

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES

Regulation of auditing in Australia

Westpac Banking Corporation

Question:

Senator O'NEILL: Why didn't Westpac invest in the appropriate systems to detect these illegal activities?

Mr Stephen: I think I have to take that question on notice.

Answer:

We need to have systems and controls to prevent our services being exploited, including monitoring and reporting financial transactions, and telling AUSTRAC about any suspicious customers or activity. This is a role we have always taken seriously.

Strengthening systems and controls to monitor and report transactions and suspicious matters is an ongoing effort given the continued sophistication of criminals seeking to exploit the financial system, the changing regulatory environment, expectations of regulators and improvements in technology.

Like many banks around the world, we have been investing to improve our management of financial crime risks including strengthening our policies, data systems, processes and controls.

We've increased the number of financial crime specialists at Westpac over the past three years.

We have also been working with the industry to tackle financial crime. This includes being a founding member of the Fintel Alliance, a private-public partnership established by AUSTRAC that brings together organisations involved in the fight against money laundering, terrorism financing and other serious crimes. In the year ended 30 June 2019, this partnership contributed to the arrests of 108 persons of interest.