

Greenlife Industry Australia Limited
Audit proposal

Advisory. Tax. Audit.

Confidential
August 2023

Our understanding of your request

Greenlife Industry Australia Limited (GIA) is the peak industry body for businesses and organisations providing products and services for greenlife production; producing, supplying and retailing greenlife or promoting the benefits of and sharing greenlife with the community. GIA's principal activities include the delivery of research, development and extension programs and the national communication of these programs as funded by the nursery pot levy scheme and Hort Innovation Australia. GIA's principal activities also include representing Australian greenlife, especially in relation to national biosecurity and vocational education as well as advocating on behalf of the Australian greenlife industry on matters of national significance.

GIA is a not-for-profit company limited by guarantee.

GIA is seeking proposals to provide high quality, timely audit services, for a three-year period commencing with the year ending 30 June 2024.

We understand that the day-to-day accounting and preparation of working papers sufficient for the audit are undertaken by GIA.

Who we are

At Nexia Australia, our purpose is to deliver an exceptional partner-led service every step of the way.

At Nexia Australia (Nexia), we're here to help you achieve your goals and plan for future success with bespoke solutions and personalised, practical advice. Equipped with unparalleled experience and expertise in advisory, tax, audit, business strategy, personal wealth services, and strategic thinking, we're the team you can trust to empower you to achieve your objectives.

We specialise in several key industries and cater to a wide range of clients, from small to medium-sized businesses to large private company groups, not-for-profit entities, subsidiaries of international companies, publicly listed companies, and high-net-worth individuals. We've had the privilege of working with market leaders in many sectors of Australian and New Zealand business, and we're here and ready to help you too.



Where we are

Brisbane

Darwin

Perth

Adelaide

Melbourne

Canberra

Sydney

80+

Partners/Directors

560+

Team members



Our global network

Experience client centric excellence across advisory, tax, and audit with Nexia, the international network with a personal touch. Our global partner-led approach ensures a responsive and tailored service to meet your unique needs. With over 608 offices in more than 122 countries and almost 26,000 skilled professionals, we deliver a robust network of expertise to support your success.



\$2.8bn

Fee income for 2022

>250

Member firms



608

Offices globally

>122

Countries



21

Committees & business groups

25,941

People worldwide

Why Nexia?



Sector expertise

At Nexia, we pride ourselves on our deep understanding of the not-for-profit sector. We have extensive experience working with not-for-profit organisations, both as auditors, consultants and in the capacity of board and committee members.

With a global network and breadth of knowledge brought by over 70 years of excellence, we help you meet your statutory obligations and empower you to focus on what matters most.

With not-for-profit specialists in each state, we provide proactive support to help you meet your objectives. From taxation to reporting, audits and general advice, we offer solutions designed specifically to meet your unique needs.

Decades of experience, a global network and connections within the sector means we have you covered on your journey.



Extended external Audit

At Nexia, we believe that real value exists on the other side of where most people stop.

This is why our process is an extended external audit – focusing on a number of areas that are not traditionally part of an external audit. This may include extensive data mining on transaction cycles and performing risk analysis to ensure you can take the necessary steps to protect your organisation.

Numbers tell a story, and at Nexia we hire a diverse range of people, all with the drive and understanding to look behind yours to understand what's really going on.

It means we start with asking better questions, listening more and analysing deeper to spot the risks, issues and opportunities that others may miss. This helps to maximise the efficiency of the audit and the value you receive throughout the process.



Connecting you to opportunities

At Nexia, we have the local skills, national depth, global reach, and overall experience to help you achieve your goals, whether they're for-purpose focused, profit- focused or compliance-focused.

With a full-service offering covering an extensive range of sectors, we are large enough to completely support your accounting needs, while maintaining the short, functional chains of communication and decision making of a smaller firm.

As change is a constant in business, we understand the importance of being prepared to guide you in the right direction, no matter where your success journey takes you.

We believe proactivity is at the heart of our partner-led service, and we're committed to staying ahead of the curve to deliver the best possible outcomes for you.

