

Parliamentary Joint Committee on Corporations and Financial Services
Inquiry into the regulation of auditing in Australia
KPMG responses to Questions on Notice, received 23 December 2019

G. Retirement plans for former partners

Question 1:

What is the nature of payments provided by KPMG to former partners through so-called 'retirement plans'? Are they classified as superannuation? Are the payments a fixed amount? What determines the value each former partner receives?

Question 2:

Do former partners receiving retirement plans still hold equity in the partnership?

Question 3:

Under what conditions would these payments be impaired? Does the overall profitability of the partnership affect the amount paid? If KPMG was wound-up or bought-out, would this affect the amount paid?

Question 4:

What discretion does KPMG have to terminate these retirement payments? Other than disclosing commercially sensitive material, are there certain conditions that would give KPMG cause to terminate these retirement payments? For example: would public criticism of KPMG by the former partner be grounds to terminate these retirement payments?

Question 5:

Has KPMG ever impaired retirement payments to a former partner?

Question 6:

Under what conditions could these payments be enhanced?

Question 7:

Has KPMG ever enhanced retirement payments to a former partner above any pre-agreed increases?

Question 8:

Does KPMG keep account of the current activities of former partners receiving retirement plan payments?

Question 9:

Do any former KPMG partners who are receiving retirement plan payments have a role—paid or voluntary—with the Australian Government, including any agency, statutory body, or boards that are funded by the Australian Government? Please provide details.

Question 10:

What is the total annual value of KPMG's payments to former partners through retirement plans?

Question 11:

How many former partners receive payments through retirement plans?

Response to questions 1-11:

We do not make ongoing payments under any “retirement plans” to retiring partners.