or fulfill the objectives of its role in the audit(s). This section does not discuss instances of apparent non-compliance with rules related to maintaining independence.

Part I.C discusses instances of apparent non-compliance with rules related to maintaining independence.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR.

This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work (1) supporting the firm's opinion on the issuer's financial statements and (2) in audit(s) in which it was not the lead/principal auditor, to fulfill the objectives of its role in the audit.

We identify each issuer by a letter (e.g., Issuer A) and industry sector. Each deficiency could relate to several auditing standards, but we reference the PCAOB standard that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

Audits with Multiple Deficiencies

Issuer A – Heath Care

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Business Combinations, Cash and Cash Equivalents, and Related Party Transactions.**

Description of the deficiencies identified

With respect to **Business Combinations**, for which the firm identified a significant risk:

During the year, the issuer acquired a business and engaged an external specialist to assist in determining the fair values of the acquired assets, including certain intangible assets. The following deficiencies were identified.

- The firm did not perform procedures to (1) evaluate the relevance and reliability of certain external data that the company's specialist used to develop assumptions, considered significant by the firm, and (2) test the accuracy and completeness of certain issuer-produced data that the company's specialist used to develop other assumptions, also considered significant by the firm, all of which were used by the company's specialist to determine the fair values of these intangible assets. (AS 1105.A8a)
- The firm did not perform procedures to evaluate the reasonableness of an assumption, considered significant by the firm, developed by the company's specialist and used by the specialist to determine the fair values of the intangible assets, beyond determining that the selected value of the assumption was the midpoint in a range of potential assumptions from an external source used by the issuer. (AS 1105.A8b)
- The firm did not perform procedures to evaluate the relevance and reliability of certain industry and other external information provided by the issuer that was used by the firm to evaluate the reasonableness of the issuer's revenue forecast. (AS 1105.04 and .06)
- The firm did not perform sufficient procedures to evaluate the reasonableness of the issuer's revenue forecasts, used by the company's specialist to determine the fair values of the intangible assets, because it did not (1) perform procedures to evaluate whether the issuer had a reasonable basis for these significant assumptions and (2) take into account the issuer's intent and ability to meet the revenue predictions, including whether the issuer has the financial resources and/or other means to meet the projections. (AS 2501.16 and .17)

With respect to **Cash and Cash Equivalents**:

The firm used an external digital confirmation platform to confirm cash but did not perform any procedures to support its reliance on this digital platform's ability to maintain control over the confirmation requests and responses. (AS 2310.28)

With respect to **Related Party Transactions**:

The firm did not perform sufficient procedures to test a related party transaction because it did not (1) read the underlying documentation and evaluate whether the terms and other information about the transaction were consistent with explanations from inquiries and other audit evidence about the business purpose (or the lack thereof) of the transaction, (2) determine whether the transaction had been authorized and approved in accordance with the issuer's established policies and procedures, and (3) determine whether any exceptions to the issuer's established policies and procedures were granted. (AS 2410.12)

Issuer B – Health Care

Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue** and **Business Combinations**.

Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The issuer recognized revenue from multiple revenue sources. The following deficiencies were identified:

- The firm did not perform any procedures to test (1) contractual arrangements to determine whether certain revenue was recorded in accordance with IFRS 15, *Revenue from Contracts with Customers*, and (2) whether the issuer's performance obligations had been satisfied before revenue recognition, beyond obtaining and reviewing internally generated customer invoices. (AS 2301.08 and .13)
- The firm did not perform any procedures to test certain other revenue. (AS 2301.08 and .13)

With respect to **Business Combinations**, for which the firm identified a significant risk:

During the year, the issuer acquired a business and engaged an external specialist to assist in determining the purchase price allocation and fair values of the acquired assets, including certain goodwill and other intangible assets. The following deficiencies were identified.

- The firm did not perform procedures to test the purchase price allocation and fair value of the goodwill and other intangible assets acquired in the business combination beyond obtaining and reading the valuation reports prepared by the company's specialist and agreeing amounts from those reports to the general ledger. (AS 2501.07)
- The firm did not perform procedures to evaluate the work of the company's specialist. (AS 1105.A6 - .A10)

Issuer C – Utilities

Type of audit and related areas affected

In our review of an audit in which the firm played a role but was not the lead auditor, we identified deficiencies in connection with the firm's role in the financial statement audit related to **Intangible Assets** and **Long-Lived Assets**.

Description of the deficiencies identified

With respect to **Intangible Assets**, for which the firm identified a significant risk:

The issuer reported intangible assets and performed an assessment of those assets for possible impairment. The principal auditor instructed the firm to perform procedures to test the valuation of these assets, including an evaluation of indicators of impairment. The following deficiencies were identified:

- The firm did not perform procedures to evaluate whether the issuer had capitalized the costs associated with these intangible assets in accordance with IAS 38, *Intangible Assets*, beyond inquiry of management and reading management's assessment of the intangible assets. (AS 2301.08 and .11)
- The firm did not perform procedures to test the impairment expense recorded by the issuer related to these intangible assets, beyond inquiry of management. (AS 2501.07)
- The firm did not perform any procedures to evaluate how management determined whether any indicators of impairment existed with respect to these intangible assets at year end. (AS 2301.08 and .11)

With respect to **Long-Lived Assets**:

The firm did not perform any procedures to evaluate whether certain assets met the definition of property, plant, and equipment in accordance with IAS 16, *Property, Plant and Equipment*, because the firm did not evaluate the business purpose of the assets, beyond inquiry of management. (AS 2301.08)