Advice from people who know the not-for-profit sector



Garry Murphy
Engagement Partner
Nexia Australia - Canberra

Telephone: +61 2 62795400
Email: gmurphy@nexiacanberra.com.au

Garry has over 30 years of audit and business experience and is a chartered accountant and registered company auditor. Garry has dealt with a broad range of clients covering a cross section of industries and organisational types. Garry has worked on or been responsible for the majority of Nexia's audit clients over the past 24 years. Garry focuses on audits in the not-for-profit sector and has additional not-for-profit exposure through his role on the audit committee of St Vincent de Paul Society. Garry will take overall responsibility for delivery of the audit and sign-off and will be the first point of contact for any technical or general business enquiries. Garry will review all audit work completed and provide input to our audit clearance and management letter. Garry is responsible for forming an opinion on the financial report.



Matthew Barrett
Senior Audit Manager
Nexia Australia - Canberra

Telephone: +61 2 62795400
Email: mbarrett@nexiacanberra.com.au

Matt is a chartered accountant and senior audit manager at Nexia and specialises in providing external audit services to a range of clients including large and small proprietary companies, not-for-profit organisations and national umbrella bodies. Matt has been the manager responsible for the audit of entities such as Aged & Community Care Providers Association, Association of Independent Schools of the ACT, Australian Association of Consultant Pharmacy, Australian Pharmacy Council, Canberra Grammar School, eWater Limited, Housing Industry Association Limited,, Jawun, Richmond Fellowship, YMCA and Yumaro Limited.

Matt will plan the audit engagement and manage its conduct.



Pritansu Raman
Senior Auditor
Nexia Australia - Canberra

Telephone: +61 2 62795400
Email: PRaman@nexiacanberra.com.au

Pri has 5 years of audit experience. Pri has a Bachelors degree in accounting and information system and is currently completing her studies to become a member of Chartered Accountants Australia and New Zealand. Pri has assisted in the provision of external audit services for a range of clients including not-for-profit organisations, licensed clubs and national umbrella bodies. Pri's experience also includes outgoing audits for commercial properties and trust account inspections. Some of the audits that Pri has worked on include Australian Indigenous Doctors Association, Australian Medical Council, Belconnen Soccer Club, Canberra Rape Crisis Centre, Goodwin Aged Care Services, Goulburn Workers Club, Lead Disability Services Limited, National Farmers Federation, RSPCA and SolarHub. Pri will assist Matt to undertake the audit work.

Other staff from our audit team will support Garry, Matt and Pri in the conduct of the engagement. The team will be finalised on appointment and closer to time.

Not-for-profit experience

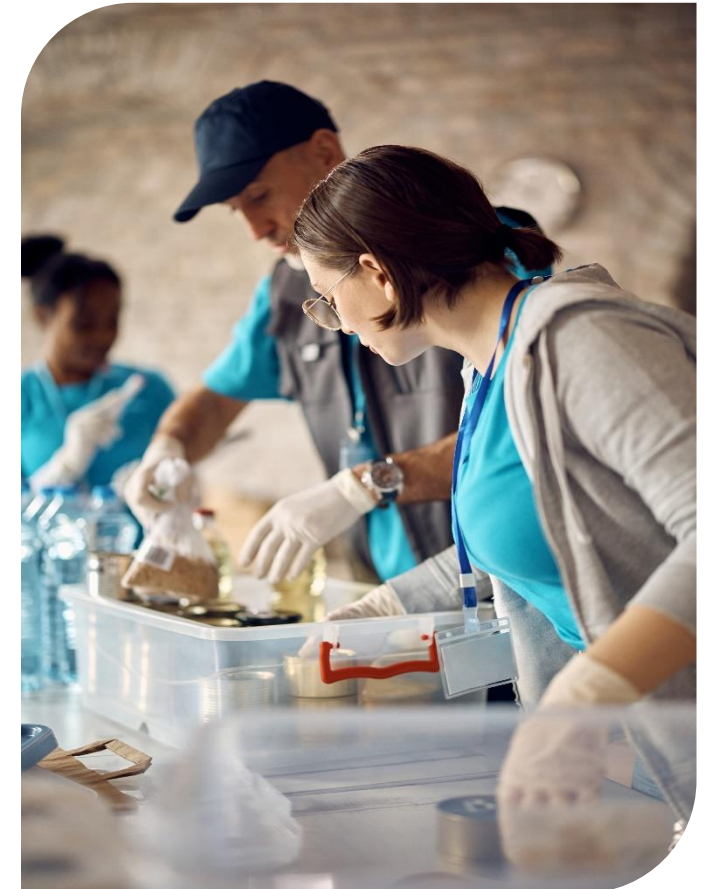
Not-for-profit clients

700

Nationally, Nexia's not-for-profit specialists have been helping organisations like yours reach their true potential for over 70 years.

