

[REDACTED]

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**From:** Kristin Stubbins (AU) [REDACTED]  
**Sent:** Monday, 29 May 2023 12:02 PM  
**To:** Moriarty, Greg MR  
**Cc:** Yannopoulos, Matt MR; [REDACTED]  
**Subject:** Update from PwC

**Follow Up Flag:** Follow up  
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**⚠ EXTERNAL EMAIL:** Do not click any links or open any attachments unless you trust the sender and know the content is safe. **⚠**  
Dear Secretary,

I'm writing regarding a series of additional actions PwC Australia has taken to enhance the firm's governance, accountability and culture. This includes changes to the provision of work by PwC Australia to the Australian Government and for Australian Government Departments and Agencies. We understand that we betrayed the trust of our Federal Government clients and we apologise unreservedly. We know that action is critical to restore confidence in our firm and rebuild trust with our stakeholders and we are committed to taking all necessary steps to ensure this happens. That is why we have today announced a series of additional actions our firm has taken to enhance the firm's governance, accountability and culture.

This includes:

- An update regarding the accountability consequences for individuals.

We have directed 9 partners to go on leave, effective immediately, pending the outcome of our investigation. This includes those with leadership or governance roles. In addition, the Chairs of the Governance Board and its designated risk committee have decided to step down from their respective roles. These decisions are in addition to the leadership actions already announced. We have and will continue to take appropriate action against anyone who is found to have breached confidentiality or failed in their leadership duties.

- The commencement of a process to ringfence the provision of services to Federal Government Departments and Agencies to enhance our controls to prevent conflicts of interest. We have provided further detail on this below.
- The appointment of two independent, non-executive directors to the firm's Governance Board.

These two external board members will deliver independent, outside-in perspectives and bring additional objectivity to the firm's governance, risk management and strategic decision making.

- A commitment to publish the report and recommendations, in full, at the conclusion of Dr Ziggy Switkowski AO's Independent Review into PwC Australia's culture, governance and accountability in September.

Given the importance of this announcement to you we wanted to provide you with further information about the ringfencing of our Australian Federal Government business.

### **Ringfencing our Federal Government work**

We are moving to quickly establish separate governance and oversight arrangements for the business by the end of September.

It will cover all services to Federal Government Departments and Agencies and include people, operations and governance within its perimeter and be operationally ringfenced from other businesses within PwC Australia.

The business will have a standalone Executive and Governance Board who will have the responsibility to consider the strategic options for the business.

This will establish independence and enhance controls relating to confidentiality and conflicts. PwC will consult with the Australian government on these arrangements including timing and process.

**What this means for our work with you**

There will be no disruption to our ongoing work with the Australian Federal Government, as we work through the implementation of this change. We have begun discussions with the Department of Finance on the establishment of the ringfenced business, and we will engage with all impacted clients in the days and weeks ahead.

In the meantime, I want to assure you that your PwC Australia team is focused on carrying out their engagements with the utmost integrity, probity, and ethical conduct.

Kind regards,

Kristin Stubbins  
Acting CEO

Kristin Stubbins (*she/her*) | Partner  
PwC Australia

[REDACTED]  
One International Towers, Barangaroo Sydney NSW 2000

[REDACTED]

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**From:** Ben Neal (AU) [REDACTED]  
**Sent:** Monday, 29 May 2023 10:22 AM  
**To:** Yannopoulos, Matt MR; Assoc Sec Office  
**Subject:** Assurances regarding PwC staff and partners

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Dear Mr Yannopoulos,

Given recent announcements by the Department of Finance regarding PwC, I am writing to provide you with written assurances about the staff and partners we have working across Defence. I have provided these assurances to other senior leaders in your organisation at their request. Please find those assurances below:

1. PwC has reviewed time records going back ten years for all relevant personnel (defined by the Department of Finance as individuals in receipt of historical emails) and I can confirm that none of the individuals currently subject to internal and external reviews have worked on engagements with the Department of Defence.
2. Further, PwC has stood down from any Government work all relevant personnel until such a time that internal and external reviews on the matter have been concluded. We undertake to seek your approval prior to any relevant personnel being involved on any future engagement with Defence.

I hope these assurances give you some comfort regarding the integrity and quality of the work we have delivered for you. We are also sending correspondence to [REDACTED] panel management to confirm the processes we have in place to ensure client data remains confidential. I reiterate that as a firm we are committed to delivering on the high standards we set ourselves and rebuilding trust with our clients. If you would like to discuss this matter in any further detail, please give me a call on [REDACTED]

Regards

Ben

**Ben Neal**  
**Client Lead Partner, Defence**  
**PwC Australia**  
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Email : [REDACTED]

<https://www.pwc.com.au/people/workforce-transformation.html>

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