

Tool/Application	Status	Simplified Description
AWS Transcribe	In use	Amazon Transcribe is an automatic speech recognition service that uses machine learning models to convert audio to text. You can use Amazon Transcribe as a standalone transcription service or to add speech-to-text capabilities to any application.
Qualtrics	In use	Staff survey platform that suggest sentiment behind survey responses
Oscar	In use	OCR bank statements to excel
Topic Modelling	In use	Algorithm for Reportable Situations
Clustering	In use	Algorithm for Reportable Situations
Anomaly Detection	In use	Algorithm for Reportable Situations
Collibra DQ	In use	Data Quality Engine
LOAD Metadata Extraction Tool	In use	Legal Opinion & Advice Database uses ML to extract legislative reference information
ASX200 Corporate Financial Vulnerability Report (C-Five)	In use	Utilizes advanced ML techniques to analyse fundamental and market pricing data for ASX200 listed companies.
Investment scam and phishing website takedown service	In use	<p>Disruption & Takedown:</p> <ul style="list-style-type: none"> •Large Language Models (LLMs) •Natural Language Processing: Used to submit takedowns to providers.
Databricks	In use	Databricks is a unified, open analytics platform for building, deploying, sharing, and maintaining enterprise-grade data, analytics, and AI solutions at scale. The Databricks Data Intelligence Platform integrates with cloud storage and security in your cloud account, and manages and deploys cloud infrastructure on your behalf.

Tool/Application	Status	Simplified Description
AWS Textract	Under Consideration	Amazon Textract is a machine learning (ML) service that automatically extracts text, handwriting, and data from scanned documents. It goes beyond simple optical character recognition (OCR) to identify, understand, and extract data from forms and tables.
AWS Translate	Under Consideration	Amazon Translate supports real-time document translation of Text, HTML and Docx files. Customers can submit a document from the AWS Console, CLI, or SDK API and receive the translated document in real-time while maintaining the format of the original document.
AWS Comprehend	Under Consideration	A Natural Language Processing service
Human Capital Management System (Actual application yet to be determined)	Under Consideration	Proposed new HR SaaS solution that uses ML and LLM The Reportable Situations ML model is a ML model under consideration to work in tandem with the existing Reportable Situations rule-based system in order to increase the efficiency and effectiveness of referring matters for teams to action, the intention is that it may serve as an additional layer of generating potential referrals to be triaged.
Reportable Situations ML Model	Under Consideration	
Lessons Learned Live Learning	Under Consideration	Live Learning uses natural language processing (NLP) to analyse unstructured data
AWS Bedrock	Under Consideration	Amazon Bedrock is a fully managed service that offers a choice of high-performing foundation models (FMs) from leading AI companies like AI21 Labs, Anthropic, Cohere, Meta, Mistral AI, Stability AI, and Amazon through a single API, along with a broad set of capabilities you need to build generative AI applications with security, privacy, and responsible AI. Using Amazon Bedrock, you can easily experiment with and evaluate top FMs for your use case, privately customize them with your data using techniques such as fine-tuning and Retrieval Augmented Generation (RAG), and build agents that execute tasks using your enterprise systems and data sources. Since Amazon Bedrock is serverless, you don't have to manage any infrastructure, and you can securely integrate and deploy generative AI capabilities into your applications using the AWS services you are already familiar with.

AWS Sagemaker

Amazon SageMaker is a fully managed service that brings together a broad set of tools to enable high-performance, low-cost machine learning (ML) for any use case. With SageMaker, you can build, train and deploy ML models at scale using tools like notebooks, debuggers, profilers, pipelines, MLOps, and more – all in one integrated development environment (IDE). SageMaker supports governance requirements with simplified access control and transparency over your ML projects. In addition, you can build your own FMs, large models that were trained on massive datasets, with purpose-built tools to fine-tune, experiment, retrain, and deploy FMs. SageMaker offers access to hundreds of pretrained models, including publicly available FMs, that you can deploy with just a few clicks.

Under Consideration

Tool/Application	Status	Simplified Description
Microsoft Copilot	Undergoing Testing	Microsoft Copilot for Microsoft 365 is an AI-powered productivity tool that coordinates large language models (LLMs), content in Microsoft Graph, and the Microsoft 365 productivity apps that you use every day, such as Word, Excel, PowerPoint, Outlook, Teams, and others. This integration provides real-time intelligent assistance, enabling users to enhance their creativity, productivity, and skills.
DHI-AI	Undergoing Testing	ML/AI application to monitor ASX announcements. ASIC-RegTech initiative
Records365 system Classification Intelligence Machine Learning module	Undergoing Testing	Module in our records management system designed to process a wide range of file types to perform analysis, extract insights, and enable the retention classification of documents at scale to support compliance with the Archives Act 1983
Library subscriptions - AI modules	Undergoing Testing	AI discovery modules to support access to legal and financial information.

PJC inquiry – submission from The Australia Institute

Overall Summary

The Australia Institute, an independent research organisation, highlights the negative impact of consultants on the public service in their submission. They argue that consultants are driven by the need to minimise costs and avoid disruption, leading to a culture of "satisficing" and poor-quality work. The Australia Institute's experience with economic consultants is included as a supplementary submission, emphasising the importance of restoring public sector capabilities to address these issues.

The submission recommends two ways to improve government decision-making:

1. Implement a standing order for the production of consultant reports to increase transparency and accountability.
2. Consider calling consulting firms before Senate Estimates to defend their advice and decision-making, similar to public servants.

The Australia Institute's recommendations aim to address the corrosive effects of consultancies and ensure that the government can make informed decisions that serve the public interest.

References to ASIC

The Australian Securities and Investments Commission (ASIC) is not directly involved in addressing the issues related to the over-reliance on consulting firms in the public service, particularly in NSW, and the potential for conflicts of interest and poor decision-making as a result. The Australia Institute's report highlights the need for greater transparency and accountability in the use of consulting firms, and provides recommendations for improving government decision-making, such as publishing consultants' advice and banning certain firms from receiving government contracts.

While ASIC is not explicitly mentioned in the context, the report emphasises the importance of professional accountability and ethics in the audit, assurance, and consultancy industry, which aligns with ASIC's role in promoting ethical business practices and protecting investors and consumers.

Recommendations on how conflicts of interest should be regulated

The Australia Institute has proposed several solutions to address conflicts of interest in the audit, assurance, and consultancy industry. These include promoting transparency and accountability, strengthening ethical standards, and improving governance structures.

Additionally, the Institute suggests separating audit and consultancy services, establishing an independent body to oversee the industry, and increasing transparency in tendering processes. The Institute also recommends that public money should be used to employ public servants rather than being outsourced to consultancies. Furthermore, the Institute suggests that the government should stop relying on consultants for advice and instead, develop in-house capabilities to guide decision-making. This will help to restore public sector capability, reduce conflicts of interest, and improve the quality of consulting services.

One of the main concerns is that consultants may recommend novel and sweeping changes to justify their fees, but these changes can be disruptive and offer no substantial improvement in performance. Unlike senior public servants, consultants do not have to implement the changes they recommend, which can lead to poor decision-making.

To address this issue, the Australia Institute recommends that the Senate issue a standing order for the production of consultant reports and consider whether consulting firms could be called before Senate Estimates when they have taken government work. This will help to

increase transparency and accountability in the industry and ensure that decisions are made in the best interest of the public.

By implementing these solutions, the government can ensure that public money is used effectively and that decisions are made in the best interest of the public. For instance, the recommendation to move the quasi-independent Defence Materiel Organisation back into the Department of Defence is an example of a costly and disruptive change that may not offer any substantial improvement in performance. By improving governance structures and promoting transparency and accountability, the government can avoid such unnecessary changes and ensure that public money is used effectively.

References to more regulation of auditors/consultants

There have been increasing calls for more regulation of auditors and consultants due to concerns about their incentives and behaviour. For instance, former APS Commissioner noted that consultants may say what they think is wanted to get the next job, rather than providing objective advice. Additionally, consulting firms may minimise costs and recommend novel and sweeping changes to justify their fees, without considering the disruption caused by their recommendations.

There have also been allegations of corners being cut and profits being prioritised over the quality of work. These concerns have led to calls for greater accountability and transparency in the industry, including a standing order for the production of consultant reports and the ability for consulting firms to be called before Senate Estimates. It is also suggested that consulting firms could be called before Senate Estimates when they have taken government work, similar to public servants who are required to appear before Senate Estimates to explain and defend their advice and decision-making. This would ensure that consultants are held accountable for their work and that the quality of their advice is maintained.

Moreover, the Australian Government's over-reliance on consultants has led to a hollowing out of the capabilities and skills of the public service. Consultancies often undermine public sector capability by taking public money that could employ public servants, and tendering processes are often inflexible and depend on in-house knowledge. This has resulted in consultancies becoming entrenched and taking over work that could be done in-house, leading to poor government decision-making.

To address these issues, it is recommended that the government restore public sector capability by investing in developing skills and knowledge in-house and reducing reliance on consultants. Additionally, improving government decision-making requires addressing undue deference, conflicts of interest, and the misalignment of objectives and incentives in the consulting industry.

The Australian Government's reliance on consultants has also led to a vicious cycle where public servants are less able to develop skills and knowledge, leading to further dependence on external consultants. This, in turn, results in poor government decision-making as consultants may provide flawed analysis or tell the government what it wants to hear.

Furthermore, consulting firms can lock departments and agencies into proprietary or otherwise arcane systems and processes, making it difficult to replace them. The heavy discount that consulting firms are prepared to give on the initial tranche of work is evidence of how much is gained through incumbency. Consultancies take large and growing amounts of public money, but provide uncertain benefits. Money spent on consultancies could hire thousands more public servants. To address these issues, it is recommended that the government invest in developing skills and knowledge in-house, reduce reliance on consultants, and improve government decision-making by addressing undue deference,

conflicts of interest, and the misalignment of objectives and incentives in the consulting industry.

PJC inquiry – submission from Dr Kelli Larson

Overall Summary

Dr. Kelli Larson, a law professor at Curtin Law School, highlights the need for stronger governance practices in the audit, assurance, and consultancy industries to maintain confidence and integrity in corporate Australia. She suggests several measures to address structural, ethical, and professional challenges, including requiring consultants to disclose information when working with the government and mandating transparent governance practices for partnership structures in the big four consultancies, with enforcement sanctions for non-compliance.

Additionally, she recommends increasing the minimum period before an audit engagement team member can become an officer in the audited firm from two to five years to safeguard against self-interest, familiarity, and lack of auditor independence. Larson also emphasises the importance of directors' duties under the Corporations Act 2001 (Cth) and the need for business leaders to have a strong moral compass to manage conflicts of interest.

Furthermore, she suggests a statutory ban with a minimum time interval restriction of at least five years to limit the revolving door between government workers and consultants moving between public and private work where potential conflicts of interests may arise. This would help to address the concern of conflict-of-interest situations and the risk of corruption. Larson's recommendations aim to promote transparency, accountability, and ethical standards in the audit, assurance, and consultancy industries, ultimately enhancing the integrity of corporate Australia.

References to ASIC

The document mentions ASIC in the context of the PwC tax leak scandal. The scandal involved PwC Australia using confidential government information to secure new clients and help current clients sidestep tax laws while at the same time advising the then-government on the design of those tax laws. The submission does not provide further information about ASIC's role or involvement in the scandal.

It is worth mentioning that PwC Australia operates as a partnership, which is a business structure where two or more people enter into a relationship in order to carry on a business with a view to making a profit. Unlike a company, a partnership is not a separate legal entity, and depending on the type of partnership (general, limited, or incorporated) partners may have unlimited or limited liability for the debts of the partnership. Generally, partnerships are regulated at the state level and are not subject to the Corporations Act 2001 (Cth) (exception: section 115 of the Corporations Act 2001 (Cth)). This means that partnerships are not subject to the same transparency requirements and public scrutiny as corporations.

The submission also mentions the use of consultancies in the government, including PwC, and the need for greater parliamentary scrutiny and transparency of the industry overall and its relationship to the government. The submission notes that the government outsourcing the core of public work to consultants must be reduced.

In summary, the document mentions ASIC in the context of the PwC tax leak scandal and highlights the need for greater transparency in the use of consultancies in the government, including partnerships like PwC Australia.

Recommendations on how conflicts of interest should be regulated

To address conflicts of interest in the audit industry, several measures can be implemented. Firstly, mandate stronger, transparent, and mandatory governance practices for partnership structures, and enforce real consequences for non-compliance. Secondly, require

consultants to publicly disclose information and answer questions about government contracts when called before parliamentary and other inquiries.

Additionally, increase the cooling-off period for government members and consultants to at least five years to limit the revolving door between public and private work. Furthermore, business leaders must have a strong moral compass and be prepared to call out potential conflicts of interest for themselves and others. Breaching these duties can lead to serious civil penalties being applied to directors. Lastly, transparency and accountability must be at the forefront of the required changes in the industry, and consultancies should be required to publicly disclose information to the public when working with the government.

References to more regulation of auditors/consultants

Calls for more regulation of auditors/consultants include recommendations for mandatory disclosure obligations and stronger, transparent, and mandatory governance practices for partnership structures, with enforcement sanctions that have real consequences for the big four consultancies. Dr. Kelli Larson suggests that consultants should be required to answer questions about government contracts when called before parliamentary and other inquiries, and consultancies should publicly disclose information when working with the government.

This is particularly relevant for big four consultancies operating on a partnership model, which are not subject to the same transparency requirements and public scrutiny as corporations, and are not required to submit yearly audited financial statements and reports. The lack of transparency and governance raises questions about who checks the auditors and what assurances does the public have of any governance principles being in place, especially when such consultancies are working with the government.

Moreover, there is a need for a new federal corporate governance framework to be established and applied to partnerships as a firm structure. Partnerships should also be required to complete yearly independent annual audits of financial information and lodge those documents on a register with the Australian Securities and Investments Commission (ASIC). The function of an auditor is to conduct a review and verify the financial affairs of a company and to ascertain whether the financial report provided by the company complies with relevant legal requirements and accounting principles. However, auditors' reporting may only be as good (or bad) as management or the board of directors allows it to be, and there have been past examples of auditors simply doing what they are told by management. Therefore, it is crucial to have stronger governance practices and transparency in the audit, assurance, and consultancy industry to ensure market integrity and public trust.

Under Section 301 of the Corporations Act 2001 (Cth), companies are required to have their financial report audited and to obtain an auditor's report. The Australian Securities Exchange (ASX) Corporate Governance Principles and Recommendations (4th edition, 2019) also recommend that a board of a listed entity should have an audit committee and appropriate processes to verify the integrity of its corporate reports. Audit committees assist board of directors to fulfil their corporate governance and oversight responsibilities by inspecting and raising any audit quality concerns. However, companies must have appropriate processes and records to support what is stated in their end of year financial report, rather than relying on the (independent) auditor.

In summary, there is a need for more regulation of auditors/consultants, including mandatory disclosure obligations, stronger governance practices, and transparency in the audit, assurance, and consultancy industry to ensure market integrity and public trust. The big four consultancies, in particular, should be subject to the same transparency requirements and public scrutiny as corporations, and be required to submit yearly audited financial

statements and reports. A new federal corporate governance framework should be established and applied to partnerships as a firm structure, and partnerships should be required to complete yearly independent annual audits of financial information and lodge those documents on a register with ASIC.

PJC inquiry – submission from KPMG

Overall Summary

The KPMG submission highlights the need for increased transparency and clarity in reporting in the audit, assurance, and consultancy industry, particularly for small and medium enterprises working as part of a consortium. The report supports the development of the Australian Public Service (APS) Strategic Commissioning Framework and recommends enhancing transparency in AusTender by providing information on all bidders, unique identifiers, and links to associated contract extensions and completion or termination information.

Additionally, the report suggests revising the current categories or definitions under which services of consultants and contractors are gazetted to provide more meaningful data. KPMG also emphasises the importance of ethical conduct and has implemented an ethical decision-making framework to provide its people with a standardised approach to making ethical decisions. The framework includes recognising ethical issues, identifying options to resolve them, and grappling with options informed by ethical commitments.

Overall, the report advocates for measures to increase transparency and ethical conduct in the industry, which aligns with KPMG's commitment to ethical culture and professional accountability.

References to ASIC

KPMG supports ASIC's role in regulating auditing firms and believes that the current mechanisms in place, such as restrictions on non-audit work and operational separation, help to maintain audit independence. However, KPMG also acknowledges that there may be room for improvement in terms of transparency and clarity relating to auditor independence, and looks forward to working with Treasury on its examination of the regulation of consulting, accounting, and auditing firms.

Recommendations on how conflicts of interest should be regulated

To address conflicts of interest in the audit business, KPMG has implemented several measures. Firstly, the company has established a Chief Purpose Officer (CPO) role, which focuses on navigating, challenging, and enabling ethical decision-making. The CPO sits on the Commercial Conflicts Resolution Committee (CCRC) and plays a critical role in ensuring that the organisation's purpose and values are upheld.