Here is a small sample of ACT representative body audit clients we have recently helped:

- ACT Law Society
- Aged & Community Care Providers Association Ltd
- Association of Independent Schools of the ACT
- Australian Heads of Independent Schools Assoc
- Australian Healthcare & Hospitals Association
- Australian Indigenous Doctors' Association
- Australian Industry Greenhouse Network
- Australian Medical Association
- Australian Medical Council
- Australian Pharmacy Council
- Australian Primary Principals Association
- Australian Private Hospitals Association
- Housing Industry Association Limited
- National Farmers' Federation
- National Road Transport Association Limited
- Pathology Australia
- Pharmaceutical Society of Australia
- Planning Institute of Australia
- Red Meat Advisory Council
- Universities Australia



Not-for-profit experience

Nexia also has experience auditing a significant number of other not-for-profit entities, including charities and grant funded organisations. Examples are:

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- Aboriginal and Torres Strait Islander Healing Foundation
 - Australian Nursing and Midwifery Accreditation Council
 - Canberra Community Law
 - Canberra Grammar School
 - Canberra Rape Crisis Centre
 - CBR Innovation Network Ltd
 - Communities@Work
 - Community Services # 1
 - Crawford Fund
 - Daramalan College
 - Everyman Australia Incorporated
 - eWater Limited
 - Gayaa Dhuwi (Proud Spirit) Australia
 - Gugan Gulwan
 - Goodwin Aged Care Services
 - HumanAbility Limited
 - Karralika Programs
 - LEAD Disability Services
 - Marymead Child and Family Services
 - Meridian Incorporated
 - Orana Steiner School
 - OzHelp Foundation
 - Ronald McDonald House Canberra
 - St Vincent de Paul Society National Council of Australia
 - YMCA

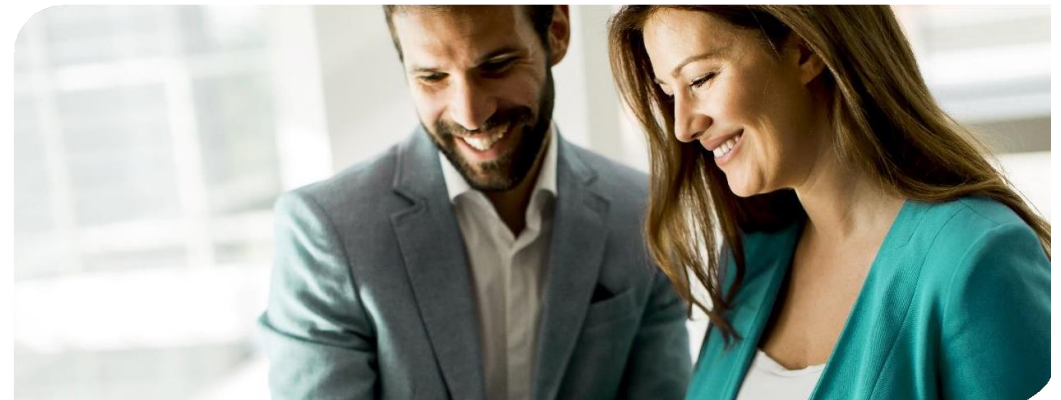
Our approach

We know that every business is unique, with its own set of challenges and goals. That's why, at Nexia, we take a personalised approach to our services. Your dedicated team will work closely with you to understand your operations and tailor a service plan that best suits your needs, addresses your risks, and meets all statutory requirements.

Our approach emphasises communication and risk assessment throughout the audit process. We go beyond a typical external audit by focusing on areas specific to your business, using data mining techniques to gain a deeper understanding of your operations.

We're committed to providing high-quality service and continuous monitoring to ensure that our service plan meets your expectations. We have included a proposed timetable with key dates and deliverables further in the proposal.

We are not-for-profit sector experts and will tailor our methodology and approach to best suit your needs and focus on the areas that you value.



