

From: s22(1)(a)(ii)
Sent: 29 May 2026 09:56
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
Subject: KPMG

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Dear s22(1)

I trust that you are well.

You may be aware that KPMG has recently received some media attention. I would be happy to arrange a meeting at a time convenient to you, either in person or virtually, to discuss this further.

In particular, to understand whether you have received any enquiries from your leadership or members of the Audit Committee in your capacity as our contract manager.

Please let me know your availability.

Regards

s22(1)(a)(ii)

Partner
 Governance, Regulation & Assurance
 Consulting

KPMG
 Level 9, Constitution Place, 1 Constitution Avenue
 Canberra City ACT 2601 Australia

s22(1)(a)(ii)

kpmg.com.au



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From: BURKE, Andrew <Andrew.BURKE@infrastructure.gov.au>
Sent: 29 May 2026 12:55
To: s22(1)(a)(ii)
Subject: Fw: For info: KPMG [SEC=OFFICIAL]

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OFFICIAL

s22(1)(a)

A bit of trail here but for vis. I have asked Cha (Justin is acting today before s22(1)(a)(ii) commencement next week) to coordinate the tasking from Ruth.

Andrew Burke

Assistant Secretary • Integrity Branch
 Legal and Integrity Division
 Andrew.Burke@infrastructure.gov.au

s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

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I acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islander people.

From: BURKE, Andrew <Andrew.BURKE@infrastructure.gov.au>
Sent: Friday, May 29, 2026 12:52
To: Iu, Justin <Justin.Iu@infrastructure.gov.au>
Cc: MCCLURE, Christie <Christie.MCCLURE@infrastructure.gov.au>; s22(1)(a)(ii)
 s22(1)(a)(ii) GRIMES, Kathryn <Kathryn.GRIMES@infrastructure.gov.au>
Subject: Fw: For info: KPMG [SEC=OFFICIAL]

OFFICIAL

Hi Justin

Thanks for the chat and confirming that your procurement area will:

1. Extract data on all current contracts with KPMG and advise departmental contract managers of the advice and allegations ([KPMG CEO Andrew Yates resigns over whistleblower allegations](#))
2. Consider whether there is value in the department seeking centralised assurances from KPMG or if this needs to be done by each contract manager.
3. Reaching out to the Department of Finance to understand any steps they are taking or have undertaken to understand the implications of the development on the Government under the relevant whole of government procurement processes. [noting the response to number 1 may identify arrangements under Standard Offers and other procurement approaches].

We may also need to consider looping in ^{s22(1)} ICT Procurement Team at some point.
() (ii)

Thanks

Andrew Burke

Assistant Secretary • Integrity Branch
Legal and Integrity Division
Andrew.Burke@infrastructure.gov.au

s22(1)(a)(ii)

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From: MCCLURE, Christie <Christie.MCCLURE@infrastructure.gov.au>

Sent: Friday, May 29, 2026 12:18

To: BURKE, Andrew <Andrew.BURKE@infrastructure.gov.au>

Subject: Fw: For info: KPMG [SEC=OFFICIAL]

OFFICIAL

Hi Andrew

See SB26-000004. Could you please talk to the departmental contract manager for the 4 contracts we have with KPMG. Let them know the news and find out the type of contract and indicate we will call KPMG this afternoon to seek assurances. Jodi is away today and s22(is finding out who is acting for her.

Many thanks

Christie

Christie McClure

Chief Counsel

Legal & Integrity Division

Christie.McClure@infrastructure.gov.au

s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

s22(1)(a)(ii)

The contents of this email are confidential and subject to legal professional privilege.

I may be working flexibly and sending emails at a time that suits me. No need to read or respond outside of your working hours.

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From: WALL, Ruth <Ruth.WALL@infrastructure.gov.au>

Sent: Friday, May 29, 2026 11:15

To: MCCLURE, Christie <Christie.MCCLURE@infrastructure.gov.au>

Subject: Re: For info: KPMG [SEC=OFFICIAL]

OFFICIAL

The SE Brief SB26-000004 says that there are 4 active KPMG contracts and 4 inactive.

