

From: Sebar, Gareth <Gareth.Sebar@finance.gov.au>
Sent: Friday, 29 May 2026 4:56 PM
To: Sally So; Procurement Agency Advice
Cc: s 47F; s 47F; s 47F
Subject: RE: For advice - KPMG audit and assurance services [SEC=OFFICIAL]
Attachments: MAS Panel - Notification of Significant Event (KPMG) [SEC=OFFICIAL]

Categories: 1. CC'd | For Review

OFFICIAL

Hi Sally

You may have seen the attached advice sent out by Finance earlier today regarding KPMG.

Finance will be providing further guidance next week.

Regards

Gareth Sebar | Assistant Secretary
Procurement Policy Branch
Department of Finance
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The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.



From: Sally So
Sent: Friday, 29 May 2026 9:38 AM
To: Procurement Agency Advice
Cc: Sebar, Gareth ; s 47F ; s 47F
Subject: For advice - KPMG audit and assurance services [SEC=OFFICIAL]

Dear Procurement Advisory Team,

I am writing to seek your advice on considerations and any recommended actions in relation to our current contractual arrangements with KPMG for the provision of internal audit and assurance services.

As you will be aware, the conduct of KPMG partners in their auditing practice has recently been the subject of media scrutiny, and questions were raised at Senate Estimates this week regarding the use of KPMG across Commonwealth

entities. The AEC currently holds a significant audit and assurance services contract with KPMG and is identified on AusTender as holding one of the larger such contracts. To date, no advice has been received from KPMG in relation to this matter.

In this context, we would appreciate your guidance on:

- Any whole-of-government advice or direction being considered or issued in relation to entities engaging KPMG for audit or assurance services
- Key risk considerations (e.g. reputational, conflict of interest, independence, probity) that entities should be actively assessing at this time
- Appropriate assurance steps we should undertake to confirm continued compliance with contractual and professional obligations
- Whether any additional reporting, notification, or documentation is expected of entities currently using KPMG

We note that our contract requires KPMG to perform services in accordance with the **Global Internal Audit Standards (GIAS)**. Relevant elements of the Standards that we consider particularly pertinent in the current environment include:

- **Integrity and Ethical Behaviour** – requiring internal auditors to perform their work with honesty, diligence, and responsibility
- **Objectivity and Independence** – ensuring auditors remain free from bias, conflicts of interest, or undue influence
- **Professional Scepticism and Due Care** – requiring appropriate challenge, critical assessment, and sound judgment
- **Confidentiality** – protecting sensitive information and using it appropriately
- **Organisational Independence and Governance Alignment** – ensuring internal audit functions operate with appropriate authority and reporting lines that safeguard their independence
- **Quality and Continuous Improvement** – maintaining robust quality assurance and improvement programs

Given the recent developments, we are particularly mindful of ensuring that these ethical and professional obligations are being demonstrably met in both form and substance.

We would welcome your advice on any additional steps we should take to ensure we are meeting Commonwealth expectations and maintaining confidence in the integrity of our internal audit arrangements.

Please let me know if you require any further information regarding our current contract or governance arrangements.

Kind regards,
Sally

Sally So | Chief Financial Officer

Finance and Strategic Sourcing Branch | Corporate Services & Governance Division

Australian Electoral Commission | T: S 47F | M: S 47F

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