Secondly, KPMG has introduced an "Integrity Charter" that outlines the organisation's commitment to ethical behaviour, transparency, and conflict management. The Charter could be adopted alongside the proposed supplier code of conduct and enforced through changes to the Commonwealth Procurement Rules or by a professional association.

Thirdly, the CCRC reviews and maintains oversight of commercial conflicts, including proposed engagements, communications, or expressions of thought leadership that may impact relationships with clients. If a potential conflict of interest cannot be resolved or appropriately managed, KPMG declines the engagement or prospective client.

These measures aim to ensure that KPMG's audit business operates independently and in the best interests of its clients, while maintaining public trust and confidence in the audit profession.

References to more regulation of auditors/consultants

KPMG Australia's submission to the Inquiry into structural challenges in the audit, assurance, and consultancy industry highlights the need for increased transparency and regulation in the industry. The submission suggests that measures targeted at tax adviser misconduct, such

as codifying the voluntary code into legislation, could be implemented to strengthen the Tax Advisory Firm Governance and Best Practice Principles.

Additionally, the submission notes that non-U.S. registered firms are subject to PCAOB inspections in the same manner as U.S. registered firms, and that the Canadian Public Accountability Board (CPAB) oversees public accounting firms that audit Canadian reporting issuers. KPMG Australia recognises the specific responsibilities that come with working with government on confidential matters and maintains a focus on integrity.

The report also references the UK Government's Consultancy Playbook, which provides guidance on how to commission and engage with consultants more effectively. KPMG has established a single point of contact for all government consultations, with clear guidelines for interacting with government on policy consultations, and requires partners and risk management approval for relevant outside government advisory and appointed roles. These processes aim to ensure potential conflicts of interest are identified and appropriately managed when working with government on confidential consultations.

PJC inquiry – submission from Australian Taxation Office

Overall Summary

The submission discusses the Principles for Tax Transparency and Compliance, which are voluntary principles for tax advisors to follow. The Principles include having a documented system of quality management, identifying and governing higher-risk engagements, basing tax advice on a comprehensive review of facts and assumptions, and having consequences in place for partners that fail to adhere to the Principles.

The submission also mentions the ATO's legal professional privilege protocol and the challenges the ATO faces in enforcing it, such as false or misleading LPP claims and contrived arrangements or relationships that purport to attract LPP for the purpose of improperly concealing communications from the ATO. The ATO has been involved in three key LPP cases in the Courts in recent times, including Glencore, CUB Australia, and PwC & Ors. The ATO encourages taxpayers to seek quality professional advice to assist with meeting their tax obligations while recognising LPP as a fundamental common law right and supporting taxpayers making LPP claims where the communications are privileged.

However, the ATO is concerned about excessive LPP claims and blanket claims without the necessary review process to validate the claim. The ATO has published the Legal Professional Privilege Protocol to support taxpayers and their advisers when making LPP claims.

Additionally, the ATO engages regularly with the Accounting Professional Ethical Standards Board (APESB) to understand and contribute to the development of ethical standards, such as providing feedback on proposals made to revise the APESB's Code of Ethics and contributing to the APESB's recent submission to the International Ethics Standards Board for Accountants in relation to a project to address tax planning and related services in the IESBA's Code of Ethics.

References to ASIC

The ATO and ASIC collaborate on various areas governed by Memoranda of Understandings (MOUs). They meet twice a year through the ASIC/ATO Liaison Forum, which is co-chaired by the Deputy Commissioner of Fraud and Criminal Behaviours and an equivalent ASIC senior officer. The forum reviews progress against strategic opportunities for cooperation between the ATO and ASIC, including operational matters being progressed against joint priorities such as enhancing cross-agency strategies to tackle illegal phoenix activity and conduct in respect of self-managed superannuation funds.

ASIC is also a member of the Serious Financial Crime Taskforce (SFCT), an ATO-led joint-agency taskforce that focuses on investigations of cybercrime affecting the tax and superannuation systems, offshore tax evasion, illegal phoenix activity, and crime against the Commonwealth's Coronavirus Economic Response Package. The ATO and ASIC collaborate on cases related to illegal phoenix activity, with the aim of disrupting the business model and removing the ability of individuals who promote or engage in such activities to operate.

The ATO engages regularly with the Accounting Professional Ethical Standards Board (APESB) to understand and contribute to the development of ethical standards, such as providing feedback on proposals made to revise the APESB's Code of Ethics and requirements relating to the provision of non-assurance services. The ATO also contributed to the APESB's recent submission to the International Ethics Standards Board for Accountants in relation to a project to address tax planning and related services in the IESBA's Code. The ATO's collaboration with APESB and IESBA aims to address public interest concerns about tax avoidance and the role played by consultants, including professional tax advisers, following events such as the Paradise and Pandora Papers.

Recommendations on how conflicts of interest should be regulated

The ATO has expressed concerns about the misuse of legal professional privilege (LPP) by taxpayers and advisers, which can frustrate investigations. To address this issue, the ATO has implemented measures such as the Large Market Tax Adviser Principles to promote ethical standards and transparency in the tax advisory industry.

Additionally, the ATO has published the Legal Professional Privilege Protocol to support taxpayers and their advisers when making LPP claims. The protocol provides guidance on how to make legitimate LPP claims and how to avoid making excessive or false claims. The ATO encourages taxpayers to seek quality professional advice and has been involved in court cases to address misuse of LPP, such as *Glencore*, *CUB Australia*, and *PwC & Ors*. The court cases have upheld the Commissioner's power to use information gathering powers to assess LPP claims and have provided guidance on how to assess the validity of LPP claims.

Furthermore, the ATO has also highlighted the importance of governance laws and standards within professional service firms, and has taken steps to enforce these standards, such as the Large Market Tax Adviser Principles. The ATO recognises the important role intermediaries play in the tax and superannuation system and encourages taxpayers to seek quality professional advice. The ATO's ability to enforce governance laws and standards within professional service firms is limited, as regulation of tax intermediaries is spread across different bodies, such as the Tax Practitioners Board (TPB) and professional associations like Chartered Accountants Australia & New Zealand, CPA Australia, and the Institute of Public Accountants.

However, the ATO continues to play an active role in promoting ethical standards and transparency in the tax advisory industry.

References to more regulation of auditors/consultants

The ATO has been working to improve the regulatory framework to prevent the misuse of legal professional privilege (LPP) and ensure that taxpayers and advisers comply with tax laws. The ATO has encountered challenges in regulating auditors and consultants due to the misuse of LPP, with taxpayers and advisers making blanket claims for LPP and contrived arrangements to conceal communications from the ATO.

The ATO has been involved in several court cases, including *Glencore*, *CUB Australia*, and *PwC & Ors*, to address these issues. The Full Federal Court has upheld the Commissioner's power to obtain particulars of LPP claims to assess whether to accept or contest the claims. The ATO has also published the Legal Professional Privilege Protocol to support taxpayers and their advisers when making LPP claims.

Additionally, the ATO collaborates with ASIC and the Accounting Professional Ethical Standards Board (APESB) to set ethical standards and monitor compliance. The ATO engages regularly with the APESB to understand and contribute to the development of ethical standards, such as the revised Code of Ethics (APES 110) and requirements relating to the provision of non-assurance services, like tax services, that audit firms can provide to audit clients.

The ATO has also contributed to the APESB's recent submission to the International Ethics Standards Board for Accountants (IESBA) in relation to a project to address tax planning and related services in the IESBA's Code of Ethics. This project is designed to address public interest concerns about tax avoidance and the role played by consultants, including professional tax advisers, following events such as the *Paradise* and *Pandora Papers*. Once finalised, the APESB will need to consider whether the revised standards are adopted in Australia. The ATO's efforts aim to ensure that auditors and consultants operate within the

bounds of ethical standards and regulations, ultimately protecting the public interest and maintaining trust in the tax system.

PJC inquiry – submission from The Institute of Public Accountants

Overall Summary

The Institute of Public Accountants (IPA) has highlighted several challenges faced by Small and Medium-sized Enterprises (SMEs) in competing for government contracts. These challenges include complex tender and panel requirements that can be a barrier to entry for SMEs. The IPA suggests that the government should address this issue through its procurement decisions and ensure that procurement processes do not structurally favour large firms that have well-resourced marketing departments. Additionally, the public sector should assess potential conflicts of interest between entities providing government services and their corporate clients.

The IPA also emphasises the importance of considering the productivity impacts of increased costs, not just direct costs borne by the government. To address this issue, the IPA suggests restricting firms from providing audit services to non-audit clients, and vice versa, to avoid a perception that commercial pressure from non-auditing revenue might impact the provision of auditing services, without depriving each service of the benefits of co-location in the one firm.

Furthermore, the IPA suggests introducing alternative compensation schemes, appropriate training, and better monitoring and enforcement systems for auditors and the financial reporting system. The IPA also recommends the government to facilitate the process by assisting in building a suitable electronic lodgement system for the regulator that provides a quick translation of financial information into a proper database.

The IPA also highlights the need to improve audit quality and suggests introducing a requirement within the Corporations Act 2001 (Corporations Act) that requires auditors to be responsible for reporting on the internal control systems of firms as required in the US under SOX404. Additionally, the IPA suggests that the Australian Securities and Investments Commission (ASIC) should introduce a "rating" system of auditors.

The IPA believes that improvements to audit quality would obviate the need to consider imposing statutory restrictions on firm structures. The IPA also suggests that large professional firms could be subject to clearer and more comprehensive governance standards, such as those which apply in respect of ASX listed companies (modified as necessary to reflect the absence of a need to protect shareholders and capital markets). It would also be possible to mandate requirements for disclosure of partner remuneration and reports of serious misconduct.

Overall, the IPA's submission emphasises the need for the government to address the structural challenges in the audit, assurance, and consultancy industry, and to ensure that procurement processes are fair and transparent, and that auditors are able to operate with integrity and quality.

References to ASIC

ASIC is mentioned as an external regulator that may receive complaints about IPA members and as a body that has governance requirements for professional accountants' ongoing membership or statutory registration. Additionally, ASIC is constrained by legislation from sharing investigation findings with IPA, and IPA must rely on self-disclosure or a complaint from the public. There is a proposed reform to improve information sharing between bodies that consider a professional accountant's conduct, which could improve the effectiveness of the overall framework and build community trust. Furthermore, ASIC's oversight of auditors, who are frequently included as defendants in legal proceedings, adds an extra layer of pressure on firms to maintain high audit quality and adhere to professional standards.

The IPA suggests that restricting firms from providing audit services to non-audit clients (and vice versa) would avoid a perception that commercial pressure from non-auditing revenue might impact the provision of auditing services, without depriving each service of the benefits of co-location in the one firm. The IPA also highlights the need for alternative compensation schemes, appropriate training, better monitoring and enforcement by ASIC, a requirement for auditors to report on internal control systems, and a rating system for auditors to improve audit quality and professional accountability. The IPA believes that focusing on reforms that require greater transparency from professional services firms is a better approach to improving probity standards than separating audit and non-audit functions.

The IPA suggests that large professional firms could be subject to clearer and more comprehensive governance standards, such as those which apply in respect of ASX listed companies, modified as necessary to reflect the absence of a need to protect shareholders and capital markets. It would also be possible to mandate requirements for disclosure of partner remuneration and reports of serious misconduct. In IPA's view, this focus on individual responsibility would facilitate improved probity standards without prejudicing participants.

In summary, the IPA suggests that improving probity standards within professional services firms can be achieved by implementing reforms that require greater transparency, introducing clearer and more comprehensive governance standards, and mandating requirements for disclosure of partner remuneration and reports of serious misconduct. Additionally, the IPA proposes a rating system for auditors to improve audit quality and professional accountability.

[Recommendations on how conflicts of interest should be regulated](#)

The Institute of Public Accountants (IPA) has proposed a solution to address conflicts of interest in corporate entities with audit businesses, focusing on enhancing audit quality and governance standards rather than separating audit and non-audit functions. The IPA believes that requiring the separation of audit and non-audit functions would have a significant impact on the profession and is not necessary to address the egregious behaviour of some individuals. Instead, the IPA suggests introducing alternative compensation schemes, providing appropriate training, and implementing a better monitoring and enforcement system by the Australian Securities and Investments Commission (ASIC).

Additionally, the IPA recommends requiring auditors to report on internal control systems and implementing a "rating" system for auditors. The goal is to enhance probity standards within professional services firms through greater transparency, rather than structural changes. The IPA acknowledges the pressure on auditors to ensure their work is completed diligently and with integrity, particularly in light of the increasing prevalence of shareholder and investor class actions. The IPA believes that improving audit quality and governance standards is essential to maintaining public trust and confidence in the industry, and supports considering reforms that can be implemented holistically, avoiding disproportionate and duplicative regulatory burdens while considering the cumulative burden.

[References to more regulation of auditors/consultants](#)

The Institute of Public Accountants (IPA) has called for more regulation of auditors/consultants to ensure their work is completed with integrity and diligence, especially in light of increasing shareholder and investor class actions. They believe that restricting firms from providing audit services to non-audit clients (and vice versa) would help avoid conflicts of interest.

Additionally, the IPA suggests introducing alternative compensation schemes, improving ethics and professional accountability, and implementing a rating system for auditors. They also recommend greater transparency from professional services firms and clearer governance standards, such as those applied to ASX listed companies. These reforms aim to

maintain the benefits of co-location while addressing concerns about conflict of interest, ultimately ensuring the quality of audits and maintaining public trust in the industry.

The IPA has made this call in response to recent failings within the accounting profession and consulting industry, and believes that sensible reform can improve accountability across these sectors. They also suggest considering the outcomes and recommendations from other relevant reviews and inquiries, and implementing reforms that can be implemented as a package across the short, medium, and long term, while avoiding disproportionate and duplicative regulatory burden.

The IPA acknowledges that while there are efficiency gains from co-location, there are also potential conflicts of interest that need to be addressed. They argue that requiring the separation of audit and non-audit functions would have a major impact on the profession and may not be necessary to address the isolated behaviour of some individuals. Instead, they suggest focusing on improving ethics and professional accountability, and implementing a rating system for auditors to ensure their work is completed diligently and with integrity, especially given the increasing prevalence of shareholder and investor class actions.

Response
<p>The query asks if the Australian Securities and Investment Commission is mentioned. With the additional context provided, the answer is still no, as the Australian Securities and Investment Commission is not explicitly mentioned.</p> <p>However, the additional context highlights the importance of the regulatory framework for financial service professionals in Australia and the need for effective regulation to ensure high standards of conduct and integrity in the industry. The context mentions the role of the Big 4 accountancy firms in providing a public good – financial probity – and the need for governments and regulatory bodies to rethink and reset their relationships with these firms to restore their role as providers of this public good.</p> <p>The context also emphasizes the need for regulations to separate firms providing auditing services from those offering any forms of financial advice, in order to ensure the meaningful provision of assurance and financial integrity. This recommendation is related to the broader topic of financial regulation and highlights the importance of effective regulation in maintaining public trust and confidence in the financial services industry.</p> <p>While the Australian Securities and Investment Commission is not explicitly mentioned in the context, it is an important regulator in the financial services industry in Australia, responsible for regulating the financial services industry, including licensing and supervising financial services providers, enforcing financial services laws, and protecting consumers of financial services. The Commission's role and responsibilities are related to the broader topic of financial regulation and are relevant to the recommendations made in the context for improving the regulatory framework for financial service professionals.</p> <p>In summary, while the Australian Securities and Investment Commission is not explicitly mentioned in the context, the context highlights the importance of effective regulation in maintaining public trust and confidence in the financial services industry, and the Commission's role and responsibilities are related to this broader topic. The answer to the query remains no, as the Australian Securities and Investment Commission is not explicitly mentioned in the context.</p>
<p>The original query asked if the Australian Securities and Investment Commission was mentioned in the provided context. The answer is yes, as the context mentions the Australian Securities and Investment Commission as one of the regulators involved in overseeing financial services practitioners in Australia.</p> <p>The new context provided does not add any new information regarding the Australian Securities and Investment Commission. However, it does highlight some additional concerns and conflicts of interest with other major consulting firms, such as Accenture and McKinsey, and smaller firms in specific sectors. These firms have significant government contracts, advise government on policy and reform, and supply analysis while also providing consultancy and services to private operators that the government attempts to regulate.</p> <p>The new context also mentions the opacity of the Big 4's operations, their centralized management structures, and their definition of themselves as networks of independent entities that are legally unrelated to each other.</p> <p>Therefore, the refined answer remains the same as the original answer, with the addition of new information about other consulting firms and their conflicts of interest.</p> <p>The answer is yes, the Australian Securities and Investment Commission is mentioned in the context, and the context also discusses the potential for a single overarching regulatory framework for all financial service professionals, the need for regulatory changes to restore the role of the Big 4 firms as providers of the public good, and the conflicts of interest and opacity of the Big 4's operations.</p>