Audits with a Single Deficiency

None

PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s) or fulfill the objectives of its role in the audit(s). This section does not discuss instances of apparent non-compliance with rules related to maintaining independence.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In the three audits reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not perform procedures to determine whether the journal entry population from which it made its selections was complete. In these instances, the firm was non-compliant with AS 1105, *Audit Evidence*.
- In one of two audits reviewed, the engagement quality reviewer did not evaluate the engagement team's responses to certain significant risks identified. In this instance, the firm was non-compliant with AS 1220, *Engagement Quality Review*.
- In one of two audits reviewed, the firm did not make a required communication to the audit committee related to the name, location, and planned responsibilities of an other accounting firm that performed audit procedures in the audit. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In one of two audits reviewed, the firm did not make a required communication to the audit committee related to corrected misstatements. In this instance, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In two audits reviewed, the firm did not perform procedures to determine whether all individuals who participated in the audit were in compliance with independence requirements. In these instances, the firm was non-compliant with AS 2101, *Audit Planning*.
- In two of three audits reviewed, the firm did not make all required inquiries of the audit committee and certain members of management about fraud risks. In addition, in both audits, the firm did not inquire of another (separate) member of management about fraud risks. In these instances, the firm was non-compliant with AS 2110, *Identifying and Assessing Risks of Material Misstatement*.
- In the three audits reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not have an appropriate rationale for limiting its testing of entries it identified as having certain fraud risk characteristics to certain entries. In these instances, the firm was non-compliant with AS 2401, *Consideration of Fraud in a Financial Statement Audit*.

PART I.C: INDEPENDENCE

PCAOB Rule 3520, *Auditor Independence*, requires a firm and its personnel to be independent of the firm's audit clients. This requirement encompasses not only an obligation to satisfy the independence criteria set out in PCAOB rules and standards but also an obligation to satisfy all other independence criteria applicable to an engagement, including the independence criteria set out by the SEC in Regulation S-X, 17 C.F.R. § 210.2-01, *Qualifications of Accountants* ("Rule 2-01").

This section of our report discusses identified instances of apparent non-compliance with PCAOB Rule 3520. An instance of apparent non-compliance with PCAOB Rule 3520 does not necessarily mean that the Board has concluded the firm was not objective and impartial throughout the audit and professional engagement period. Although this section includes instances of apparent non-compliance with PCAOB Rule 3520 that we identified, there may be other instances of non-compliance with rules related to independence that were not identified through our procedures or the firm's monitoring activities.

PCAOB-Identified

We identified the following instances of apparent non-compliance with PCAOB Rule 3520:

Under Rule 2-01(c)(4), unless certain circumstances are present, providing bookkeeping or other services related to the accounting records or financial statements of the audit client impairs an accountant's independence with respect to an audit client. In three audits reviewed, we identified one instance for one issuer in which this circumstance appears to have occurred.

Under Rule 2-01(c)(7), an accountant is not independent if it is engaged to render audit or non-audit services to an issuer or its subsidiaries without that engagement having been pre-approved by the audit committee. In three audits reviewed, we identified two instances across two issuers in which the firm could provide no persuasive evidence of the necessary audit committee pre-approval of the audit engagement.

Firm-Identified

The firm did not bring to our attention any instances of apparent non-compliance with PCAOB Rule 3520.

While the firm did not bring to our attention any instances of apparent non-compliance with PCAOB Rule 3520, the number, large or small, of firm-identified instances of apparent non-compliance may be reflective of the size of the firm, including the number of associated firms; the design and effectiveness of the firm's independence monitoring activities; and the size and/or complexity of the issuers it audits, including the number of affiliates of those issuers. Therefore, we caution against making any comparison of firm-identified instances of apparent non-compliance across firms.

PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.



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Via Electronic Mail

Ms. Christine Gunia
Director, Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street NW
Washington, DC 20006

Date
13 November 2025

Dear Ms. Gunia

RE: FIRM ID # 6622, RESPONSE TO REPORT ON 2025 INSPECTION OF PKF BRISBANE AUDIT.

We are pleased to provide our response to Part I of the Public Company Accounting Oversight Board's (PCAOB) draft report on the 2025 Inspection of PKF Brisbane Audit (the "draft report"), dated October 15, 2025.

This marks the PCAOB's first inspection of PKF Brisbane Audit, and we remain fully committed to its mission and its vital role in promoting audit quality in the public interest. The PCAOB inspection process provides valuable insights that help us strengthen our performance and enhance our system of quality control. We take these findings seriously and are dedicated to implementing the necessary actions to ensure we consistently deliver high-quality audits that safeguard investor interests and public confidence.

We have evaluated the matters outlined in Part I.A and Part I.B of the draft report. In response, we have developed and formalised remedial actions to address these engagement-specific findings, in a manner consistent with PCAOB standards.

Regarding the matters in Part I.C of the draft report, we reaffirm that independence and objectivity are core principles of our profession and that we remain committed in demonstrating these principles. We have examined the reported instances of potential non-compliance and, after thorough review, both the Firm and the relevant audit committee concluded that the Firm's objectivity and impartiality were maintained in relation to the respective audits. Nevertheless, we have assessed the findings in Part I.C and taken proactive steps to strengthen our processes and controls to prevent similar issues in the future.

We appreciate the opportunity to respond to Part I of the draft report and will use these observations to refine our policies and procedures, reinforcing our commitment to continuous improvement in audit quality.

Yours sincerely,

PKF Brisbane Audit

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