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# **Independent audit report to the Board of Directors of JBWere Limited on internal controls and other relevant accounting procedures as they relate to the specified annual investor statements for the year ended 30 June 2023**

## **Scope**

We have undertaken a reasonable assurance engagement on the internal controls and other relevant accounting procedures of JBWere Limited (“the Operator”), as set out in the Investor Directed Portfolio Service (“IDPS”) Internal Controls Document as they relate to the requirements set out in ASIC Class Order CO 13/763 “Investor Directed Portfolio Service” (the Class Order) for the year ended 30 June 2023 including those over its custodian and any other relevant person acting on behalf of the Operator, relating to the preparation of annual investor statements given to the clients of JBWere Limited (“the clients”) for the year ended 30 June 2023. These internal controls and accounting procedures are hereafter referred to as “the internal controls”.

## **The Directors’ and Management’s Responsibility**

The directors and management of the Operator are responsible for:

- a. Establishing and maintaining an effective internal control structure including the internal controls in relation to the preparation of annual investor statements of the clients, which comprise for each client a statement of the quantity and value of assets and liabilities held through the Operator by the client as at 30 June 2023 and the corresponding revenue and expenses of the client for the year ended on that date;
- b. Designing, implementing and operating effectively the internal controls throughout the year ended 30 June 2023; and
- c. Identifying the risks that threaten compliance with the Class Order.

## **Our Independence and Quality Management**

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's Responsibility

Our responsibility is to express an opinion on the suitability of the design to achieve the reporting requirements as set out in the Class Order (the control objectives) and operating effectiveness of the internal controls, based on our procedures. We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board. That standard requires that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

We also tested the aggregates of assets (other than assets held by a client), liabilities, revenue and expenses shown collectively in the annual investor statements were properly reconciled by the Operator as at 30 June 2023 to the corresponding amounts shown in reports prepared by the Operator which have been independently audited.

## Limitations of controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.



## Opinion

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion:

1. the Operator maintained internal controls and other relevant accounting procedures in relation to the preparation of annual investor statements, including any other relevant person acting on behalf of the Operator, that were suitably designed and operated effectively, in all material respects, to provide reasonable but not absolute assurance that the annual investor statements for the year ended 30 June 2023 are or have been given to clients without material misstatements; and
2. the aggregates of assets (other than assets held by a client), liabilities, revenue and expenses shown in the clients' annual investor statements for the year ended 30 June 2023 have been properly reconciled in all material respects by the Operator as at 30 June 2023 to the corresponding amounts shown in reports prepared by the Operator which have been independently audited.

## Restriction on use of report

This report has been prepared to meet the requirements of Class Order. It is intended solely for the Directors of JBWere Limited, the current clients of JBWere Limited and ASIC (collectively "the Recipients"). A party other than the Recipients accessing this report does so at their own risk and Ernst & Young expressly disclaims all liability to a party other than the Recipients for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from their use of, or reliance on the report.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that appears to read 'Maree Pallisco'.

Maree Pallisco  
Partner  
Melbourne  
12 September 2023