Our approach

With our proactive and responsive communication style, you can be confident that your audit experience will be both transparent and valuable.

At the conclusion of the audit we provide a detailed report on findings, any internal control deficiencies, operational improvements, sector opportunities and financial performance.

Client satisfaction

We pride ourselves on building long-lasting and empathetic relationships with our clients, understanding not only their operations and systems, but also the people behind them. At Nexia, we continuously update our service offering, using feedback from all areas to identify areas for training and minimise any expectation gap with our clients.

Succession planning and continuity of service of audit teams

Our commitment to employee continuity is key to delivering exceptional client satisfaction and audit experiences.

At Nexia, we prioritise high employee retention levels to benefit our clients. With the inclusion of new team members when appropriate, while retaining key team members, we can build knowledge and maintain up-to-date project insight without disrupting your operations.

Our comprehensive training program, tailored to the risks and issues of the not-for-profit sector, ensures that any new team members have the knowledge necessary to work in this specialised sector.



Our approach

Data mining

Data mining is a core part of our audit methodology. By using the vast information available (both internally and externally), we're able to test 100% of the transactions and identify abnormal items for further investigation. This may include:

- Abnormal changes to vendor and payroll information
- Checks on treatment of high-risk vendors as employees or contractors
- Key word searches on all transactions for related party transactions
- Recalculation of payroll based on external inputs
- Abnormal processing dates and/or times for transactions
- Round number transactions and/or transactions to avoid delegations of authority
- Invalid or conflicting vendor information when compared with external vendor databases
- Recalculation of revenue streams based on inputs from external and published sources
- Review of journal entries posted at unusual times, unusual transactions at usual times or unusual transactions.

We believe that real value exists on the other side of where most people stop.



Our approach

Transition

If we are successful in our tender proposal it is vital that we quickly familiarise ourselves with the intricacies of GIA, and most importantly, get to know the people involved.

Nexia is very experienced in transitioning new clients and we have developed a step-by-step process to ensure minimal disruption. We invest significant time in the first year in getting to know your business, communicating with management and those charged with governance.

The transition will be led by the engagement partner. To minimise the disruption we would propose to host an 'Audit Transition Meeting' shortly after being appointed as auditor.

The aim of this meeting is to:

- Introduce the Nexia client service team;
- Discuss the timetable, transitional logistics and expectations;
- Discuss the unique aspects of your business to get a clear understanding of the current issues and future challenges, and the strategic direction; and
- Discuss the audit approach.

Our belief is that the manner and purpose in which we carry out our actions holds more significance than the actions themselves.



Our approach

Fraud risk

We will conduct a number of procedures during our audit for the consideration of the risk of fraud, including:

- Making enquiries of those charged with governance and management to obtain an understanding of how those charged with governance exercise oversight over management's processes for identifying and responding to fraud risks
- Considering whether any fraud risk factors are present in the entity
- Making enquiries of management and those charged with governance to determine whether they have knowledge of any known or suspected fraud
- Performing analytical procedures and considering any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Reviewing estimates for biases that could result in material misstatement due to fraud
- Obtaining written representations from management that it acknowledges its responsibility for the design and implementation of internal controls and that it has disclosed any known or suspected fraud
- Our procedures will include specific testing around revenue recognition and journal entries as required under the Auditing Standards

Technical knowledge, support and training

We don't just offer practical solutions and support, we also pride ourselves on understanding our clients and their needs, helping them make strategic decisions with confidence.

As a valued client, you will be included in our comprehensive client management program, which includes receiving our technical newsletter, invitations to sector-specific professional development days, and access to our technical seminars and webinars.

By working with Nexia, you'll have access not only to the expertise of your dedicated audit team but also to the insights and experiences of each of our not-for-profit sector Partners throughout Australia and New Zealand.

We acknowledge that the Accounting Standards do allow for differences in interpretation and application. Where potential issues arise we will seek to resolve these with management. More challenging technical issues can be referred to our Nexia National Technical Directorate.

Our approach

Other services

We offer a range of services that pay particular attention to the formal control and management of not-for-profit entities.