Ruth Wall

A/g Deputy Secretary • Chief Operating Officer

ruth.wall@infrastructure.gov.au

s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

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Artwork by Mahalia Mabo entitled Connections



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From: WALL, Ruth <Ruth.WALL@infrastructure.gov.au>
Sent: Friday, 29 May 2026 11:11 AM
To: MCCLURE, Christie <Christie.MCCLURE@infrastructure.gov.au>
Subject: Re: For info: KPMG [SEC=OFFICIAL]

OFFICIAL

Thank you

Ruth Wall

A/g Deputy Secretary • Chief Operating Officer
ruth.wall@infrastructure.gov.au

s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

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From: MCCLURE, Christie <Christie.MCCLURE@infrastructure.gov.au>
Sent: Friday, May 29, 2026 10:35 AM
To: WALL, Ruth <Ruth.WALL@infrastructure.gov.au>
Subject: For info: KPMG [SEC=OFFICIAL]

OFFICIAL

Ruth

The CEO and head of audit of KPMG have stepped down over allegations of repeated failures to deal with whistleblower allegations of client data misuse. We use KPMG for our internal audits. We are coordinating with Financial Management Branch to determine what other contracts the department has with KPMG.

We will keep you informed.

Cheers

Christie

Christie McClure

Chief Counsel
 Legal & Integrity Division
Christie.McClure@infrastructure.gov.au

s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

s22(1)(a)(ii)

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OFFICIAL

From: s22(1)(a)(ii)
Sent: Friday, 29 May 2026 10:25
To: BURKE, Andrew <Andrew.BURKE@infrastructure.gov.au>
Cc: MCCLURE, Christie <Christie.MCCLURE@infrastructure.gov.au>; s22(1)(a)(ii)
s22(1)(a)(ii)
Subject: Fw: KPMG

OFFICIAL

Hi Andrew

See email below from KPMG. s22(1)(a) and I are currently bringing ourselves up to speed with the news reporting. (See, for instance, [KPMG CEO Andrew Yates resigns over whistleblower allegations](#)).

We can perhaps all discuss later in the day when we are better informed. I would defer to you and Christie re any contact with KPMG (as offered below).

Regards,
s22(1)
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From: s22(1)(a)(ii)
Sent: Friday, May 29, 2026 09:55
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii)
s22(1)(a)(ii)
Subject: KPMG

Dear s22(1),
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Please let me know your availability.

Regards

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Partner

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OFFICIAL

From: s22(1)(a)(ii)
Sent: 04 June 2026 08:04
To: s22(1)(a)(ii)
Cc: s22(1)(a)(ii) GEORGE, Jodi
Subject: KPMG Significant Event Notification – Whistleblower Management [SEC=OFFICIAL]
Attachments: KPMG Significant Event notification.pdf

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Dear Contract Managers,

Please find attached a Significant Event Notification from KPMG regarding a recent matter affecting the management of whistleblower processes within KPMG Australia.

This development may present governance and reputational considerations for existing engagements. We encourage you to review and assess any potential implications for your contracts.

Should you wish to engage directly with KPMG to discuss these matters, we can facilitate a meeting with the supplier’s lead partner.

Kind regards,

s22(1)(a)(ii)

Acting Assistant Director • Procurement and Grants Section • Financial Management Branch • Finance, Strategy, Budget and Research Division

s22(1)(a)(ii)

GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts

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ACT 2610
Australia

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Confidential

Ruth Wall
Acting Deputy Secretary / Chief Operating Officer
GPO Box 594
Canberra ACT 2601

3 June 2026

Delivered electronically via email

Dear Ruth,

Notice of Significant Event

I am writing to notify you of a Significant Event concerning the management of whistleblower matters within KPMG Australia.

Firstly, I confirm that:

- none of the matters subject to the Notice, and described further below, concern the performance of services to the Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (the **Department**); and
- we have not identified any inappropriate access, usage, or disclosure of the Department's data or information in connection with the matters under investigation; and
- none of the Specified Personnel or other personnel engaged in connection with services to the Department were involved in the whistleblower matters.

The matters raised relate to corporate audit engagements and proposals and do not relate to engagements for government clients. KPMG engagements to the Department are undertaken by dedicated teams of security cleared personnel (where required) and may be subject to additional governance arrangements, such as the Defence Industry Security Program (DISP). We have not identified any breach of Commonwealth Confidential Information.