<p>Page 11: ASIC is mentioned in the context of KPMG's report on SARS, which was criticized for its methodology and conclusions. Page 12: ASIC is mentioned again in relation to KPMG's withdrawal of its report findings on SARS. Page 15: ASIC is mentioned in the context of KPMG's role in the global tax avoidance structure. Page 19: ASIC is mentioned in relation to Accenture's Australian government contracts, which raises questions about the quality of advice or services delivered by Accenture, as well as its aggressive tax avoidance practices, as highlighted by previous research by CICTAR and others.</p> <p>The document highlights the need for reform of the regulatory system governing financial services practitioners in Australia, which is currently a patchwork of overlapping and regulatory gaps. This is particularly relevant in the context of Accenture's extensive government contracts and its role in promoting aggressive tax avoidance practices. The submission suggests that a single overarching regulatory framework, similar to the Australian Health Practitioner Regulation Agency, would be desirable to ensure that all financial service professionals are held to the same standards of ethics and professional accountability.</p> <p>The document also mentions the role of the Big 4 firms, including Accenture, in promoting a two-tiered global tax system that enables massive levels of cross-border abuse, projected to cost the world a staggering US \$4.7 trillion over the next ten years. This raises further questions about the role of these firms in shaping tax policies and regulations that benefit their clients at the expense of the public interest.</p> <p>Overall, the document highlights the need for greater scrutiny and oversight of the financial services industry, including the role of firms like Accenture in promoting tax avoidance and regulatory arbitrage. The submission emphasizes the importance of ensuring that financial service professionals are held to high ethical standards and that their advice and services align with the public interest. The document also recommends separating firms providing auditing services from those offering any forms of financial advice to restore their role as providers of the public good they were originally set up for – assurance and financial integrity.</p>		
<p>There are multiple mentions of ASIC (Australian Securities and Investments Commission) in the provided context. The first mention is on page 28, where it is listed as one of the regulators involved in overseeing auditors, consultants, and tax advisers in Australia. The context suggests that there are regulatory gaps and overlaps in the current system, and the authors are advocating for reforms to limit conflicts of interest in both the private and public sectors.</p> <p>Another mention of ASIC is on the same page, where it is suggested that the regulatory system for financial services professionals should be reformed to cover all professionals under the one overarching regulatory framework, similar to the Australian Health Practitioner Regulation Agency.</p> <p>The page numbers for the mentions of ASIC are 28.</p> <p>The original answer is as follows: Provide a summary of mentions to ASIC (Australian Securities and Investments Commission) with page numbers and brief context</p> <p>There is a mention of ASIC (Australian Securities and Investments Commission) in the provided context. The mention is on page 28, where it is listed as one of the regulators involved in overseeing auditors, consultants, and tax advisers in Australia. The context suggests that there are regulatory gaps and overlaps in the current system, and the authors are advocating for reforms to limit conflicts of interest in both the private and public sectors.</p> <p>The page number for the mention of ASIC is 28.</p> <p>The new context provides additional information about the need for regulatory changes to restore the role of the Big 4 accountancy firms as providers of the public good they were originally set up for – assurance and financial integrity. The authors suggest separating firms providing auditing services from those offering any forms of financial advice, and effectively and definitively ring-fencing auditing from other functions.</p> <p>In this context, the mentions of ASIC can be seen as part of a broader discussion about the need for regulatory reforms to address conflicts of interest and ensure the efficient regulation of financial service professionals. The authors are advocating for a more comprehensive and independent regulatory framework to promote high standards among professionals involved in the financial services sector.</p> <p>Therefore, the refined answer takes into account the additional context provided and highlights the broader discussion around regulatory reforms and the role of ASIC in overseeing the financial services sector.</p>		

<p>The query asks if the Australian Securities and Investment Commission is mentioned in the provided context. The answer is still yes, as the context mentions the Australian Securities and Investment Commission as one of the regulators involved in overseeing financial services practitioners in Australia. However, the additional context provided highlights the need for regulatory changes to ensure that financial service professionals serve the public interest and promote high standards, which could potentially involve the Australian Securities and Investment Commission in its role as a regulator.</p> <p>The context also emphasizes the need for governments, state structures, and international governance institutions to rethink and reset their relationships with the Big 4 firms and enact regulatory changes to restore their role as providers of the public good they were originally set up for – assurance and financial integrity. One of the recommended regulatory changes is to separate firms providing auditing services from those offering any forms of financial advice, and to effectively and definitively ring-fence auditing from other functions.</p> <p>Furthermore, the context raises concerns about the lack of criminal prosecutions for breaches of confidentiality agreements and the illegal misuse of confidential information, which could imperil Commonwealth Government revenue through tax dodging arrangements marketed by firms like PwC. This highlights the need for stronger regulatory enforcement and accountability mechanisms to ensure that financial service professionals comply with ethical standards and serve the public interest.</p> <p>The additional context provided also highlights the need for greater transparency and accountability in the operations of the Big 4 firms, which are characterized by opacity and a lack of centralized management structures. This lack of transparency and accountability can lead to conflicts of interest and aggressive tax avoidance, which can undermine public trust in the financial services sector and imperil government revenue.</p> <p>Therefore, while the original answer remains valid, the refined answer better captures the broader regulatory context and the need for regulatory changes to ensure that financial service professionals serve the public interest and promote high standards, which could potentially involve the Australian Securities and Investment Commission in its role as a regulator. The refined answer also highlights the need for greater transparency and accountability in the operations of the Big 4 firms, which is a <u>critical aspect of ensuring that they serve the public interest and promote high standards.</u></p>		
<p>The query asks if the Australian Securities and Investment Commission is mentioned in the provided context. The answer is still no, as the context only refers to the Australian Taxation Office and the Tax Practitioners Board, but not the Australian Securities and Investment Commission. The additional context provided does not mention the Australian Securities and Investment Commission either.</p> <p>However, the new context highlights the need for regulatory changes to restore the role of the Big 4 firms as providers of the public good, specifically in terms of assurance and financial integrity. It suggests separating firms providing auditing services from those offering financial advice and ring-fencing auditing services from other functions. This could potentially impact the Australian Securities and Investment Commission's role in regulating the financial industry, but the commission itself is not explicitly mentioned in the context.</p> <p>Therefore, the refined answer remains the same as the original answer: No, the Australian Securities and Investment Commission is not mentioned in the provided context. However, the discussion of regulatory changes and the importance of assurance and financial integrity may have implications for the commission's role in the future.</p> <p>The additional context provided highlights the issue of conflicts of interest in specific sectors, such as aged care, where firms may provide consultancy and services to private operators while also advising government on policy and reform. This raises questions about the role of the Australian Securities and Investment Commission in regulating these firms and ensuring they operate in the public interest.</p> <p>Overall, while the Australian Securities and Investment Commission is not explicitly mentioned in the context, the discussion of regulatory changes and conflicts of interest in the financial industry may have implications for the commission's role in the future.</p>		

<p>The original query asked if the Australian Securities and Investment Commission was mentioned in the provided context. The original answer was no, but with the additional context, it is clear that the commission's role and responsibilities are relevant to the issues highlighted.</p> <p>The new context highlights the need for regulatory changes to restore the role of the Big 4 firms as providers of the public good, specifically in the area of auditing and financial integrity. This aligns with the commission's role in regulating and enforcing laws related to financial reporting and disclosure. Additionally, the Big 4 firms' opacity of their own operations, as mentioned in the additional context, is also relevant to the commission's role in regulating and enforcing laws related to corporate governance and financial reporting.</p> <p>Furthermore, the new context mentions the need for reform of the regulatory system governing financial services practitioners, which includes the Australian Securities and Investments Commission. The commission is one of the regulators involved in overseeing auditors, consultants, and tax advisers, and the patchwork of regulatory systems has resulted in overlaps and gaps.</p> <p>Therefore, while the Australian Securities and Investment Commission is not explicitly mentioned in the original context, the issues raised are relevant to its role and responsibilities. The refined answer is yes, the Australian Securities and Investment Commission is relevant to the context, given its role in regulating and enforcing laws related to financial reporting, disclosure, corporate governance, and its involvement in the reform of the regulatory system governing financial services practitioners.</p>		
<p>The query asks if the Australian Securities and Investment Commission is mentioned in the provided context. The answer is yes, as the context mentions the Australian Securities and Investment Commission as one of the regulators involved in overseeing financial services practitioners in Australia. The additional context provided does not directly mention the Australian Securities and Investment Commission, but it does highlight the role of the Big 4 firms in promoting a globally disharmonized regulatory approach, which may be relevant to the commission's oversight of the financial industry.</p> <p>The context also mentions the need for regulatory changes to address the issue of massive levels of cross-border abuse, which may be relevant to the Australian Securities and Investment Commission's role in regulating financial services practitioners and ensuring compliance with laws and regulations.</p> <p>Therefore, the refined answer is yes, the Australian Securities and Investment Commission is mentioned in the provided context, and the additional context provided may be relevant to the commission's role in regulating the financial industry.</p>		

<p>The query asks if the Australian Securities and Investment Commission is mentioned in the provided context. The answer is yes, as the context mentions the Australian Securities and Investment Commission as one of the regulators involved in overseeing financial services practitioners in Australia, alongside the Australian Taxation Office, the Australian Prudential Regulation Authority, the Australian Financial Complaints Authority, and the Tax Practitioners Board.</p> <p>Furthermore, the context also discusses the potential for a single overarching regulatory framework for all financial service professionals, with the Australian Health Practitioner Regulation Agency cited as an example. The principles for such a regulatory system would include ensuring that the financial service industry serves the public interest, regulation is efficient, and the system promotes high standards among professionals.</p> <p>However, the provided context also highlights the need for governments, state structures, and international governance institutions to rethink and reset their relationships with the Big 4 firms and enact regulatory changes to restore their role as providers of the public good they were originally set up for – assurance and financial integrity.</p> <p>One crucial first step would be regulations to separate firms providing auditing services from those offering any forms of financial advice. The meaningful provision of assurance can only be delivered when this function is entirely separate and independent from all other functions. Being mindful of the organizational challenges involved in breaking up companies that currently house these services under one roof, auditing should, in the interim, be effectively and definitively ring-fenced from other functions.</p> <p>Therefore, the refined answer is yes, the Australian Securities and Investment Commission is mentioned in the provided context, and the context also discusses the potential for a single overarching regulatory framework for all financial service professionals and the need for regulatory changes to restore the role of the Big 4 firms as providers of the public good. The additional context provided does not significantly impact the answer, as it primarily focuses on the role of the Tax Practitioners Board in overseeing financial services practitioners in Australia and the need for criminal prosecutions in cases of breaches of confidentiality agreements. However, it does reinforce the need for stronger regulatory frameworks to ensure the integrity of the financial services industry and protect the public interest.</p> <p>The mention of Accenture and McKinsey and their conflicts of interest in the provided context highlights the need for greater scrutiny and oversight of these firms, particularly in their role as government contractors. The opacity of the Big 4's operations and their centralized management structures also raise questions about their accountability and the need for greater</p>		
<p>The Australian Securities and Investments Commission (ASIC) was mentioned in the context of KPMG's settlement with the Tax Practitioners Board in November, where the firm used information provided by a client to restate its SARS 'spy unit' report findings. The settlement came after the Tax Practitioners Board in November made findings that the firm used information provided by Peter Collins in breach of the confidentiality agreement signed with the Treasury to market tax dodging schemes to PwC clients in 2016 and 2017. It is unclear why the ATO concealed the deal with PwC from the Tax Practitioners Board, only disclosing it to the Senate Committee on Finance and Public Administration References Committee in late July. The failure to prosecute Collins for the breach of the confidentiality agreement and the illegal misuse of confidential information imperiled Commonwealth Government revenue through the tax dodging arrangements then marketed by PwC, raising questions about regulatory capture by large consultancy firms. Additionally, the Big 4 accountancy firms, including KPMG, have been criticized for their extensive government contracts and potential conflicts of interest, as well as their role in financial probity and the need for regulatory changes to restore their role as providers of the public good.</p> <p>In light of the clear conflict of interest in Big 4 accountancy firms evaluating and contributing to the design of public policy, the Commonwealth Government should abandon the practice of relying on such firms to assess or legitimise policy or legislative proposals. Where these firms are employed to provide services to the Commonwealth Government or government agencies, their primary concern - the financial interests of their corporate clients - should be explicitly recognised and appropriately considered. The Committee should recommend that the Commonwealth Government move towards reform of the regulatory framework for financial service professionals to have the one overarching Commonwealth Government regulatory body.</p> <p>Furthermore, accountancy and financial services firms with significant international operations should be required to adhere to the highest standards of transparency themselves, including through consistent public country-by-country reporting on all their operations, including profits, costs (including taxes paid), assets held and staff employed in all jurisdictions where they have a presence.</p> <p>The Committee should recommend legislative changes to ensure that the Australian Taxation Office is left with no doubt that it can actively assist other law enforcement agencies and regulators when investigating illegal activities by auditors, consultants and tax advisers where the illegal activity does not relate to issues related to the auditor, consultant or tax adviser being a taxpayer. For example, where a tax adviser engages in a fraud the Australian Taxation Office should not be able to hide behind a claim that it needs to maintain secrecy over the affairs of the tax adviser to frustrate the investigation of the tax adviser.</p>		

<p>Regulating conflicts of interest in the audit industry is essential to ensure the integrity of financial reporting and maintain public trust. The original answer provided several recommendations for regulating conflicts of interest, including separating auditing services from financial advice services, requiring transparency, and limiting the number of consecutive years a firm can provide auditing services to a particular corporation.</p> <p>Submission 28, which focuses on ethics and professional accountability in the audit, assurance, and consultancy industry, supports and expands upon these recommendations. It suggests a comprehensive approach to regulating conflicts of interest, including prohibiting political donations, strengthening the regulatory framework, and ensuring transparency in tax practices. Additionally, it recommends establishing a globally harmonized regulatory approach to address cross-border abuse and conflicts of interest.</p> <p>Furthermore, Submission 28 highlights the need for a single overarching regulatory framework for all financial service professionals, similar to the Australian Health Practitioner Regulation Agency. This framework would ensure that the financial service industry serves the public interest, promote high standards among professionals, and provide efficient regulation.</p> <p>In summary, regulating conflicts of interest in the audit industry requires a comprehensive approach that includes separating auditing services from financial advice services, strengthening the regulatory framework, prohibiting political donations, ensuring transparency in tax practices, and establishing a globally harmonized regulatory approach. Additionally, a single overarching regulatory framework for all financial service professionals would help ensure the industry serves the public interest and promote high standards among professionals.</p> <p>The recommendations provided in the original answer and supported by Submission 28 aim to address the structural challenges in the audit, assurance, and consultancy industry, promoting ethics and professional accountability, and ultimately restoring public trust in the industry.</p> <p>The new context provided highlights the need for governments, state structures, and international governance institutions to rethink and reset their relationships with the Big 4 firms and enact regulatory changes to restore their role as providers of the public good they were originally set up for – assurance and financial integrity. One crucial first step would be regulations to separate firms providing auditing services from those offering any forms of financial advice. The meaningful provision of assurance can only be delivered when this function is entirely separate and independent from all other functions. Being mindful of the organisational challenges involved in breaking up companies that currently house these services under one roof,</p>		
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<p>Based on the additional context provided, the recommendations for regulating conflicts of interest in the audit industry can be further refined as follows:</p> <p>Establish a unified regulatory framework for all financial service professionals, including auditors, consultants, and tax advisers. This framework should prioritize public interest, efficiency, and high standards of professional conduct.</p> <p>Separate auditing services from financial advice services, and ensure effective ring-fencing of auditing services from other functions.</p> <p>Require accountancy and financial services firms to adhere to the highest standards of transparency, including public country-by-country reporting.</p> <p>Prohibit auditing and consultancy firms from making political donations.</p> <p>Ensure the Australian Taxation Office can actively assist other law enforcement agencies and regulators when investigating illegal activities by auditors, consultants, and tax advisers.</p> <p>Remove limitations in tax secrecy laws that prevent regulators from acting in response to breaches of confidence by tax practitioners.</p> <p>Restructure the Tax Practitioners Board to ensure decisions on sanctions are made by individuals with no employment history with tax advisory firms.</p> <p>Require corporations to change audit firms periodically as a standard practice of good governance.</p> <p>Limit the number of consecutive years a firm can provide auditing services to a particular corporation.</p> <p>Rotate audit firm partners and staff on a regular basis.</p> <p>Establish an independent body to oversee the audit industry and ensure compliance with regulations.</p> <p>Implement a globally harmonized regulatory approach to address cross-border abuse and conflicts of interest.</p> <p>Introduce criminal penalties for breaches of confidentiality agreements, such as the one signed by Peter Collins, to ensure that the threat of prosecution is meaningful and effective.</p> <p>Investigate the illegal misuse of confidential information by PwC and other firms, and pursue criminal prosecutions as appropriate.</p> <p>Strengthen the settlement process to ensure that firms are held accountable for their actions and that penalties are <u>proportionate to the severity of the breaches</u>.</p>		
<p>o address conflicts of interest in the audit, assurance, and consultancy industry, several measures can be implemented. Firstly, separating audit and non-audit businesses with a Chinese wall can help prevent conflicts of interest. Additionally, establishing a separate board for the audit business and promoting a culture of ethics and professional accountability can mitigate conflicts. Technology, such as artificial intelligence, can also be used to identify and manage conflicts. It is recommended that the audit business be operated as a separate legal entity to ensure independence and reduce the risk of conflicts.</p> <p>Furthermore, governments and regulatory bodies should rethink their relationships with Big 4 accountancy firms and enact regulatory changes to restore their role as providers of the public good. This includes separating firms providing auditing services from those offering financial advice and adhering to the highest standards of transparency. The Commonwealth Government should abandon the practice of relying on Big 4 accountancy firms to assess or legitimize policy or legislative proposals. Instead, the government should move towards reform of the regulatory framework for financial service professionals, with one overarching Commonwealth Government regulatory body.</p> <p>Auditing and consultancy firms should be unable to make political donations, and any firm that has made a political donation in the last year should not be able to obtain a Commonwealth Government contract. Legislative changes should be made to ensure that the Australian Taxation Office can actively assist other law enforcement agencies and regulators when investigating illegal activities by auditors, consultants, and tax advisers.</p> <p>To ensure objectivity in sanctioning, the board of the Tax Practitioners Board should no longer be responsible for deciding on sanctions. Instead, the decision should rest with people who have had no employment with tax advisory firms. Additionally, a ban on the same firm providing auditing and tax services is recommended, and corporations should be required to change audit firms regularly. These measures can help address the structural challenges in the audit, assurance, and consultancy industry and ensure that the public good of financial probity is maintained.</p>		

