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| <b>Committee</b>        | Parliamentary Joint Committee on Corporations and Financial Services                                |
| <b>Inquiry</b>          | Oversight of ASIC, the Takeovers Panel and the Corporations Legislation No.1 of the 46th Parliament |
| <b>Question No.</b>     | QoN 011   |
| <b>Date</b>             | 26 November 2021  |
| <b>Topic</b>            | Engagement with professional bodies – KPMG cheating   |
| <b>Reference</b>        | Spoken, 26 November 2021, Hansard page 22   |
| <b>Committee member</b> | Senator O'Neill   |

### Question

**Senator O'NEILL:** Can I make it very clear that I'm just an average citizen with these levels of concern about the fact that somebody in the US has got to figure out when cheating is happening in Australia? We deserve better than that. It shouldn't take an overseas entity to identify it, nor should it take our professional standards bodies 20 months to even kick off an investigation that is as yet unresolved. Who knows what this means in real terms for impact on professional behaviours? I have concerns about that. Can I ask you to take on notice what your interactions with the professional bodies, particularly the chartered accountants, are? Perhaps you could provide the committee with an email chain or communication to give us a sense of the strength of concern that you've indicated to them. And, if you have provided any advice to government on this matter, could you provide it to this committee as well? This simply should not be happening in the entities that are responsible for auditing the biggest companies in the country. I think it's a blind spot that, absolutely, the government should be acting on.

**Mr Hughes:** Senator, I will deal with the second question on notice first. We have provided, in response to Senator McKim's question on notice, confirmation that we have not written to government seeking any amendment to the law. But I hear you in relation to the concerns you're expressing today. As to the first question on notice that you asked about our engagement or correspondence with the professional standards bodies, I will take that on notice.

**Senator O'NEILL:** Thank you very much, Mr Hughes, and perhaps the committee can give this some consideration in our own time.

### Answer

- There is no written correspondence between ASIC and either Chartered Accountants Australia and New Zealand (CA ANZ) or CPA Australia in relation to the sharing of answers to internal training exams by partners and staff of KPMG Australia (the Matter).
- The majority of KPMG staff with a professional accounting qualification are members of CA ANZ. We understand that KPMG Australia (KPMG) reported the Matter to CA ANZ.
- ASIC has no regulatory remit or powers in relation to an audit firm's internal training. ASIC would have no information on the Matter that is not available to CA ANZ.
- ASIC does not oversee CA ANZ or CPA Australia. Whether CA ANZ had the power to take disciplinary action against KPMG partners or staff and is a matter for CA ANZ.