

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES

Regulation of auditing in Australia

Westpac Banking Corporation

QON20-13: Can you give an update on the work being conducted by consultants Promontory Group? What work are EY, PwC, Deloitte or KPMG currently engaged to provide at Westpac?

Answer: Promontory was engaged, at the direction of the Westpac Board, in December 2019. They were engaged to undertake external assurance over, and provide recommendations concerning:

- Westpac's Financial Crime Program; and
- Westpac's assessment of management accountability.

These activities are further outlined in Westpac's Response Plan.

Promontory's work has been underway since December with an initial focus on comprehensive information gathering and analysis.

Promontory's recommendations will be made public and implemented as soon as possible.

PwC is engaged by Westpac to provide external audit services. In line with Westpac's auditor independence policy, PwC is limited in what other services it is able to provide Westpac and is not currently engaged to provide any other specific services. Note 35 to our 2019 Financial Statements available in our 2019 Annual Report provides further details about PwC's remuneration for the year ended 30 September 2019.

EY, Deloitte and KPMG are currently engaged to provide a range of services to Westpac. These include:

- Reviews of various areas of the bank e.g. to identify opportunities to improve processes or to test controls;
- Support for remediation programs, including reviewing files and developing and verifying review and compensation methodologies;
- Actuarial, risk, compliance, assurance, finance and tax advice;
- IT consulting including security assessments of systems and design and implementation of software solutions to support business functions; and
- Secondments of staff with particular expertise required by Westpac and/or to supplement internal Westpac resources.