<p>The document calls for various measures to increase the regulation of auditors/consultants, including separating auditing and financial advice services, increasing transparency, eliminating conflicts of interest, and reforming the regulatory framework. Page 28 emphasizes the need for governments to rethink and reset their relationships with Big 4 firms and enact regulatory changes to restore their role as providers of public goods. Page 29 recommends regulations to separate firms providing auditing services from those offering financial advice, and for auditing to be entirely separate and independent from other functions. Page 30 suggests that the Commonwealth Government should stop relying on Big 4 accountancy firms to assess or legitimize policy or legislative proposals due to a clear conflict of interest. Additionally, the document recommends that the board of the Tax Practitioners Board no longer decides on sanctions for tax practitioners, as it is composed mainly of people who have worked for large tax consultancy firms, creating a perception of bias.</p> <p>Furthermore, the document suggests that the Commonwealth Government move towards reforming the regulatory framework for financial service professionals to have one overarching Commonwealth Government regulatory body. It also recommends that auditing and consultancy firms be unable to make political donations, and that any firm that has made a political donation in the last year should not be able to obtain a Commonwealth Government contract.</p> <p>The document also highlights several instances of conflicts of interest and unethical behavior among auditors/consultants, such as the case of PwC using information provided by Peter Collins in breach of a confidentiality agreement to market tax-dodging schemes to clients. The settlement between PwC and the Tax Practitioners Board raises questions about why there has not been a criminal prosecution of Mr. Collins over the breach of the confidentiality agreement. It is also unclear why the ATO concealed the deal with PwC from the Tax Practitioners Board.</p> <p>The document also highlights the need for increased oversight of auditors/consultants, given their vast government contracts and the potential for conflicts of interest. For instance, Accenture, a company not typically considered among the Big 4, had Australian government contracts worth nearly \$580 million in the 2022 financial year, raising questions about the quality of advice or services delivered. Previous research has also highlighted aggressive tax avoidance by Accenture and McKinsey in Australia and globally.</p> <p>Moreover, there are smaller firms in specific sectors, such as aged care, where there are clear conflicts of interest with firms winning government contracts, advising government on policy and reform, and supplying analysis while also providing consultancy and services to private operators that the government attempts to regulate.</p>		
<p>There is an urgent need for governments, state structures, and international governance institutions to reassess their relationships with the Big 4 firms and implement regulatory changes to restore their role as providers of the public good they were originally set up for – assurance and financial integrity. This is necessary because the Big 4 firms have exploited their reputation to gain political power and influence, creating conflicts of interest and raising questions about regulatory capture. To address these concerns, it is crucial to separate firms providing auditing services from those offering financial advice. This would ensure that auditors are truly independent and able to provide unbiased assessments of a company's financial statements. Additionally, firms should be required to adhere to the highest standards of transparency, including consistent public country-by-country reporting on all their operations.</p> <p>Furthermore, the Commonwealth Government should stop relying on Big 4 firms to assess or legitimize policy or legislative proposals, as their primary concern is the financial interests of their corporate clients. Instead, the government should move towards reforming the regulatory framework for financial service professionals, with a single overarching Commonwealth Government regulatory body.</p> <p>Moreover, auditing and consultancy firms should be prohibited from making political donations, and any firm that has made a political donation in the last year should be ineligible for a Commonwealth Government contract.</p> <p>To ensure that the Australian Taxation Office can actively assist other law enforcement agencies and regulators when investigating illegal activities by auditors, consultants, and tax advisers, legislative changes should be made to clarify that the Taxation Office can provide assistance even if the illegal activity does not relate to issues related to the auditor, consultant or tax adviser being a taxpayer. For example, where a tax adviser engages in a fraud, the Australian Taxation Office should not be able to hide behind a claim that it needs to maintain secrecy over the affairs of the tax adviser to frustrate the investigation of the tax adviser by the Australian Federal Police or the Tax Practitioners Board.</p> <p>Additionally, to ensure public trust in the industry and prevent further instances of unethical behavior, the board of the Tax Practitioners Board should no longer be responsible for deciding on the sanction to be placed on a tax practitioner. Instead, the decision should rest with people who have had no employment with tax advisory firms.</p> <p>Finally, to limit conflicts of interest in both private and public sectors, a ban on the same firm providing auditing and tax services should be implemented, and corporations should be required to change audit firms regularly as a standard practice of good governance.</p>		

Response

The Australian Securities and Investments Commission (ASIC) is not explicitly mentioned in the provided text. However, the text discusses the Accounting Professional and Ethical Standards Board (APESB) and its role in setting standards for professional services firms, including auditors, and enhancing transparency in the provision of professional services to public interest entities and the government. APESB also mentions its role as the National Standards Setter of accounting professional and ethical standards in Australia and its responses to the specific terms of reference of the inquiry into ethics and professional accountability in the audit, assurance and consultancy industry. Additionally, the text discusses the potential for large accounting firms to be treated as public interest entities for financial reporting purposes, which could enhance transparency and accountability in the industry.

The Australian Securities and Investments Commission (ASIC) is mentioned in the text as the national regulator responsible for overseeing the provision of audit and other professional services. The text discusses ASIC's role in reviewing the audit divisions of firms, but notes that the level of oversight for non-audit services remains unclear. The text also expresses concern about the potential negative impacts of ASIC's recent restructuring on audit quality in Australia, including a decrease in the number of audit reviews performed by ASIC. Additionally, the text compares the number of reviews conducted by regulators in Australia, the UK, and the US, noting that ASIC conducts fewer reviews compared to its global counterparts. Therefore, to answer the query, the Australian Securities and Investments Commission (ASIC) is mentioned in the text, but not in relation to the Accounting Professional and Ethical Standards Board (APESB) or its role in setting standards for professional services firms.

The Australian Securities and Investments Commission (ASIC) has been criticized for not adequately monitoring and enforcing the provision of non-audit services by large firms like the Big Four. The Audit, Assurance and Consultancy Industry Submission 20 mentions that ASIC's reviews primarily focus on the audit divisions of these firms, leaving the oversight of non-audit services unclear. The submission also expresses concern about the recent restructuring at ASIC and its potential negative impacts on audit quality in Australia.

In light of the global trend of declining audit quality, it is recommended that ASIC and audit firms increase their focus on improving audit quality. The submission also mentions that the ratio of non-audit services to audit services for the seven years was around 34%.³ Therefore, it is essential for ASIC to ensure that the provision of non-audit services is monitored and non-compliance matters are addressed effectively.

Furthermore, the firms' revenue analysis indicates that non-audit services provided to audit clients are declining, and the new non-assurance services (NAS) provisions will likely reduce them further. APESB believes that focusing on the audit business to deal with issues associated with consulting services would not be prudent, and instead, the Federal Government should prioritize dealing with issues associated with consulting services, which comprise a significant portion (75% or more) of the Big Four firms' business.

APESB suggests that the Federal Government could consider a model similar to the United Kingdom (UK), where a virtual separation of the audit business and the firm's other businesses has been achieved by the establishment of separate governance and operational structures. This approach, known as the ring-fencing approach to operational separation, could help address issues related to consulting services and improve audit quality.

In addition, APESB believes that enhancing transparency would allow the Government and the public to gain deeper insights into the firms and their operations, including firm profitability and partner remuneration. Implementing a new reporting requirement for firms classified as PIEs (based on substantial revenue, assets, and workforces) would create the obligation, including remuneration disclosures, which would be subject to audit.

In conclusion, ASIC needs to address the issues related to the provision of non-audit services and ensure that the ring-fencing approach to operational separation between the audit and non-audit services is effective in improving audit quality. The Federal Government should also prioritize dealing with issues associated with consulting services, which comprise a significant portion of the Big Four firms' business.

<p>The document highlights several recommendations for regulating conflicts of interest in the audit industry, particularly for entities that contract with or provide professional services to the government. These recommendations include:</p> <p>Enhancing transparency: The document suggests extending the financial statements disclosure from fees paid to the entity's auditor for audit and non-audit services to all fees paid to professional services firms for all services provided to the entity. This would enhance public trust and provide better visibility into the provision of professional services to public interest entities and the government.</p> <p>Strengthening independence standards: APESB recommends developing a professional agnostic APES 110 and a professional standard for management consulting. This would help ensure that professional services firms maintain their independence and provide unbiased advice to their clients.</p> <p>Separation of executive roles: The document suggests separating executive roles to prevent conflicts of interest and ensure that professional services firms are governed effectively.</p> <p>Mandating the categorization of large firms with substantial revenue, assets, and workforces as PIEs: The document recommends mandating the categorization of large firms with substantial revenue, assets, and workforces as PIEs. This would ensure that these firms are subject to the same level of scrutiny and regulation as other public interest entities.</p> <p>Requiring large firms to prepare general-purpose financial reports: The document suggests requiring large firms to prepare general-purpose financial reports, including remuneration disclosures. This would provide better transparency and accountability for these firms.</p> <p>Adopting remuneration and accountability practices observed in APRA-regulated listed entities: The document recommends adopting remuneration and accountability practices observed in APRA-regulated listed entities. This would help ensure that professional services firms are held accountable for their actions and that their remuneration practices align with the public interest.</p> <p>Providing legislative backing for APESB's professional and ethical pronouncements: The document suggests providing legislative backing for APESB's professional and ethical pronouncements. This would give APESB's pronouncements the force of law and ensure that professional services firms comply with them.</p> <p>Moving APESB under the oversight of the FRC: The document recommends moving APESB under the oversight of the FRC. This would provide a more comprehensive regulatory framework for professional services firms and ensure that they are held</p>		
<p>The APESB recommends several measures to regulate conflicts of interest in professional services firms with audit businesses that contract with or provide any form of professional services to the Government. These include:</p> <p>Separating the roles of CEO and Chairman to ensure that there is a clear division of responsibilities and oversight.</p> <p>Establishing a Board to oversee management, with a defined Charter or terms of reference, to provide independent guidance and ensure that the firm is acting in the best interests of all stakeholders.</p> <p>Ensuring that the Board composition includes at least half the firm's Board selected from partners who do not have significant management responsibility within the firm and at least three Independent Non-Executives (INEs), to provide a balance of perspectives and independent oversight.</p> <p>Appointing Audit Non-Executives (ANEs) for the audit practice, to provide additional independent oversight of the audit function and ensure that it is operating effectively and in accordance with professional standards.</p> <p>The APESB also considers whether there is merit in developing a professional agnostic APES 110 and a professional standard for management consulting that could apply to all professionals.</p> <p>INEs and ANEs have the responsibility to consider whether the firm is acting in accordance with professional standards and in the best interests of all stakeholders. They also have a role in monitoring and enforcing compliance with ethical standards, including the APES 110 Code of Ethics for Professional Accountants (including Independence Standards), which sets out the fundamental principles of ethics for professional accountants.</p> <p>The APESB's specific responses to the terms of reference of the inquiry into ethics and professional accountability in the audit, assurance and consultancy industry are included in Appendix A for your consideration. Appendices B and C provide further details on the APESB's recommendations for enhancing transparency and independence in the industry.</p> <p>The APESB welcomes the opportunity to discuss the existing accounting professional and ethical standards framework with the Committee and how these standards deal with ethics and professional accountability, community expectations, and serve the public interest. If, during the inquiry, a gap is identified in the professional standards framework that falls within APESB's mandate, we look forward to working with you to develop an appropriate solution.</p> <p>In conclusion, the APESB's recommendations aim to enhance transparency, independence, and ethical standards in the audit, assurance, and consultancy industry, ultimately serving the public interest.</p> <p>In addition, the APESB suggests an alternative method to address the issues of governance and transparency associated with</p>		

<p>In light of the additional context, APESB's recommendations for regulating conflicts of interest in the audit industry, where the entity has an audit business, are further reinforced. The contracting and professional services context highlights the importance of separating executive roles, establishing a Board with a defined Charter or terms of reference, and appointing INEs and ANEs to ensure the firm's compliance with professional and ethical standards.</p> <p>APESB suggests that all firms providing professional services, including those that contract with or provide services to the Government, should adhere to enhanced transparency and monitoring requirements. This would involve implementing a new reporting requirement for Professional, Independent, and Ethical Standards (PIEs) that would create the obligation, including remuneration disclosures, which would be subject to audit.</p> <p>Furthermore, APESB recommends developing a professional agnostic APES 110 and a professional standard for management consulting that could apply to all professionals. This would ensure that all professionals, regardless of their field, adhere to the same ethical and professional standards, promoting consistency and reliability across the industry.</p> <p>In response to concerns about the governance and transparency of partnership structures in large accounting firms, APESB suggests an alternative approach to mandating a corporate structure. This approach would involve treating large firms similar to Public Interest Entities (PIEs) for financial reporting purposes, requiring them to prepare general-purpose financial reports, and adopting remuneration and accountability practices observed in APRA-regulated listed entities.</p> <p>This approach would enable large firms to maintain their partnership structure while providing transparency and accountability. Additionally, APESB recommends that all firms providing professional services to the government should be subject to enhanced transparency and monitoring requirements, as mentioned earlier.</p> <p>In summary, APESB's recommendations aim to address the structural challenges in the audit, assurance, and consultancy industry, promote ethical and professional excellence, and serve the public interest. They provide a comprehensive framework for regulating conflicts of interest in the audit industry, ensuring that firms adhere to enhanced transparency and monitoring requirements, and promoting consistency and reliability across the industry.</p>		
<p>The Accounting Professional and Ethical Standards Board (APESB) has proposed several solutions to address conflicts of interest in the audit industry, where a corporate entity provides both audit and non-audit services. One such solution is to treat large firms similar to Public Interest Entities (PIEs) for financial reporting purposes. This would require these firms to prepare general-purpose financial reports, including disclosure of remuneration and information about their operations, and subject them to audit. Additionally, APESB suggests adopting remuneration and accountability practices observed in APRA-regulated listed entities. This approach would bring transparency to the operations of these firms while allowing them to maintain their partnership structure.</p> <p>Another proposed solution is to enhance transparency of professional services, develop a rigorous Code of Ethics, and apply ethical standards to all professional services firms. Furthermore, APESB suggests considering a professional agnostic standard for management consulting.</p> <p>These solutions aim to address concerns raised in the NSW Government Public Works and Accountability Committee's Inquiry into the NSW Government's management and use of consultants, which found that the current regulatory framework does not adequately address conflicts of interest in the audit industry.</p> <p>It's worth noting that the average ratio of non-audit services to audit services for the seven years was around 34%. Additionally, firm leaders have stated that auditing is a profitable business, and ASIC has obtained information from the firms that they do not subsidize their audit business nor use it as a loss leader to generate revenue from other services to the entities they audit.</p> <p>Furthermore, APESB believes that focusing on the audit business to deal with issues associated with consulting services would not be effective, as consulting services comprise a significant portion (75% or more) of the Big Four firms' business. Instead, the Federal Government should prioritize dealing with issues associated with consulting services.</p> <p>If the ring-fencing approach to operational separation between the audit and non-audit businesses of the firm is to be pursued, the Federal Government could consider a model similar to the United Kingdom (UK), where a virtual separation of the audit business and the firm's other businesses has been achieved by the establishment of separate governance and operational structures.</p> <p>Overall, the proposed solutions aim to address conflicts of interest in the audit industry and promote transparency and accountability in the operations of professional services firms.</p>		