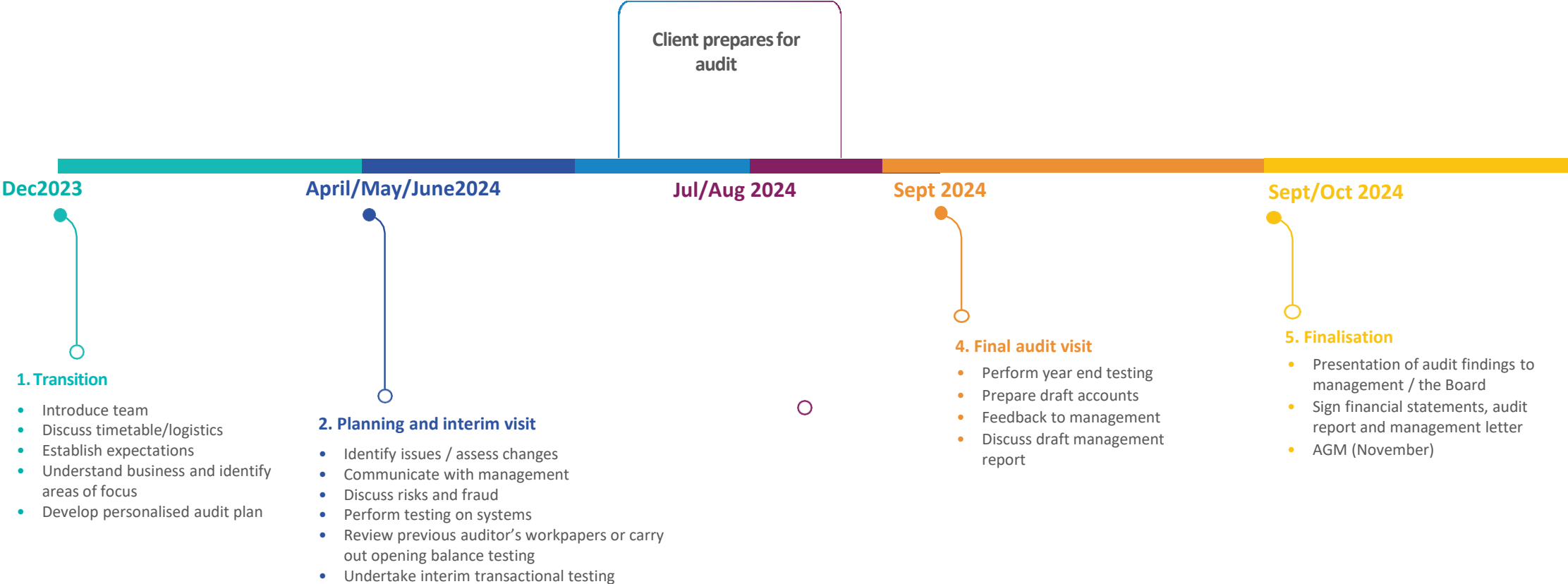
Our other services include:

- Detailed reviews of the finance functions (reporting and dashboards, budget processes, governance, compliance, team structure, internal controls)
- Advice and guidance through legislative changes, including ACNC
- Preparation of long-term financial models (reviewing reasonableness of assumptions, testing accuracy of models), particularly associated with NDIS funding
- Identification of areas of inefficiency and/or areas where profitability can be improved eg improvements over cash flow, expenses and revenue
- Internal audits, including detailed payroll reviews
- Tax structuring advice and preparation of applications/private rulings for tax exempt/charitable status
- Comprehensive FBT and GST reviews and advice, feedback on compliance with current ATO requirements
- Salary packaging advice
- Achieving business sustainability by reviewing business policy improvements, and business re-engineering, business continuity planning, organisational/operational reviews, management reporting/budgetary controls reviews, operational cost reviews/pricing services/costing applications and strategic planning
- Providing feedback in respect of corporate governance and risk management issues
- Tax planning and superannuation arrangements for management and support staff

We're a full-service firm delivering effective solutions to all our clients. We make our advice easy to understand and back it up with accessible partners.

