



Inquiry into the regulation of auditing in Australia – Questions on Notice from Senator Whish-Wilson: PricewaterhouseCoopers

Money laundering: The terms of reference for this inquiry include “the role and effectiveness of audit in detecting and reporting fraud and misconduct”:

1. Are PwC auditors instructed to detect and report instances of suspected money laundering for undertaking audits?
2. Does PwC support changes to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to include accountants, including a “partnership or company that carries on a business of using qualified accountants to supply professional accountancy services”, as a designated service?

PwC Response:

1. The framework for a statutory audit is governed by the Corporations Act including compliance with Auditing Standards. Additional audit services may be provided, as required, in relation to compliance with the Banking Act and Prudential Standards.
The AML legislation does not require auditors to report suspected money laundering or suspicious activity of underlying customers in the same way as applies for instance to financial institutions. By virtue of our role as statutory auditor, various obligations apply to us relating to certain breaches of laws and regulations by the audit client.
2. This question was answered at the public hearing (with reference to page 83 of Hansard).