<p>The submission mentions several references to calls for more regulation of auditors/consultants. On page 3, the submission suggests that the Government develop a rigorous Code of Ethics, such as APES 110, that could be applied to all professional services firms or persons that contract with or provide any form of professional services to the Government. On page 4, the submission recommends that the enhancements discussed in the preceding paragraphs be applied to all firms providing professional services. Additionally, on page 5, the submission suggests that APESB consider whether there is merit in developing a professional agnostic APES 110 and a professional standard for management consulting that could apply to all professionals.</p> <p>Furthermore, the submission highlights the need for transparency and accountability in the industry, citing an Australian Financial Review article in 2019 that revealed gross margins for auditing ASX 300 clients were up to 80%. The submission also references a statement made by Tom Imbesi, a leader at Deloitte, during a public hearing that audit within Deloitte is a valued and profitable business, and that they do not subsidize their audit business or use it as a loss leader to generate revenue from other services to the entities they audit.</p> <p>The submission emphasizes the need for improvement in ethical standards and professional accountability in the industry and suggests ways to achieve this, including stricter regulations and improved governance. The references to calls for more regulation of auditors/consultants are in this context and aim to promote better ethical conduct and accountability in the industry. APESB agrees that different obligations are imposed on different structures adopted by professional services firms and suggests that the Federal Government consider treating large firms similar to PIEs for financial reporting purposes. This would create the obligation, including remuneration disclosures, which would be subject to audit, enhancing transparency and allowing the Government and the public to gain deeper insights into the firms and their operations, including firm profitability and partner remuneration.</p> <p>In summary, the submission suggests that stricter regulations and improved governance, including the development of a rigorous Code of Ethics and professional standards for management consulting, could help address ethical and accountability issues in the industry. The references to calls for more regulation of auditors/consultants are in the context of promoting better ethical conduct and accountability in the industry, and are supported by the need for transparency and accountability, as well as the profitability of audit services.</p>		
<p>The Accounting Professional and Ethical Standards Board (APESB) has suggested several measures to enhance transparency and ethical standards in the provision of professional services to public interest entities and government. These include extending financial statement disclosures to all fees paid to professional services firms, developing a rigorous Code of Ethics, and applying these enhancements to all firms providing professional services. Additionally, APESB has proposed considering the development of a professional agnostic standard for management consulting. APESB has also suggested changing the treatment of large firms to be similar to how Public Interest Entities (PIEs) are treated for financial reporting purposes, which could be implemented by mandating the categorization of large firms with substantial revenue, assets, and workforces as PIEs, requiring them to prepare general-purpose financial reports, and adopting remuneration and accountability practices observed in APRA-regulated listed entities. This approach would bring transparency to the operations of large firms while allowing them to maintain their partnership structure.</p> <p>Furthermore, APESB believes that focusing on the audit business to address issues related to consulting services would not be effective, and instead, the government should prioritize dealing with issues associated with consulting services. APESB also suggests that if a ring-fencing approach to operational separation between the audit and non-audit businesses of the firm is to be pursued, the government could consider a model similar to the United Kingdom (UK), where a virtual separation of the audit business and the firm's other businesses has been achieved by the establishment of separate governance and operational structures. This approach would help address issues related to governance and transparency associated with partnership structures, which have been raised in various government inquiries and media reports.</p> <p>In the context of the NSW Government Public Works and Accountability Committee's Inquiry into the NSW Government's management and use of consultants, APESB's suggestions aim to address issues related to governance and transparency associated with partnership structures, which have been raised in various government inquiries and media reports. The average ratio of non-audit services to audit services for the seven years was around 34%. Furthermore, firm leaders' statements noted that auditing is profitable, and ASIC obtained information from the firms that they do not subsidize their audit business nor use it as a loss leader to generate revenue from other services to the entities they audit.</p> <p>In addition, APESB suggests that the government should consider treating large firms similar to PIEs for financial reporting purposes, which would create the obligation to prepare general-purpose financial reports, including remuneration disclosures, subject to audit. This would enhance transparency and allow the government and the public to gain deeper insights into the</p>		

Response
<p>The original answer was "No," but with additional context, the answer should be refined to "Yes."</p> <p>ASIC is mentioned in the text as the regulator for Accenture's Australian entities, which are private companies registered and accountable under the Corporations Act 2001 (Cth). Accenture's Australian entities comply with their obligations under the Corporations Act, including financial reporting obligations, and are regulated by ASIC, through which they lodge their audited annual financial reports. Therefore, the answer should be refined to "Yes," as ASIC is indeed mentioned in the provided text. Furthermore, the text also mentions that various Australian regulatory bodies will have direct and indirect oversight over Accenture's operations in Australia, including ASIC, Australian Competition and Consumer Commission, Australian Taxation Office, Fair Work Ombudsman, Safe Work, Office of the Australian Information Commissioner and National Anti-Corruption Commission. This reinforces the fact that ASIC plays a role in regulating Accenture's activities in Australia.</p> <p>In addition, the text highlights Accenture's commitment to detecting and addressing misconduct within its organisation and ensuring that those who become aware of misconduct can report it without fear of retribution. Accenture's whistleblower policy, which is designed to comply with Part 9.4AAA of the Corporations Act 2001 (Cth), encourages whistleblowers to speak up, outlines how they can make disclosures, and provides them with information about the legal protections they are entitled to.</p> <p>Therefore, the refined answer to the query is "Yes," as the text does mention the Australian Securities and Investment Commission (ASIC) and highlights its role in regulating Accenture's Australian entities, as well as Accenture's commitment to promoting ethical practices and addressing misconduct within its organisation.</p>
<p>The original answer provided 3 mentions of ASIC with page numbers and brief context. With the additional context provided, we can refine the answer to provide more specific information related to ASIC.</p> <p>Page 3, 4th paragraph: Accenture's Australian entities comply with their obligations under the Corporations Act (including financial reporting obligations) and are regulated by the Australian Security & Investments Committee (ASIC), through which we lodge our audited annual financial reports.</p> <p>Page 4, 2nd paragraph: As noted above, our local entities are registered and accountable under the Corporations Act and regulated by ASIC, through which we lodge our annual financial reports.</p> <p>Page 4, 3rd paragraph: Accenture's Australian entities are also required to comply with a broad range of other Australian laws and regulations. This includes (without limitation) employment and workplace laws (such as the Fair Work Act 2009 (Cth), various State and Federal workplace health & safety laws and anti-discrimination legislation), privacy laws (including the Privacy Act 1988 (Cth)), competition and consumer protection laws (Competition and Consumer Act 2010 (Cth)), anti-money laundering, sanctions, and taxation laws.</p> <p>In addition, Accenture mentions that various Australian regulatory bodies will have direct and indirect oversight over their operations in Australia, including ASIC, AUSTRAC, Australian Competition and Consumer Commission, Australian Taxation Office, Fair Work Ombudsman, Safe Work, Office of the Australian Information Commissioner and National Anti-Corruption Commission.</p> <p>Furthermore, Accenture notes that their performance accountability is subject to oversight by ASIC and numerous other Federal, State and Territory regulators, which have various powers to investigate, monitor and sanction misconduct or non-compliance with Australian laws.</p> <p>Therefore, the refined answer is:</p> <p>ASIC is mentioned 3 times in the provided text, specifically in relation to Accenture's compliance with the Corporations Act and financial reporting obligations, as well as the broader regulatory landscape in which Accenture operates in Australia.</p> <p>Additionally, Accenture highlights the importance of whistleblower policies and procedures in detecting and addressing misconduct within their organization, and ensuring that those who become aware of misconduct can report it without fear of retribution.</p> <p>Accenture also mentions that they have a standalone Whistleblower policy designed to comply with Part 9.4AAA of the</p>

<p>Page 3, 4th paragraph: ASIC (Australian Securities and Investments Commission) is mentioned as the regulator for Accenture's Australian entities, which are required to comply with the Corporations Act 2001 (Cth) and lodge their audited annual financial reports with ASIC. Accenture is also subject to oversight by ASIC and numerous other Federal, State and Territory regulators, which have various powers to investigate, monitor and sanction misconduct or non-compliance with Australian laws.</p> <p>Page 4, 2nd paragraph: ASIC is again mentioned as one of the regulatory bodies that have direct and indirect oversight over Accenture's operations in Australia, along with other bodies such as AUSTRAC, Australian Competition and Consumer Commission, Australian Taxation Office, Fair Work Ombudsman, Safe Work, Office of the Australian Information Commissioner and National Anti-Corruption Commission. Accenture complies with the Australian Whistleblower legislation and has a standalone Whistleblower policy designed to comply with Part 9.4AAA of the Corporations Act 2001 (Cth). Accenture's commitment to ethical behavior and professional accountability is reflected in its compliance with relevant laws and regulations, as well as its implementation of measures to maintain information boundaries, confidentiality requirements, and controls.</p> <p>In addition, Accenture has implemented various measures to ensure ethical behavior and professional accountability, such as conflict of interest declarations, employee screening, and probity plans. These measures are designed to maintain information boundaries, confidentiality requirements, and controls, as well as escalation points for raising issues if they occur. In some cases, Accenture staff working on an engagement may be 'off limits' for participating in any subsequent tender activities or further work that may come from that client area. Accenture also undertakes work under the terms of a government-mandated contract, which includes a broad range of performance standards and compliance obligations, including obligations on Accenture to comply with all applicable government policies.</p> <p>Furthermore, Accenture has provided information on the UK's model of regulation, where the Cabinet Office conducts an annual review of the top 40 strategic suppliers to the UK government, which includes a request for data on governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations. This provides the government with the ability to appropriately manage issues of misconduct and material nonperformance, including in many cases through the application of penalties for poor service delivery or the ability to terminate the contract if required.</p> <p>Overall, Accenture's commitment to ethical behavior and professional accountability is reflected in its compliance with relevant</p>		
<p>Accenture Australia Pty Ltd is subject to oversight by ASIC, which is responsible for regulating companies in Australia. ASIC has the power to investigate, monitor, and sanction misconduct or non-compliance with Australian laws. Accenture complies with the Australian Whistleblower legislation and has a standalone Whistleblower policy designed to comply with Part 9.4AAA of the Corporations Act 2001 (Cth). The policy encourages whistleblowers to speak up, outlines how they can make disclosures, and provides them with information about the legal protections they are entitled to. Accenture is committed to detecting and addressing misconduct within its organization and ensuring that those who become aware of misconduct can report it without fear of negative consequences.</p> <p>Accenture Australia Pty Ltd is also subject to annual reviews, which include a request for data (~600 questions via an online survey) of the top suppliers relevant to the assessment of governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations such as the cyber security resilience, gender & ethnic diversity and labour standards & work quality. There is also the opportunity for the suppliers to provide feedback to the government as a client.</p> <p>Furthermore, Accenture Australia Pty Ltd is supportive of any review of existing industry regulation, which aims to achieve a consistent standard of governance, accountability, transparency and reporting in the professional services sector.</p> <p>In addition, Accenture Australia Pty Ltd is registered and accountable under the Corporations Act (including financial reporting obligations) and are regulated by the Australian Security & Investments Committee (ASIC), through which they lodge their audited annual financial reports. They are also a Top 1,000 taxpayer within Australia.</p> <p>Accenture's corporate structure and reporting obligations are a critical element in their approach to proper governance and transparency. They are also publicly listed on the New York Stock Exchange and adhere to its corporate governance standards regarding director independence, code of business ethics, legal and regulatory compliance, and internal and independent audits. They maintain global compliance programs in areas such as anticorruption, data privacy, confidentiality, and government compliance, including regular program reviews by third-party assessors and the global Accenture Audit Committee.</p> <p>Accenture's Australian entities are also required to comply with a broad range of other Australian laws and regulations, including employment and workplace laws, privacy laws, competition and consumer protection laws, anti-money laundering, sanctions, and taxation laws. As a result, various Australian regulatory bodies will have direct and indirect oversight over Accenture's operations in Australia.</p>		

<p>ASIC is mentioned four times in the document, on pages 3, 5, 6, and 1. Accenture's compliance with Australian Whistleblower legislation, specifically the Corporations Act 2001 (Cth), is mentioned on page 3. Accenture has a standalone Whistleblower policy designed to comply with Part 9.4AAA of the Corporations Act 2001 (Cth).</p> <p>On page 5, ASIC is mentioned in relation to Accenture's performance accountability and the contracts they have in place with clients, including the Australian Government. Accenture undertakes work under the terms of a government-mandated contract, which includes a broad range of performance standards and compliance obligations, including the obligation to comply with all applicable government policies. This provides the government with the ability to manage issues of misconduct and material nonperformance, including through the application of penalties for poor service delivery or the ability to terminate the contract if required.</p> <p>On page 6, ASIC is mentioned in the context of global governance structures, specifically in relation to the United Kingdom's (UK) model of regulation of professional services. The Cabinet Office within the UK conducts an annual review of the top 40 strategic suppliers to the UK government, which includes a request for data on governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations.</p> <p>Finally, on page 1, ASIC is mentioned as one of the regulatory bodies that Accenture is accountable to, along with other bodies such as AUSTRAC, Australian Competition and Consumer Commission, Australian Taxation Office, Fair Work Ombudsman, Safe Work, Office of the Australian Information Commissioner and National Anti-Corruption Commission.</p> <p>In summary, ASIC is mentioned four times in the document, on pages 3, 5, 6, and 1, in the context of Accenture's compliance with Australian Whistleblower legislation, performance accountability, global governance structures, and regulatory oversight. Accenture supports any review of existing industry regulation that aims to achieve a consistent standard of governance, accountability, transparency, and reporting in the professional services sector.</p> <p>Additionally, Accenture highlights the importance of trust, transparency, shared goals, and genuine collaboration in the professional services sector. The company is committed to complying with all applicable government policies and regulations, including those related to cyber security resilience, gender and ethnic diversity, and labor standards and work quality. Accenture also engages in regular roundtable discussions with all strategic suppliers to share best practices and improve performance against policy objectives. Accenture's corporate structure and reporting obligations are a critical element in Accenture's approach to proper governance and transparency, and the company is publicly listed on the New York Stock</p>		
<p>ASIC is mentioned on page 3 in relation to Accenture's compliance with Australian Whistleblower legislation, specifically the Corporations Act 2001 (Cth). Accenture has a standalone Whistleblower policy designed to comply with Part 9.4AAA of the Corporations Act 2001 (Cth).</p> <p>ASIC is also mentioned on page 5 in relation to Accenture's performance accountability and the contracts they have in place with clients, specifically within the Australian Government. Accenture undertakes work under the terms of a government-mandated contract which includes a broad range of performance standards and compliance obligations, including obligations on Accenture to comply with all applicable government policies. This provides the government with the ability to appropriately manage issues of misconduct and material nonperformance, including in many cases through the application of penalties for poor service delivery or the ability to terminate the contract if required.</p> <p>Furthermore, Accenture's global governance structures are also mentioned, with reference to the United Kingdom's (UK) model of conducting an annual review of the top 40 strategic suppliers to the UK government, which includes a request for data and a review meeting. The annual review includes a request for data (~600 questions via an online survey) of the top suppliers relevant to the assessment of governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations such as the cyber security resilience, gender & ethnic diversity and labour standards & work quality. There is also the opportunity for the suppliers to provide feedback to the government as a client.</p> <p>In summary, ASIC is mentioned three times in the document, on pages 3, 5, and 6, in the context of Accenture's compliance with Australian Whistleblower legislation, performance accountability, and global governance structures. Additionally, Accenture's Code of Business Ethics and its importance in promoting ethical behavior among employees, as well as its role in protecting information and intellectual property, are also discussed.</p> <p>Accenture's ethics and compliance team implements safeguards and controls for each engagement to mitigate the potential for conflict of interest, probity issues, or breach of confidentiality when working with Federal, State and Local government clients in Australia. These include conflict of interest declarations, employee screening, probity plans, and agreements on information boundaries, confidentiality requirements, controls, and escalation points for raising issues. In some cases, Accenture people working on an engagement are then 'off limits' for participating in any subsequent tender activities or further work that may come from that client area.</p> <p>In conclusion, ASIC is mentioned in relation to Accenture's compliance with Australian Whistleblower legislation, performance</p>		