Indicative Timetable

To be confirmed and mutually agreed



Audit activities

Fee structure

Services	Total (excl GST)
Audit of the financial statements	\$14,500
Preparation of general-purpose financial statements	\$1,500
Total	\$16,000

- The estimated fees for audit services have been compiled based on our hourly rates and our understanding of your needs. If the scope of our work changes, the estimated fees may vary.
- All fees are exclusive of GST.
- Our fees will be billed as the work progresses. Typically, we will issue an interim and final invoice.
- Future fees will increase by an inflation factor consistent with increases in our underlying costs, unless there is also a change in scope such as restructures or major acquisitions.
- We do not charge for "quick queries" that can be answered by Nexia team members or partners. Where assistance or advice requires a greater level of work (in general this is where a query will take more than 30 minutes of our time or requires written advice), fees for these services can be agreed in advance.
- We are a full-service firm and offer other assurance, tax and advisory services if needed.
- To maintain independence, all non-assurance services will be provided by other partners within our firm and are subject to strict independence checking processes before any work can commence.

The fee estimate includes:

- Completion of all fieldwork, including verification of general ledger account balances and interrogation of internal controls and accounting systems (as they apply to the entity's financial disclosures)
- Compilation of audit management letters and communication documents
- Attendance at meetings where audit findings are discussed
- Disbursements such as travel and accommodation incidentals.

Our fee estimate is based on the following assumptions:

- Good quality information will be provided to us in a timely manner. We will provide an audit requirements checklist as a guide for preparing for the audit.
- We have ready access to management.
- If significant matters are identified in the audit, we will raise them with you immediately and agree on any additional work required.
- If fee overruns are likely to occur, we will always discuss issues with management as soon as they are identified to ensure there are no surprises during the audit.

Fee Structure

The following table sets out the total proposed hours by each level of staff. The hours below include additional time required for a first-year audit and are expected to reduce to some extent in subsequent years.

Team Member	Estimated Annual Hours
Partner	12
Senior Manager	25
Senior Auditor	46
Auditor	30

Referees

We are proud of the services we deliver and relationships we hold with our clients and invite you to contact our referees listed below:

Ruth McGorman-Mann

Director Finance and Administration
Australian Private Hospitals Association
ruth.mcgorman-mann@apha.org.au

t 02 6273 9000

Julie Lean

National Finance Manager
Planning Institute of Australia
julie.lean@planning.org.au

t 02 6262 5933



Next Steps

If you would like any further information, or to discuss anything contained within this document please do not hesitate to reach out to your Nexia Engagement Partner below.



Garry Murphy

Partner, Audit & Assurance

t +61 2 6279 5400

e gmurphy@nexiacanberra.com.au

Level 5, 17 Moore Street

Canberra, ACT, 2601

Advisory. Tax. Audit.

Appendices

Confidential
Tender proposal

Appendix | Independence

It is the firm's policy that all Nexia Partners and staff must be independent of their assurance clients and engagements. Independence is maintained throughout the engagement period for all assurance engagements, as set forth in and by:

- APES 110 - *Code of Ethics for Professional Accountants (including Independence Standards)*;
- The *Corporations Act 2001*;
- ASQM1 - *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*;
- ASA 220 - *Quality Control for an Audit of Financial Statements*; and
- The Nexia Quality Control Manual.

Responsibility

- All Nexia staff are responsible for ensuring they comply with the above requirements.
- The Engagement Partner is responsible for forming a conclusion on compliance with independence requirements for an engagement, and in doing so, obtaining the information required to identify threats to independence, taking action to eliminate such threats or reduce them to an acceptable level by applying appropriate safeguards, and ensuring that appropriate documentation is completed.
- The firm Independence Partner is responsible for reviewing any potential independence threats on assurance engagements.

Key controls

- At the planning phase of the audit, all staff assigned to the audit must complete individual independence confirmation checklists which are reviewed and approved by the Engagement Partner.
- The checklist identifies any potential threats to independence as defined in the legislation above.

Key controls (continued)

- At the end of the engagement, and prior to the Engagement Partner signing the audit opinion, all audit staff assigned to the audit must again confirm that they have maintained their independence in accordance with the above legislation.
- During an audit, any actual or perceived threat to independence must be immediately communicated to the Engagement Partner. The threat is documented on the 'Independence Resolution Memorandum' and must be approved by the Engagement Partner and firm Independence Partner.
- All Nexia staff complete an independence declaration on appointment and annually thereafter declaring any actual or potential independence threats. These declarations are in addition to any engagement specific checklists/declarations with regards to independence.
- Any non-audit services requested by the audit client must be pre-approved by the Engagement Partner and firm Independence Partner, considering the auditor independence requirements of the legislation above and safeguards established. Further, we would only consider non-audit services where it had been approved by the client's governing body.
- The Engagement Partner is responsible for ensuring the governing body is notified of any independence contraventions. Confirmation of independence, and any breaches of independence, is reported to the audit client annually.

