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Question:

Senator WHISH-WILSON: On notice, you mentioned litigation earlier. I presume that you can't talk to us about some of that. Would you be able to give the committee an overview of what litigation has been brought against you in terms of us looking at audit quality, just as one metric? Also, I was wondering whether you could provide to the committee on notice any corporate collapses you have been auditor for over the last 10 years and any issues you may have had with liquidators trying to access your audit information.

We're just trying to get an idea of what we can judge in terms of audit quality. There have been a few high-profile collapses in Australia, but nothing like the UK, which has triggered their inquiry. I'd be interested in that over a period of time. Then I can come back to you and ask you what lessons you've learnt.

Mr Carmody: We do have obligations to the courts. I'm happy to take them on notice, seek legal advice and then come back to you with whatever we are allowed to and prepared to share.

Answer:

In the last 10 years, there has been no litigation which has resulted in an adverse judgment or adverse findings with respect to EY's audit quality.

An auditor being joined to litigation proceedings is not, in and of itself, indicative of poor audit quality.

EY is currently a named defendant in three matters before the courts where EY was the auditor. We are limited in what information we can provide current litigation matters listed below:

- Penrice Soda Holdings Limited
- Quintis Limited
- LM Investment Management Limited

There have been no judgment or findings with respect to the quality of these audits and EY is vigorously defending each of these claims.

From time to time, EY receives requests for documents from liquidators, administrators or receivers – this is usually a request for books and records of the company. EY produces documents in accordance with its obligations under the Corporations Act.