<p>ASIC is mentioned in the context of Accenture's compliance with Australian Whistleblower legislation, specifically the Corporations Act 2001 (Cth), and their performance accountability. Accenture's Australian entities comply with their obligations under the Corporations Act (including financial reporting obligations) and are regulated by ASIC, through which they lodge their audited annual financial reports. Accenture is also recognised as a Top 1,000 taxpayer within Australia.</p> <p>Accenture's corporate structure and reporting obligations are a critical element in Accenture's approach to proper governance and transparency. They have global governance structures in place, including an annual review of the top 40 strategic suppliers to the UK government, which includes a request for data on the top suppliers relevant to the assessment of governance structures, financial position, commercial presence and strategy, risk and compliance with key government policies and regulations. This review process includes a meeting with the Crown representative and supplier to discuss the outputs of the annual review process, including areas for improvement and opportunities for greater collaboration.</p> <p>Accenture supports any review of existing industry regulation that aims to achieve a consistent standard of governance, accountability, transparency and reporting in the professional services sector. They believe that trust, transparency, shared goals, and genuine collaboration are essential for the work they do to succeed.</p> <p>Accenture's Australian entities are also required to comply with a broad range of other Australian laws and regulations, including employment and workplace laws, privacy laws, competition and consumer protection laws, anti-money laundering, sanctions, and taxation laws. As a result, various Australian regulatory bodies will have direct and indirect oversight over Accenture's operations in Australia, including AUSTRAC, ASIC, Australian Competition and Consumer Commission, Australian Taxation Office, Fair Work Ombudsman, Safe Work, Office of the Australian Information Commissioner and National Anti-Corruption Commission.</p> <p>All management appointments within Accenture globally and in Australia are based on merit, they are not voted positions. They report to an independent board, and ultimately their shareholders. All their senior executives (known as managing directors) are accountable for their own, and their teams', performance, conduct and effort.</p> <p>Therefore, ASIC plays a critical role in regulating Accenture's operations in Australia, ensuring compliance with relevant laws and regulations, and maintaining proper governance and transparency.</p>		
<p>Accenture has implemented various measures to regulate conflicts of interest and ensure compliance with relevant laws and policies. The company has a standalone Whistleblower policy that encourages employees to report any misconduct and provides them with information about legal protections. Accenture is subject to oversight by regulatory bodies such as ASIC in Australia and the Cabinet Office in the UK, which conducts an annual review of the top 40 strategic suppliers, including Accenture, to assess their governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations. The company also has a range of governance structures in place, such as the Ethics and Compliance program, which includes mandatory training for all employees and a reduction in base pay increase and bonus award for non-compliance. Additionally, Accenture's clients have the ability to manage misconduct and poor performance through their contracts with the company.</p> <p>Furthermore, Accenture's Code of Business Ethics emphasizes the importance of ethical behavior and transparency. The company requires all employees to complete compulsory training programs on handling sensitive information, monitoring for threat actors, and securing devices and information. The Accenture Store and Share Tool helps employees classify documents, set up ideal protection settings, and choose the correct storage site for their documents. The company also disables access to its systems and platforms if an employee's laptop is not kept updated with the latest security protections and patches, and requires compulsory use of multifactor authentication on all Accenture devices (where possible). The 24/7 global Accenture Security Operations Centre provides response and expertise in handling information security threats or incidents.</p> <p>Under Accenture's Code of Business Ethics, all employees are required to identify any actual, perceived or potential personal conflicts of interest, disclose them promptly, and obtain any required approvals and follow guidelines. The company provides a Personal Conflict of Interest tool to assess whether a particular situation could give rise to a personal conflict, and any potential conflicts are independently assessed by the ethics and compliance team.</p> <p>When working with government clients, Accenture implements additional safeguards and controls for each engagement to mitigate the potential for conflict of interest, probity issues, or breach of confidentiality. These include conflict of interest declarations, formal declarations around confidentiality and probity as part of government procurements, and disclosing any potential for conflict of interest directly to the client when necessary. Employee screening, probity plans, and agreements are also put in place to ensure that information boundaries are maintained between people or teams, confidentiality requirements are met, and controls and escalation points for raising issues are established. In some cases, Accenture employees working on</p>		

<p>Accenture has implemented various measures to manage conflicts of interest, including a Whistleblower policy that complies with Part 9.4AAA of the Corporations Act 2001 (Cth) and a Performance Accountability framework that is subject to oversight by regulatory bodies such as ASIC. Additionally, Accenture's contracts with clients include performance standards and compliance obligations that allow clients to manage issues of misconduct and material nonperformance.</p> <p>In terms of regulating conflicts of interest in the context of audit businesses, the UK's Cabinet Office conducts an annual review of the top 40 strategic suppliers to the UK government, which includes a request for data on governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations. This provides a model that the Committee might consider when regulating conflicts of interest in the audit industry.</p> <p>Accenture's global colleagues across several jurisdictions have also implemented various levels of regulation of professional services, which could be explored further by the Committee.</p> <p>Furthermore, Accenture has implemented a comprehensive ethics and compliance program that includes an annual ethics and compliance training requirement for all employees. Failure to complete this training can result in a reduction to base pay increase and bonus award. This program aims to ensure that all employees understand the expected behavior and ethical standards they must adhere to.</p> <p>Accenture's Code of Business Ethics emphasizes the importance of ethical behavior and encourages employees to speak up if they witness unethical behavior or have concerns about potential conflicts of interest. The Code also includes measures to protect the information and intellectual property of Accenture, clients, business partners, and suppliers, such as compulsory training programs, the Accenture Store and Share Tool, disabling access to Accenture systems and platforms if an employee's laptop is not kept updated with the latest security protections and patches, compulsory use of multifactor authentication on all Accenture devices (where possible), and the 24/7 global Accenture Security Operations Centre.</p> <p>Under Accenture's Code of Business Ethics, all employees are required to identify any actual, perceived or potential personal conflicts of interest, disclose them promptly, and obtain any required approvals and follow guidelines (along with any other responsibilities in the policy). Accenture also provides a Personal Conflict of Interest tool to assess whether a particular situation could give rise to a personal conflict and any potential conflicts are independently assessed by our ethics and compliance team.</p> <p>At a specific level, when working with Federal, State and Local government clients in Australia for instance, Accenture implements safeguards and controls for each engagement to mitigate the potential for conflict of interest, probity issues, or</p>		
<p>In addition to the proposed solutions mentioned in the original answer (conflict of interest declarations, employee screening, probity plans, and roll-off processes), Accenture has implemented several other measures to resolve conflicts of interest where the corporate entity has an audit business.</p> <p>Firstly, Accenture has a standalone Whistleblower policy that complies with Part 9.4AAA of the Corporations Act 2001 (Cth) and encourages whistleblowers to speak up, outlines how they can make disclosures, and provides them with information about the legal protections they are entitled to. This policy is designed to detect and address misconduct within the organization and ensure that those who become aware of misconduct can report it without fear of negative consequences.</p> <p>Secondly, Accenture is subject to oversight by various regulators in Australia, including ASIC, and is contractually obligated to comply with all applicable government policies. Clients have the ability to manage misconduct and poor performance through the contracts they have in place with Accenture, which include performance standards and compliance obligations. This provides clients with the ability to appropriately manage issues of misconduct and material nonperformance, including through the application of penalties for poor service delivery or the ability to terminate the contract if required.</p> <p>Thirdly, Accenture has implemented robust and world-class requirements for protecting and using information, devices, and technology belonging to clients, business partners, and suppliers. The company has a zero-tolerance policy for retaliation against employees who report misconduct, and encourages employees to speak up when they see conduct that does not reflect the company's values.</p> <p>Fourthly, Accenture has implemented employee screening procedures, which include criminal history checks and vetting procedures for roles that require national security clearances. This helps to ensure that employees are suitable for their roles and reduces the risk of conflicts of interest.</p> <p>Fifthly, Accenture has agreed to formal probity plans with individual departments on several occasions. These plans describe information boundaries that must be maintained between people or teams, confidentiality requirements, controls, and escalation points for raising issues if they occur. In some cases, our people working on an engagement are then 'off limits' for participating in any subsequent tender activities or further work that may come from that client area. This helps to ensure that employees are aware of their obligations and the steps they must take to avoid conflicts of interest.</p> <p>Sixthly, Accenture has implemented roll-off processes to manage the potential for conflict of interest directly to the client when onboarding onto a project. This involves ensuring that employees who have worked on a project for a significant period of time</p>		

<p>Accenture has implemented various measures to address conflicts of interest and promote ethical conduct in its audit business. Firstly, the company's Code of Business Ethics requires employees to disclose any potential conflicts of interest and obtain necessary approvals. Additionally, Accenture provides a Personal Conflict of Interest tool to help employees identify and manage conflicts of interest.</p> <p>For government clients in Australia, Accenture implements specific safeguards and controls for each engagement, including conflict of interest declarations, employee screening, and probity plans. These measures ensure that information boundaries are maintained, confidentiality is upheld, and any potential issues are escalated promptly.</p> <p>Furthermore, Accenture complies with Australian Whistleblower legislation, providing multiple channels for employees to report any misconduct anonymously. The company has a standalone Whistleblower policy that encourages whistleblowers to speak up and outlines the legal protections they are entitled to.</p> <p>To ensure performance accountability, Accenture is subject to oversight by ASIC and other regulators in Australia. Clients also have a key mechanism to manage conflicts of interest through the use of probity plans. In addition, Accenture's contracts with clients include broad range of performance standards and compliance obligations, allowing the government to manage issues of misconduct and material nonperformance.</p> <p>Accenture's global governance structures also play a role in promoting ethical conduct. The company's annual review process, similar to the UK's Cabinet Office review, assesses governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations. This process allows Accenture to identify areas for improvement and opportunities for greater collaboration with clients.</p> <p>Moreover, Accenture provides feedback to the government as a client through a review meeting with the Crown representative and supplier to discuss the outputs of the annual review process. The company also participates in focused roundtables with all strategic suppliers to share best practice and improve performance against policy objectives.</p> <p>Accenture supports any review of existing industry regulation aimed at achieving a consistent standard of governance, accountability, transparency, and reporting in the professional services sector. The company believes that trust, transparency, shared goals, and genuine collaboration are essential for the success of its work.</p> <p>In summary, Accenture has implemented a range of measures to address conflicts of interest and promote ethical conduct in its audit business. These measures include employee disclosure, conflict of interest tool, specific safeguards for government</p>		
<p>Accenture has implemented several measures to address conflicts of interest in their audit business, including:</p> <p>Conflict of interest declarations: Employees are required to declare any potential conflicts of interest when onboarding onto a project, which helps to identify and mitigate potential issues early on. This includes disclosing any potential conflicts directly to the client when onboarding onto a project.</p> <p>Employee screening: Many Accenture employees hold national security clearances and undergo regular vetting procedures, such as criminal history checks, to ensure they are suitable for their roles.</p> <p>Probity plans: Accenture has agreed upon formal probity plans with individual departments that outline information boundaries, confidentiality requirements, controls, and escalation points for raising issues if they occur. In some cases, this includes establishing 'off limits' restrictions for employees working on an engagement, preventing them from participating in any subsequent tender activities or further work that may come from that client area.</p> <p>Roll-off processes: Accenture has implemented roll-off processes to ensure that all information about a client is removed from devices when an employee leaves a client engagement, further reducing the potential for conflicts of interest.</p> <p>Whistleblower policy: Accenture has a standalone Whistleblower policy that encourages reporting of misconduct and protects whistleblowers from retribution.</p> <p>Robust information security measures: Accenture has implemented robust and world-class requirements for protecting and using information, devices, and technology belonging to Accenture, clients, business partners, and suppliers.</p> <p>Commitment to compliance: Accenture is committed to detecting and addressing misconduct within their organization and ensuring that those who become aware of misconduct can report it without fear of retribution.</p> <p>In addition, Accenture is subject to oversight by regulatory bodies such as ASIC and numerous other Federal, State and Territory regulators in Australia, which have various powers to investigate, monitor and sanction misconduct or non-compliance with Australian laws. The company also has contracts in place with their clients that include performance standards and compliance obligations, providing clients with the ability to manage issues of misconduct and material nonperformance. Globally, Accenture has implemented governance structures to ensure compliance with regulations, such as the annual review of top suppliers conducted by the Cabinet Office within the UK.</p> <p>Overall, Accenture has implemented a range of measures to address conflicts of interest, ensure compliance with regulations, and promote a culture of ethics and accountability within the organization. These measures are designed to protect the</p>		

<p>Accenture has implemented various measures to address conflicts of interest and promote ethical behavior within its organization. These measures include a probity plan, employee screening and background checks, roll-off processes, a whistleblower policy, compliance with government regulations, and a robust information security program. Additionally, Accenture supports the idea of an annual review of strategic suppliers to ensure transparency and accountability in the professional services sector.</p> <p>Accenture's commitment to ethical behavior is reflected in its Code of Business Ethics, which outlines the company's expectations for employee behavior and provides guidelines for ethical decision-making. Employees are required to complete annual ethics and compliance training, and failure to do so can result in a reduction to their base pay increase and bonus award. Accenture also has a robust information security program in place to protect the information and intellectual property of the company, its clients, business partners, and suppliers. This includes compulsory training programs for employees, a store and share tool for classifying and securing documents, and a 24/7 global security operations center for handling information security threats or incidents.</p> <p>Under Accenture's Code of Business Ethics, employees are required to identify and disclose any actual, perceived, or potential personal conflicts of interest. The company provides a Personal Conflict of Interest tool to help employees assess whether a particular situation could give rise to a personal conflict, and any potential conflicts are independently assessed by the ethics and compliance team.</p> <p>When working with government clients, Accenture implements additional safeguards and controls to mitigate the potential for conflict of interest, probity issues, or breach of confidentiality. These include conflict of interest declarations, background checks, and confidentiality agreements. For instance, in Australia, Accenture has implemented specific measures for working with Federal, State, and Local government clients, including conflict of interest declarations, employee screening, probity plans, and confidentiality requirements. These measures ensure that Accenture maintains the highest level of ethical standards and integrity in its work with government clients.</p> <p>In summary, Accenture has implemented a range of measures to address conflicts of interest and promote ethical behavior within its organization. These measures include a probity plan, employee screening and background checks, roll-off processes, a whistleblower policy, compliance with government regulations, and a robust information security program. Additionally, Accenture supports the idea of an annual review of strategic suppliers to ensure transparency and accountability in the</p>		
<p>Accenture has implemented several measures to address conflicts of interest in their audit business. These include conflict of interest declarations, employee screening, probity plans, and roll-off processes. Conflict of interest declarations are made by employees when onboarding onto a project, and probity plans describe information boundaries that must be maintained between people or teams. Employee screening involves vetting procedures such as criminal history checks, and roll-off processes ensure that all information about a client is removed from devices when an employee leaves a client engagement. Additionally, Accenture complies with Australian Whistleblower legislation and has a standalone Whistleblower policy to encourage reporting of misconduct and protect whistleblowers.</p> <p>Accenture also has a zero-tolerance policy for retaliation against employees who report misconduct and encourages employees to speak up when they see conduct that does not align with the company's ethical standards. The company takes seriously its responsibility to protect the information and intellectual property of Accenture, clients, business partners, and suppliers, and has robust requirements for protecting and using information, devices, and technology belonging to Accenture.</p> <p>In Australia, Accenture is subject to oversight by ASIC and numerous other Federal, State and Territory regulators, which have various powers to investigate, monitor and sanction misconduct or non-compliance with Australian laws. Accenture also has contracts in place with their clients that include performance standards and compliance obligations, providing clients with the ability to manage issues of misconduct and material nonperformance. Globally, Accenture has implemented governance structures to ensure compliance with regulations, such as the annual review of top suppliers conducted by the Cabinet Office within the UK. This review includes a request for data on governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations, and provides an opportunity for suppliers to provide feedback to the government as a client.</p> <p>Accenture's commitment to ethical standards is demonstrated through their implementation of measures to address conflicts of interest, such as conflict of interest declarations, employee screening, probity plans, and roll-off processes. These measures help to ensure that clients receive independent and unbiased services, and that Accenture maintains its reputation for integrity and professionalism. In particular, the use of probity plans and roll-off processes helps to ensure that client information is protected and that employees are aware of their responsibilities when working on a project. The fact that Accenture has implemented governance structures to ensure compliance with regulations, such as the annual review of top suppliers conducted by the Cabinet Office within the UK, demonstrates their commitment to ethical standards and compliance with</p>		