Known independence issues

We confirm that **we have not identified any threats which may impair our independence.**

Appendix | The Nexia Australia difference



A culture of success

Numbers tell a story, and we hire a diverse range of people, all with the drive and understanding to look behind yours to understand what's really going on and what really needs to be done.

It means we start with asking better questions, listening more and analysing deeper to spot the opportunities others miss.

But more than that, it means we've built a positive culture focused entirely on your success — with our National Excellence Award going to the team member who makes the most positive impact on a client's business. It works for you, and it works for us — with our current Global Chairman growing from a cadet right here in Australia!



We'll get you there

No matter what your goals are — whether they're profit-focused or compliance-focused — we have the local skills, national depth, global reach, and overall experience to get you there.

Over the decades, we've seen it and we solved it. As a top 20 global network, we're already on the ground in over 120 countries, and have offices in every mainland state and territory in Australia.

It means you can worry less about 'how' you're going to hit your current goals and spend more time thinking about 'what' goals to target next.



The specialists you need

Our sector and service offering goes wide and deep with over 30 sector and service specialties within our network.

These can start from being the go-to network for the independent education sector for audit and specialist strategy, to offering specialist greenhouse gas reporting and advice that is sought out by many of the largest and most influential players in the energy sector.

We're also advising on, and adopting, the technology you'd expect from a first-class global accounting network, resulting in Digital Accountancy Awards naming us the Network of the Year for 2021.



Ready for what's next

Overnight success impresses, but long-term success is what matters — which is why our national Nexia Next Leaders™ development program equips our emerging leaders with the leadership, management, and communications skills to win in tomorrow's world.

It means, despite change being a constant in business, Nexia is prepared to guide you in the right direction no matter where your success journey takes you.

We've been working with clients for decades, helping many become household names; so, while there may be many things that are uncertain, you can rest assured Nexia will be standing alongside you — ready for what's next.

Appendix | Key commitments



Environmental, social, and governance (ESG)

As a responsible and forward-thinking organisation, we recognise the critical importance of environmental, social, and governance (ESG) considerations.

Many of our people are actively involved in the community, giving their time, hands on help and support to individuals in need and organisations who help others. We support and facilitate this by providing staff with one day of paid leave per year to undertake volunteering activities.

We also provide pro-bono or semi pro-bono work for not-for-profit organisations.

Many of our Partners and staff are on Boards or Committees of not-for-profit organisations.



Diversity, equality, and inclusion

At Nexia, we're committed to cultivating an environment that is fair, respectful, and inclusive for all individuals. We recognise that embracing diversity, equity, and inclusion is not only a moral imperative but also a key driver for fostering innovation, enhancing our collective capabilities, and ultimately achieving our shared goals.

We continually assess our policies, practices, and procedures and have a dedication to embracing and celebrating differences, and to providing equal opportunities for all our employees, clients, and stakeholders.



Our people

At Nexia, we know our people are the driving force behind our success, and it's our responsibility to ensure that they have the tools, resources, and support they need to thrive. This means providing opportunities for growth and development in both technical and leadership skills, while also prioritising their well-being.

We're committed to cultivating a culture of learning and growth that connects our team members with their true potential. By investing in our people and providing them with the resources and support they need to succeed, we believe we can create a dynamic and innovative workplace that benefits everyone involved, from our employees to our clients and stakeholders.

Appendix | Insurance



Professional Indemnity Insurance Cover

We confirm that Nexia complies with the requirements of the Regulations of the Chartered Accountants of Australia and New Zealand in relation to holding a valid and binding contract of professional indemnity insurance.

Public Liability Insurance Cover

We confirm that Nexia holds a valid and binding contract for public liability insurance.

Workers Compensation

We confirm that Nexia complies with the requirements under each relevant State or Territory workers compensation legislation in relation to holding a valid and binding contract of workers compensation insurance.