

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES

Regulation of auditing in Australia

Westpac Banking Corporation

CPS 220

1. **EY proposal for Westpac CPS220 review including accompanying signed letter**
2. **Executed EY engagement letter for Westpac CPS220 review**
3. **A history of all the CPS220 drafts including embedded change control and comments**
4. **Correspondence to and from APRA relating to Westpac CPS220 review**
5. **Copies of proposals, strategic plans, status reports and other supporting documentation related to remediation activity stemming from Westpac CPS220 review**

We are limited in what we are able to provide to the Committee in response to this request. The documents and information requested concern matters currently the subject of regulatory investigations. Disclosure of these documents could prejudice these actions and Westpac's position in those investigations.

Further, EY's proposal and related engagement documentation for Westpac's CPS 220 review contains commercially sensitive information, including EY's pricing, work methodologies and intellectual property which is not available to EY's competitors. As a result, we are not able to release this information.

The Final Report of EY's 2017 Review of Westpac's CPS 220 Risk Management Framework was delivered on 10 August 2017.

The first draft of the report was provided to Westpac on 30 June 2017 to enable verification of the factual accuracy of the report.

Westpac provided comments on the draft report which:

- Corrected factual inaccuracies; and
- Sought clarification of the wording in the report where EY's drafting was not clear or needed additional context.

In addition, in some areas Westpac provided additional information and evidence to EY to ensure that their report and recommendations were based on a full assessment of Westpac's current risk framework and practices.

The Final Report was provided to APRA by email. We had earlier email correspondence with APRA to seek their approval to share 'protected documents', as defined under section 56 of the APRA Act, with the EY review team to enable them to conduct a comprehensive review. This approval was provided.

Following receipt of the final report, all the recommendations were assigned owners, actions and dates for closure. Implementation of the recommendations were monitored by Westpac's Group Executive Risk Committee and the Board Risk and Compliance Committee.