<p>There are no direct references to calls for more regulation of auditors/consultants in the provided document. However, there are mentions of regulatory bodies and their role in overseeing the activities of Accenture, as well as mentions of contractual agreements and whistleblower policies that help ensure compliance with laws and regulations. Additionally, Accenture expresses support for any review of existing industry regulation that aims to achieve a consistent standard of governance, accountability, transparency, and reporting in the professional services sector.</p> <p>Page 2: "In Australia, as noted above, Accenture is subject to oversight by ASIC and numerous other Federal, State and Territory regulators, which have various powers to investigate, monitor and sanction misconduct or non-compliance with Australian laws."</p> <p>Page 3: "Within these contracts, there are a broad range of performance standards and compliance obligations, including obligations on Accenture to comply with all applicable government policies. This provides the government with the ability to appropriately manage issues of misconduct and material nonperformance, including in many cases through the application of penalties for poor service delivery or the ability to terminate the contract if required."</p> <p>Page 4: "Specifically, the Cabinet Office within the UK conducts an annual review of the top 40 strategic suppliers to the UK government. The annual review includes a request for data (~600 questions via an online survey) of the top suppliers relevant to the assessment of governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations such as the cyber security resilience, gender & ethnic diversity and labour standards & work quality. There is also the opportunity for the suppliers to provide feedback to the government as a client."</p> <p>Page 4: "We are supportive of any review of existing industry regulation, which aims to achieve a consistent standard of governance, accountability, transparency and reporting in the professional services sector."</p> <p>Furthermore, Accenture highlights the importance of ethics and compliance training for its employees, with a reduction to any base pay increase and to any bonus award if they fail to complete their annually required ethics and compliance training. Accenture also has a zero tolerance policy for retaliation against employees who speak up about unethical behavior. The company also has robust security measures in place to protect sensitive information and intellectual property.</p> <p>In summary, while there are no explicit calls for more regulation of auditors/consultants, the document highlights the importance of regulatory oversight, ethics and compliance training, and robust security measures to ensure compliance with laws and regulations. Additionally, Accenture expresses support for any review of existing industry regulation that aims to</p>		
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<p>The original query is as follows: Mention all references to calls for more regulation of auditors/consultants with page numbers, provide context.</p> <p>The provided context does contain references to calls for more regulation of auditors/consultants. On page 4, it is mentioned that Accenture is supportive of any review of existing industry regulation, which aims to achieve a consistent standard of governance, accountability, transparency and reporting in the professional services sector. This suggests that Accenture is in favor of more regulation in the industry to improve governance and transparency.</p> <p>Furthermore, Accenture's Code of Business Ethics emphasizes the importance of ethical behavior, professional accountability, and compliance with laws and regulations. The company provides compulsory training programs for employees on handling sensitive information, monitoring for threat actors, and securing devices and information. Additionally, Accenture has a robust system for reporting and managing conflicts of interest, and it encourages its employees to speak up when they see conduct that does not reflect the company's values.</p> <p>In addition, Accenture has implemented various measures to mitigate the potential for conflict of interest, probity issues, or breach of confidentiality when working with government clients. These include conflict of interest declarations, employee screening, and probity plans. For instance, Accenture has agreed to formal probity plans with individual departments that describe information boundaries, confidentiality requirements, controls, and escalation points for raising issues if they occur. In some cases, Accenture's people working on an engagement are then 'off limits' for participating in any subsequent tender activities or further work that may come from that client area.</p> <p>Therefore, the refined answer is as follows:</p> <p>Reference to calls for more regulation of auditors/consultants: Page 4, where Accenture expresses support for a review of existing industry regulation to achieve a consistent standard of governance, accountability, transparency and reporting in the professional services sector.</p> <p>Context: Accenture's submission to the UK government's annual review of its top 40 strategic suppliers, highlighting the company's commitment to ethics and professional accountability, and its support for greater regulation in the industry to improve governance and transparency.</p> <p>Page numbers: Page 4 (specifically, the last paragraph of the submission).</p> <p>The additional context provided reinforces Accenture's commitment to ethical behavior and professional accountability, which</p>		
<p>There are still no explicit references to calls for more regulation of auditors/consultants in the provided document. However, the document highlights Accenture's commitment to compliance with various regulations and standards, including those related to whistleblower protection and performance accountability. Additionally, the company's contracts with clients, including the Australian government, include provisions for managing misconduct and poor performance. The document also mentions the UK's annual review of strategic suppliers, which includes a request for data on governance structures, financial position, and compliance with regulations. Furthermore, Accenture expresses support for any review of existing industry regulation that aims to achieve a consistent standard of governance, accountability, transparency, and reporting in the professional services sector. This information suggests that Accenture is subject to various forms of oversight and regulation, although there are no explicit calls for more regulation of auditors/consultants.</p> <p>The new context provided does not offer any new information that would change the answer. The information provided is about Accenture's internal policies and procedures for ethics and compliance, which do not directly relate to external calls for regulation of auditors/consultants. Therefore, the original answer still stands.</p> <p>However, it is worth noting that Accenture's commitment to ethics and compliance is demonstrated through its implementation of safeguards and controls for each engagement to mitigate the potential for conflict of interest, probity issues, or breach of confidentiality. These measures include conflict of interest declarations, employee screening, and probity plans. This information reinforces the idea that Accenture takes its responsibilities seriously and operates with a high level of integrity, which may reduce the need for external regulation.</p>		

<p>Accenture supports the aim of achieving a consistent standard of governance, accountability, transparency, and reporting in the professional services sector through a review of existing industry regulation. Accenture is committed to detecting and addressing misconduct within its organization and ensuring that those who become aware of misconduct can report it without fear of negative consequences. Accenture is subject to oversight by various regulators, including ASIC, and is contractually obligated to comply with all applicable government policies when working with the Australian Government. Additionally, Accenture has a standalone Whistleblower policy designed to comply with Part 9.4AAA of the Corporations Act 2001 (Cth). The policy encourages whistleblowers to speak up, outlines how they can make disclosures, and provides them with information about the legal protections they are entitled to. Accenture also emphasizes the importance of ethics and compliance training for its employees, which is reflected in its promotion cycle and remuneration structure. Accenture's Code of Business Ethics outlines the company's commitment to ethical behavior, including protecting the information and intellectual property of Accenture, clients, business partners, and suppliers, and identifying and disclosing any actual, perceived, or potential personal conflicts of interest. When working with government clients, Accenture implements safeguards and controls for each engagement to mitigate the potential for conflict of interest, probity issues, or breach of confidentiality. These safeguards include conflict of interest declarations, employee screening, probity plans, and controls and escalation points for raising issues if they occur. In some cases, Accenture's people working on an engagement are then 'off limits' for participating in any subsequent tender activities or further work that may come from that client area.</p>		
<p>There are no explicit references to calls for more regulation of auditors/consultants in the provided document. However, there is evidence of Accenture taking its ethical and regulatory responsibilities seriously, with measures in place to mitigate potential conflicts of interest, probity issues, or breaches of confidentiality when working with government clients in Australia. These measures include conflict of interest declarations, employee screening, and probity plans that describe information boundaries, confidentiality requirements, controls, and escalation points for raising issues. Additionally, Accenture Australia Pty Ltd expresses support for any review of existing industry regulation that aims to achieve a consistent standard of governance, accountability, transparency, and reporting in the professional services sector. This suggests that there may be a desire for more regulation within the industry itself. Furthermore, Accenture's Code of Business Ethics emphasizes the importance of ethical behavior, compliance with laws and regulations, and protecting the information and intellectual property of Accenture, clients, business partners, and suppliers. The company also provides training programs, tools, and a Personal Conflict of Interest tool to ensure compliance with its ethical standards. These measures suggest that Accenture takes its ethical and regulatory responsibilities seriously and may be open to more regulation in the industry.</p>		
<p>There are no explicit references to calls for more regulation of auditors/consultants in the provided document. However, there is evidence of Accenture taking steps to ensure ethical behavior and compliance with regulations in their work with government clients, particularly in Australia. These measures include conflict of interest declarations, employee screening, and probity plans. Additionally, Accenture Australia Pty Ltd expresses support for any review of existing industry regulation aimed at achieving a consistent standard of governance, accountability, transparency, and reporting in the professional services sector. This suggests that there may be a desire for more regulation within the industry. Furthermore, Accenture's Code of Business Ethics emphasizes the importance of ethical behavior, compliance with laws and regulations, and protecting the information and intellectual property of Accenture, clients, business partners, and suppliers. The company also provides training programs, tools, and a Personal Conflict of Interest tool to assess and mitigate potential conflicts of interest. These measures suggest that Accenture takes the issue of regulation and ethical behavior seriously and is committed to maintaining high standards in these areas.</p>		
<p>There are no explicit references to calls for more regulation of auditors/consultants in the provided document. However, there are several mentions of measures aimed at ensuring ethical conduct, protecting information and intellectual property, and preventing conflicts of interest, which could be seen as indirect references to the need for professional services firms to adhere to certain standards and regulations. These measures include employee screening, probity plans, and information boundaries. Additionally, the mention of the UK's Cabinet Office conducting an annual review of strategic suppliers, which includes a request for data on governance structures, financial position, commercial presence & strategy, risk & compliance with key government policies and regulations, could be seen as a form of regulation or oversight. The document also highlights the importance of maintaining information boundaries and confidentiality requirements, as well as escalation points for raising issues, which further emphasizes the need for professional services firms to adhere to certain standards and regulations. (Page 3)</p>		

<p>Accenture has implemented various measures to regulate the behavior of its employees and prevent conflicts of interest. For instance, the company has a zero tolerance policy for retaliation against employees who raise concerns about unethical conduct. Additionally, Accenture conducts regular employee screening, including criminal history checks and vetting procedures, to ensure that its employees hold national security clearances. The company has also established formal probity plans with individual departments to maintain information boundaries, confidentiality requirements, and escalation points for raising issues. Furthermore, Accenture has implemented measures to prevent employees working on an engagement from participating in any subsequent tender activities or further work that may come from that client area. These measures demonstrate Accenture's commitment to compliance and ethical standards, and its efforts to regulate the behavior of its employees.</p>		
<p>Accenture takes ethical behavior and compliance seriously, and we have implemented measures to encourage employees to speak up when they see unethical behavior and to protect the information and intellectual property of Accenture, clients, business partners, and suppliers. We have a zero-tolerance policy for retaliation against employees who report misconduct. Our performance accountability is also subject to oversight by regulators such as ASIC and contractual agreements with clients, which include performance standards and compliance obligations. To address potential conflicts of interest, we conduct employee screening, including criminal history checks, and have implemented formal probity plans with individual departments that outline information boundaries, confidentiality requirements, controls, and escalation points for raising issues. We also have a formal probity plan that describes information boundaries that must be maintained between people or teams, confidentiality requirements, controls, and escalation points for raising issues if they occur. In some cases, our people working on an engagement are then 'off limits' for participating in any subsequent tender activities or further work that may come from that client area. Additionally, we could consider implementing industry-wide measures such as the UK's annual review of top strategic suppliers to the government, which includes a request for data on governance structures, financial position, and compliance with regulations, to improve regulation in the industry.</p>		



Model A Summary

Document summary

The document discusses the ethical and professional accountability challenges in the audit, assurance, and consultancy industry. It highlights the case of Peter Collins, who breached the confidentiality agreement with the Treasury and marketed tax dodging schemes to PwC clients. The document also discusses the conflicts of interest within the corporate world and the increasing ties with governments. The document mentions the revolving door between government and the Big 4 firms and how the separation between the Big 4 and government has become blurred in many contexts. The document also mentions the case of Business Roundtable in the US and how nearly 80% of their lobbyists had previously held posts in government. The document also mentions the case of a secretive lobby group in Ireland and how representatives from accountancy firms have been given senior advisory positions in political positions in the Netherlands.

Mentions to ASIC

Page 7: "The Committee should recommend that the board of the Tax Practitioners Board no longer be the body that decides on the sanction to be placed on a tax practitioner. The board is composed mainly of people who have worked for large tax consultancy firms. Thus, it is a reasonable perception that the board will be in a situation of having to decide to sanction someone who is a peer. It is desirable that the decision of the sanction to be imposed should rest with people who have had no employment with tax advisory firms to create public trust that sanctions are being objectively applied."

* Page 16: "The settlement came after the Tax Practitioners Board in November made findings that the firm used information provided by Peter Collins in breach of the confidentiality agreement signed with the Treasury to market tax dodging schemes to PwC clients in 2016 and 2017.¹⁷ It is hard to grasp why the ATO then concealed the deal with PwC from the Tax Practitioners Board, only disclosing it to the Senate Committee on Finance and Public Administration References Committee in late July.¹⁸"

Summary of recommendations

The Committee should recommend that auditing and consultancy firms be unable to make political donations. Further, any auditing or consulting firm that has made a political donation in the last year should not be able to obtain a Commonwealth Government contract.

The regulatory system would oversee financial services professionals, set standards and provide guidance. There would undoubtedly be a need for sub-divisions within the regulator to deal with different types of financial service professionals, such as auditors and tax advisers.

The meaningful provision of assurance can only be delivered when auditing is entirely separate and independent from all other functions. Being mindful of the organisational challenges involved in breaking up companies that currently house these services under one roof, auditing should, in the interim, be effectively and definitively ring-fenced from other functions.

The Committee should recommend that the Commonwealth Government move towards reform of the regulatory framework for financial service professionals to have the one overarching Commonwealth Government regulatory body.



The Big 4 accountancy firms remain de facto regulatory intermediaries charged with providing a public good – financial probity - that is critically important to functioning democracies. Coupled with their vast business networks and economic power, their supposed role in financial probity has enabled them to leverage their reputations to attain political power and influence.

In this context, there is a pressing need for governments, state structures and international governance institutions to rethink and reset their relationships with the Big 4 firms and to enact regulatory changes in order to restore their role as providers of the public good they were originally set up for – assurance and financial integrity.

As a crucial first step, this would require regulations to separate firms providing auditing services from those offering any forms of financial advice. The meaningful provision of assurance can only be delivered when this function is entirely separate and independent from all other functions. Being mindful of the organisational challenges involved in breaking up companies that currently house these services under one roof, auditing should, in the interim, be effectively and definitively ring-fenced from other functions.

Furthermore, accountancy and financial services firms with significant international operations should be required to adhere to the highest standards of transparency themselves, including through consistent public country-by-country reporting on all their operations, including profits, costs (including taxes paid), assets held and staff employed in all jurisdictions where they have a presence.

References to more regulation

* Page 6: "Furthermore, accountancy and financial services firms with significant international operations should be required to adhere to the highest standards of transparency themselves, including through consistent public country-by-country reporting on all their operations, including profits, costs (including taxes paid), assets held and staff employed in all jurisdictions where they have a presence."

* Page 10: "Being mindful of the organisational challenges involved in breaking up companies that currently house these services under one roof, auditing should, in the interim, be effectively and definitively ring-fenced from other functions."

* Page 11: "The Committee should recommend that the Commonwealth Government move towards reform of the regulatory framework for financial service professionals to have the one overarching Commonwealth Government regulatory body."

* Page 12: "That the twin roles of providing assurance (that is, the guarantee of financial probity) and tax planning advice should be housed within a single profit-seeking firm has proved deeply and increasingly pernicious."

* Page 13: "Their conflicted role makes their commentary and critique of public policy particularly problematic, as major accountancy firms do not represent the democratic interests of the general population but instead those of their clients."

* Page 14: "Involvement in scandals and crimes Against this backdrop, it is arguably unsurprising that the Big 4 have been implicated in financial scandals with increasing frequency in recent years, including major international controversies such as the Panama Papers¹ and LuxLeaks.² Four of KPMG's senior partners were arrested for alleged tax evasion in Northern Ireland in 2015,³ and the firm was also embroiled in the collapse of UK bank HBOS in 2015.⁴ A decade earlier, in 2005, the company was obliged to pay a US\$456 million fine to settle allegations that it promoted illegal tax shelters in the USA."



Model B Summary

Document summary

None.

Mentions to ASIC

The Committee should recommend that the board of the Tax Practitioners Board no longer be the body that decides on the sanction to be placed on a tax practitioner.

Summary of recommendations

The Committee should recommend that auditing and consultancy firms be unable to make political donations. Further, any auditing or consulting firm that has made a political donation in the last year should not be able to obtain a Commonwealth Government contract.

References to more regulation

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Model C Summary

Document summary

The document discusses the ethical challenges in the audit, assurance, and consulting industry, particularly the conflicts of interest and regulatory capture. The authors argue that the Big 4 accounting firms, including PwC, have become too close to governments and have used their reputation as independent experts to legitimize policy programs and legislative projects that do not represent the interests of ordinary citizens. The document cites examples of lobbying and revolving doors between the Big 4 firms and government in various countries, including the US, Ireland, and the Netherlands. The authors also raise concerns about the lack of criminal prosecution for breaches of confidentiality agreements and highlight the need for greater transparency and accountability in the industry.

Mentions to ASIC

There is no mention of ASIC (Australian Securities and Investments Commission) in the provided sources.

Summary of recommendations

Recommendations for regulating conflicts of interest in the audit industry include:

1. Separating firms providing auditing services from those offering financial advice (page 6).
2. Requiring accountancy and financial services firms with significant international operations to adhere to the highest standards of transparency, including public country-by-country reporting (page 6).
3. Abandoning the practice of relying on Big 4 accountancy firms to assess or legitimise policy or legislative proposals (page 7).
4. Recognizing and appropriately considering the conflict of interest in Big 4 accountancy firms evaluating and contributing to the design of public policy (page 7).
5. Moving towards a regulatory framework for financial service professionals to have the one overarching Commonwealth Government regulatory body (page 7).
6. Prohibiting auditing and consultancy firms from making political donations and preventing them from obtaining Commonwealth Government contracts if they have made a political donation in the last year (page 7).

These recommendations aim to address the issue of conflicts of interest in the audit industry and ensure that firms providing auditing services are independent and impartial in their assessments.

References to more regulation

1. Page 6: Recommendation to separate auditing services from financial advice.
Context: The submission suggests that this is necessary to restore the role of auditors as providers of public good and to avoid conflicts of interest.
2. Page 7: Recommendation to require accountancy and financial services firms to adhere to highest standards of transparency.
Context: The submission suggests that this is necessary to ensure that firms are held accountable for their actions and to prevent conflicts of interest.
3. Page 7: Recommendation to abandon the practice of relying on Big 4 accountancy firms to assess or legitimise policy or legislative proposals.



Context: The submission suggests that this is necessary because the firms have a conflict of interest in evaluating policy that may affect their corporate clients.

4. Page 8: Recommendation to move towards a single overarching Commonwealth Government regulatory body for financial service professionals.

Context: The submission suggests that this is necessary to address the problem of conflicting interests and to ensure that the regulatory framework is effective.

5. Page 10: Recommendation to prevent auditing and consultancy firms from making political donations.

Context: The submission suggests that this is necessary to prevent conflicts of interest and to ensure that firms are not able to influence government policy through political donations.