KPMG Australia treatment of a whistleblower and investigation into their allegations fell short of the firm's expectations, those of the whistleblower and the broader community. The initial internal investigation that did not substantiate the allegations raised by the whistleblower, was in hindsight not conducted with the necessary rigour required. Understandably this prompted further communications and allegations from the whistleblower, resulting in the appointment of an external legal firm to review the internal investigation.

The external legal review supported the internal investigation. This outcome further escalated the whistleblower's concerns with the process. The whistleblower again raised the matter with certain independent members of the KPMG Australia Board and others.

At this point, a Board Sub-Committee (led by the Deputy Chair and including three independent Directors), appointed Allens to conduct a further external legal investigation, which remains ongoing. Now, with new evidence and an expanded scope, Allens are continuing to challenge the conclusions reached in prior investigations.

The Board has identified areas where KPMG has fallen short of the standards it expects in the handling of such important matters. The Board has confirmed shortcomings in the:

- management of the whistleblower and their concerns;
- the rigour of the investigations; and

- action by leadership regarding the allegations raised.

As a consequence:

- KPMG Australia Chairman Martin Sheppard has accepted the resignation of Andrew Yates, CEO of KPMG Australia, effective immediately – as the executive with ultimate responsibility for management of the whistleblower process and the management-led investigations.
- Mr Sheppard has also accepted the resignation of Julian McPherson, KPMG Australia National Managing Partner Audit and Assurance, who will stand down from this role effective immediately and will resign from the firm after an orderly transition of his client responsibilities.
- The Board has appointed Stan Stavros as Interim CEO of KPMG Australia while continuing its orderly process to appoint a permanent successor to Mr Yates.
- An Interim National Managing Partner of Audit and Assurance will be announced shortly.
- Appropriate disciplinary action will continue to be imposed if the investigations identify further matters.

Whistleblower Allegations

KPMG has previously reported to professional bodies, regulators and the Department of Finance that the firm had identified a matter relating to client documents being inappropriately shared internally. Three partners have previously been sanctioned regarding this matter, and they have self-reported to the appropriate professional bodies. We are continuing to investigate this matter. We also reported a second matter concerning an inappropriate remark in a team setting regarding the sharing of client information. Disciplinary action has also been taken. We are continuing to investigate this matter.

The ongoing investigation recently revealed a separate incident where internal documents containing client information have also been inappropriately shared internally. Our investigation into this matter, which does not involve Commonwealth information, is ongoing.

These three conduct matters were raised by the whistleblower. While prior investigations concluded these allegations were unsubstantiated, KPMG now recognises these processes fell short.

KPMG has reported this new finding to impacted clients and regulators and continues to engage with the Department of Finance. Should new findings emerge, this information will be shared with clients, the Committee, regulators, and the Department of Finance. Where misconduct is identified we will work with individuals to self-report to Chartered Accountants Australia and New Zealand (CA ANZ) where appropriate.

I can assure you of the seriousness with which we take these matters and would appreciate the opportunity to explain how we maintain the confidentiality of the Department's information held or accessed by our team. If you would like more information, please contact me at s22(1)(a)(ii)

Yours sincerely

s22(1)(a)(ii)

Partner, KPMG Australia

From: s22(1)(a)(ii)
Sent: 15 June 2026 17:04
To: BURKE, Andrew
Cc: s22(1)(a)(ii)
Subject: Update on Commonwealth Procurement Arrangements with KPMG

Dear Andrew,

Following our recent communications, I wish to inform you of a recent Procurement Policy Note issued by the Department of Finance regarding KPMG Australia.

By mutual agreement with the Commonwealth, KPMG will not participate in any **new Commonwealth procurement opportunities until 30 September 2026**. This measure supports an independent review commissioned by Finance into KPMG’s governance, culture, ethics, and integrity frameworks following concerns about its use of confidential client information.

Importantly, this arrangement **does not** affect:

- Existing contracts with KPMG (including extension options),
- Ongoing licensing or use of KPMG proprietary products, or
- Proposals submitted prior to 16 June 2026.

Further updates will be provided following completion of the independent review. The Department of Finance announcement is available [here](#).

Please let me know if you would like to discuss further.

Kind regards,

s22(1)(a)(ii)

Partner
Governance, Regulation & Assurance
Consulting

KPMG
Level 9, Constitution Place, 1 Constitution Avenue
Canberra City ACT 2601 Australia

s22(1)(a)(ii)

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