Model A Summary

Document summary

The document is a submission to the Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry inquiry by Professor Allan Fels AO. The submission discusses the use of market design to improve the provision of governmental services, specifically school transportation for disadvantaged students. The problem is that the transportation is subsidised but the service quality is poor, with children on a bus for four hours a day and arriving late to school and home. The submission outlines the theoretical and empirical work on market design and its potential to improve the provision of governmental services. The submission also discusses the role of concentration in the economy and its impact on productivity, as well as the wage price spiral and its potential to drive inflation. The submission concludes that market design can be a useful tool for improving the provision of governmental services, but that it is important to carefully consider the potential impacts of market design on workers and the broader economy.

Mentions to ASIC

- * Page 5: Mention of ASIC conducting inspections of audit firms and the results from its audit firm inspections for the period 1 January 2017 to 30 June 2018.
- * Page 6: Mention of ASIC's surveys focusing on high-risk audit areas, and more complex, challenging audits.
- * Page 7: Mention of ASIC's recommendation to establish a new and more active audit regulator with "a new mandate, new leadership and stronger statutory powers," as well as greater funding.
- * Page 8: Mention of ASIC's role in reviewing audit quality and enforcement by regulators.
- * Page 9: Mention of ASIC's role in providing regulatory relief through instruments and waivers.
- * Page 10: Mention of ASIC's role in regulating, standards, disciplinary and other bodies.
- * Page 11: Mention of ASIC's role in conducting regular inspections of audit firms.
- * Page 12: Mention of ASIC's role in enforcing rigorously enough the audit rules, which have the backing of Law.
- * Page 13: Mention of ASIC's role in lifting Audit quality in this country and enforcement are not working as well as they should.
- * Page 14: Mention of ASIC's role in conducting inspections of 20 Australian audit firms of varying sizes.
- * Page 15: Mention of ASIC's role in finding that in 24 per cent of the total 347 key audit areas that ASIC reviewed across 98 audit files, auditors did not, in its view, obtain reasonable assurance that the financial report was free from material misstatement.
- * Page 16: Mention of ASIC's role in finding that in reviews of the audit files at the six largest firms, auditors failed the same test, compared with 23 per cent in the previous period.
- * Page 17: Mention of ASIC's role in conducting inspections of audit firms and the results from its audit firm inspections for the period 1 January 2017 to 30 June 201

Summary of recommendations

Professor Allan Fels AO recommends that the audit industry has generally been opposed to any form of forced separation of audit and other consulting advisory services. However, he notes that the complicated suite of independence rules show that there is a difficult and costly conflict management issue in the market as it is currently constructed. He suggests that separation of the two functions would be a much cleaner, simpler and less costly way to deal with the problem. He also mentions that the UK government has been considering just such a recommendation from the CMA (in 2019).



The CMA recommends an operational split of the audit and non-audit business streams, which would involve separate management, accounts and remuneration. This change would be overseen by the UK auditing and accounting regulator. The CMA also mentions that the UK government has been considering a full, structural split of auditing and non-auditing services.

The UK auditing and accounting regulator, the Financial Reporting Council (FRC), recommends that auditors “should focus exclusively on producing the most challenging and objective audits, rather than being influenced by (their firm’s) much larger consultancy businesses.” The FRC also recommends that auditors’ profit shares should be directly aligned with the actual performance of the audit division, with audit quality being the prime remuneration performance measure.

The Australian Financial Review reported in January 2019 that the Australian arms of the Big Four were not inclined to follow their UK counterparts and offer to ban the provision of non-audit services to audit clients here. They believed there was no “catalyst” here for quarantining audit from non-audit, the AFR report stated.

The Australian Securities and Investments Commission (ASIC) recommends that the rules in place here are sufficient to deal with the conflicts that exist. However, separation of the two functions would be a much cleaner, simpler and less costly way to deal with the problem.

The UK auditing and accounting regulator, the Financial Reporting Council (FRC), recommends that auditors “should focus exclusively on producing the most challenging and objective audits, rather than being influenced by (their firm’s) much larger consultancy businesses.” The FRC also recommends that auditors’ profit shares should be directly aligned with the actual performance of the audit division

References to more regulation

* Page 2: "The conflicts can never be entirely resolved, and where they go closer to being eliminated (or looking as if they do) the rules and arrangements are costly to operate. And they require considerable public external oversight typically by regulators who may be less than well informed and are often halfhearted in this field."

* Page 3: "Recent 2023 scandals concerning PwC and other audit firms demonstrate that self-regulation and government oversight and regulation will not solve the problems."

* Page 4: "The Royal Commission on Banking and Financial Institutions (the Hayne Commission) has shown that business, especially in finance related areas (of which auditing is one), is poor at handling conflicts of interest and that culture can be driven by the interests of suppliers of services rather than customers. A major lesson of Hayne is that half measures to resolve conflicts of interest usually work poorly in practice, are gradually eroded, and poorly enforced by regulators. This is especially so when temptingly large sums of finance are involved. The only solution is full separation."



Model B Summary

Document summary

The wage price spiral is a theory that says that wages and prices rise together. This theory was popular in the 1970s, but it has been discredited since then. There is no evidence that it is currently driving inflation. In fact, real wages have fallen across the board, including in unionised sectors.

Mentions to ASIC

6 The regulator conducted inspections of 20 Australian audit firms of varying sizes. In 24 per cent of the total 347 key audit areas that ASIC reviewed across 98 audit files, auditors did not, in its view, obtain reasonable assurance that the financial report was free from material misstatement. This compares to 25 percent of 390 key audit areas in the previous 18-month period ended 31 December 2016. In reviews of the audit files at the six largest firms, ASIC found that in 20 percent of the key audit areas, auditors failed the same test, compared with 23 per cent in the previous period.

Summary of recommendations

The CMA also says in its report that remuneration for auditors could be deferred and clawed back in the event of an auditing mishap if the UK government wanted to strengthen the reform package. And it says structural reform should be re-examined if firms find ways to get around operational separation.

References to more regulation

There are major complications, pitfalls, costs and inconveniences in all compromise measures that are sometimes proposed as an alternative, for example an internal separation of the functions within one firm. The conflicts can never be entirely resolved, and where they go closer to being eliminated (or looking as if they do) the rules and arrangements are costly to operate. And they require considerable public external oversight typically by regulators who may be less than well informed and are often halfhearted in this field.



Model C Summary

Document summary

The document is a submission to the Economics Committee of the Australian Parliament, titled "Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry". The submission is numbered 52 and is authored by Dr. Plott. The document discusses the problem of school transportation for disadvantaged students, specifically children with autism, and how markets can improve the provision of governmental services. It also touches on the issue of increased concentration and its impact on productivity, and the role of unions in the current economic situation. The document includes a mention of a wage-price spiral and the author's disagreement with the idea that the current situation is driven by such a spiral.

Mentions to ASIC

1. ASIC conducts regular inspections of audit firms, and the results from its audit firm inspections for the period 1 January 2017 to 30 June 2018 help illustrate these points. (Page 5)
2. ASIC's surveys focus on high-risk audit areas, and more complex, challenging audits. (Page 5)
3. The UK government announced in March this year that it would accept the recommendation, and establish the new regulator with "a new mandate, new leadership and stronger statutory powers," as well as greater funding, notably for reviews of audit quality. (Page 6)
4. The funding equation would obviously depend on the response. The UK move to create a new and more active audit regulator is a case in point. (Page 6)

Summary of recommendations

Recommendations on how conflicts of interest should be regulated in the audit industry include:

1. Operational separation: The UK's Competition and Markets Authority (CMA) recommended separating audit and non-audit services, with separate management, accounts, and remuneration. This would help to eliminate conflicts of interest and ensure that auditors focus exclusively on producing high-quality audits (Page 2).
2. Transfer pricing: The CMA also recommended transparent transfer pricing of the use of non-audit specialists on audits to ensure that the audit practice is not subsidized by the consultancy business (Page 2).
3. Profit sharing: The CMA suggested that promotions and bonuses for auditors should be based on the quality of the audits, rather than the profitability of the consultancy business (Page 2).
4. Regulatory oversight: The Kingman report recommended creating a new and more active regulator to oversee the separation of audit and non-audit services (Page 2).
5. Ban on non-audit services: The UK firms have proposed banning all non-audit service provision for audit clients, but this has been met with resistance from the Big Four accounting firms in Australia (Page 3).

These recommendations aim to address the conflicts of interest that arise when audit firms provide both audit and non-audit services to clients, ensuring that auditors maintain their independence and focus on producing high-quality audits.

References to more regulation

1. Page 1: The author suggests that the current UK situation is moving towards total separation of audit and consulting services, and that this approach would be wise for Australia to adopt as well.



2. Page 2: The author mentions that there have been dissatisfaction with the quality of audits and the regulation of the audit market for a long time, and that examinations of the auditing industry almost always follow a major and damaging corporate collapse.

3. Page 3: The author suggests that total separation is the clean, clear, sensible solution, and that recent scandals concerning PwC and other audit firms demonstrate that self-regulation and government oversight and regulation will not solve the problems.

4. Page 4: The author mentions that the Royal Commission on Banking and Financial Institutions (the Hayne Commission) has shown that business, especially in finance related areas (of which auditing is one), is poor at handling conflicts of interest and that culture can be driven by the interests of suppliers of services rather than customers.

5. Page 4: The author suggests that half measures to resolve conflicts of interests usually work poorly in practice, are gradually eroded, and poorly enforced by regulators, and that the only solution is full separation.



Model A Summary

Document summary

The document is a submission from Boston Consulting Group (BCG) to the Australian Senate Select Committee on Finance and the Public Service. The submission covers various topics related to the audit, assurance, and consultancy industry, including transparency, ethics, and professional accountability. BCG acknowledges its responsibility to the Australian Government and supports a strong and capable Australian Public Service (APS). The firm believes that it brings unique skills, experience, and expertise that can complement or enhance those of its clients, not substitute them. BCG supports a strong and capable SES leadership and a dedicated and talented APS workforce in support of the work requested by the department or agency. The firm uses structured learning, expert training sessions, digital tools, and coaching to transfer knowledge and skills to client team members. BCG regularly challenges itself to examine what it is doing and to continuously improve. The firm has policies in place that govern the clients it works with and the projects it undertakes, including Client Clear and Topic Clear. Client Clear prohibits any work for countries or individuals that are subject to sanctions applicable to BCG, including individual Specially Designated Nationals (“SDN”), or countries where regime change, crime, instability, or other concerns create an unacceptable risk to the safety or security of BCG’s people. Topic Clear requires BCG to systematically consider specific situations and/or certain topics that may entail elevated risks, ranging from prohibited topic areas to prohibited geographies.

Mentions to ASIC

The submission mentions ASIC in the following contexts:

- * Section C: BCG’s enforcement measures taken in response to integrity breaches, and the management of risks to public sector integrity from engagement of consultants. (Page 11)
- * Section E: BCG’s legal status and governance under Australian law (at subsection E1). (Page 12)

In Section C, BCG discusses its enforcement measures taken in response to integrity breaches and the management of risks to public sector integrity from engagement of consultants. The submission notes that BCG has a strict code of conduct and takes a zero-tolerance approach to unethical behaviour. The submission also notes that BCG has a dedicated ethics team that is responsible for monitoring and enforcing compliance with BCG’s code of conduct. In addition, BCG has a whistleblower program that allows employees to report any unethical behaviour they observe.

In Section E, BCG discusses its legal status and governance under Australian law. The submission notes that BCG is registered as a proprietary limited company in Australia and is subject to the Australian Securities and Investments Commission (ASIC)’s regulations. The submission also notes that BCG is subject to the Australian Corporations Act 2001 and the Australian Securities Exchange Listing Rules. The submission notes that BCG has a dedicated compliance team that is responsible for ensuring compliance with all relevant laws and regulations.

Summary of recommendations

The Committee may wish to consider restrictions on the ability of suppliers to simultaneously supply both labour-hire services and management advisory services to the Australian Government. This recommendation is on page 24.

In addition, the Committee may wish to consider requiring all suppliers’ employees or subcontractors working on Australian Government projects to undertake additional training on APS values and public service standards. This recommendation is on page 5.



The Committee may also wish to consider further enhancements, beyond changes already made this year, to ensure that integrity of suppliers be more explicitly considered in the pre-qualification of firms to Australian Government panels, and in the evaluation and award of future consulting contracts. This recommendation is on page 6.

References to more regulation

1. Page 9, Section A: BCG does not provide tax, legal, accounting or audit services.
2. Page 9, Section B: BCG does not provide labour-hire services.
3. Page 9, Section C: BCG does not second staff to government, with a strictly controlled exception.
4. Page 9, Section D: BCG's commitment to APS values and strict adherence to Government procurement processes.
5. Page 9, Section E: BCG's perspective on how to improve transparency, measure value for money, and how to ensure accountability for a supplier's overall contributions and integrity.



Model B Summary

Document summary

None.

Mentions to ASIC

There are no mentions of ASIC in the submission.

Summary of recommendations

1. Consider restrictions on the ability of suppliers to simultaneously supply both labour-hire services and management advisory services to the Australian Government.

References to more regulation

For Global and National Firm Structures (Term of Reference #1), and Governance

BCG has recently provided a perspective on many of the items in the terms of reference for this inquiry as part of its public submission to the Senate Finance and Public Administration References Committee's Inquiry into management and assurance of integrity by consulting services ('Submission'), which is included in this submission below.

We specifically refer the Committee to the below sections of our Submission which relate to the terms of reference for this inquiry:

For Global and National Firm Structures (Term of Reference #1), and Governance

Obligations of Professional Services (Term of Reference #2) we refer the Committee to:

- Sections A & B: BCG's global policies and procedures, and specific measures we take to prevent conflicts of interest, contract breaches, and other unethical behaviour.
- Section C: BCG's enforcement measures taken in response to integrity breaches, and the management of risks to public sector integrity from engagement of consultants.
- Section E: BCG's legal status and governance under Australian law (at subsection E1).



Model C Summary

Document summary

The document is a submission to the Australian Government's Senate Select Committee on Jobs for the Future in the context of Artificial Intelligence. The submission is from Boston Consulting Group (BCG), a global management consulting firm.

The document highlights BCG's commitment to supporting the Australian Public Service (APS) in its important work and acting in the public interest. BCG acknowledges the importance of capability building and knowledge transfer to the public service and supports a strong and capable APS.

The document also discusses BCG's approach to ethics and professional accountability, including their responsibility to act with integrity, transparency, and focus on value-delivery. BCG has policies in place to govern the clients they work with and the projects they undertake, and they have turned down clients and engagements that are not consistent with their policies.

The document emphasizes the importance of transparency in procurement processes and suggests that the Australian Government could increase transparency by requiring departments and agencies to provide more information about their value for money processes and assessments.

Finally, the document highlights BCG's commitment to continuous improvement and their processes for handling concerns raised about behavior that may not align with their values.

Mentions to ASIC

There are no mentions of ASIC (Australian Securities and Investments Commission) in the provided sources. The sources focus on the Boston Consulting Group's submission to the Senate Finance and Public Administration Committee's inquiry into the management and assurance of integrity by consulting services provided to the Australian Government. The submission discusses BCG's policies, procedures, and measures related to ethics, professional accountability, and risk management, but does not mention ASIC or any specific interactions with the organization. Therefore, I cannot provide any page numbers or context related to ASIC.

Summary of recommendations

The Committee should consider the following recommendations to regulate conflicts of interest in the consulting industry, particularly for entities with an audit business:

1. Restrictions on suppliers providing both labour-hire services and management advisory services to the Australian Government (Submission 56, page 9).
2. Establishing a clear framework for secondments to or from the Australian Public Service, with strong safeguards to prevent conflicts of interest and protect confidentiality (Submission 56, page 10).
3. Requiring specific requirements or obligations regarding the ethical and responsible use of AI in the delivery of consulting and technology services as part of Australian Government contracts (Submission 56, page 10).
4. Establishing a formal Australian Government process for reviewing breaches of integrity, contracts or other ethical standards, with stronger consequences including the explicit ability to ban or bar consultants from some or all engagements for a period of time if they are found to be in breach (Submission 56, page 11).



5. Requiring all suppliers' employees or subcontractors working on Australian Government projects to undertake additional training on APS values and public service standards (Submission 56, page 12).
6. Enhancing the evaluation and award of future consulting contracts to ensure that integrity of suppliers is explicitly considered in the pre-qualification of firms to Australian Government panels (Submission 56, page 12).

These recommendations aim to prevent conflicts of interest, protect confidentiality, and ensure the ethical and responsible use of AI in the consulting industry, particularly for entities with an audit business.

References to more regulation

1. Page 9: BCG suggests restrictions on the ability of suppliers to simultaneously supply both labor-hire services and management advisory services to the Australian Government.
2. Page 19: BCG refers the Committee to Section D, which discusses BCG's commitment to APS values and strict adherence to Government procurement processes.
3. Page 19: BCG refers the Committee to Section E, which discusses how to improve transparency, measure value for money, and ensure accountability for a supplier's overall contributions and integrity.

Please note that the page numbers mentioned are based on the provided source information and may not be accurate for other versions or sources of the document.

