



KPMG Action Plan

23 June 2026

Foreword

KPMG Australia (KPMG) plays an important role in capital markets, the economy and society. Many thousands of our people turn up to work every day to do purposeful work, in the right way, with integrity.

The Parliamentary Joint Committee into Corporations and Financial Services inquiry has shone the light on our failings, including unethical behaviour by senior people, and also the human impact of our handling of the whistleblower. We are now focused on ensuring none of this happens again.

We need to own and address these issues. These related to our use of confidential client information, integrity and objectivity of senior personnel, our engagement with a whistleblower and our oversight and management of these issues. We have not met our own expectations, or those of the whistleblower, clients and broader stakeholders.

These failings do not reflect the values of KPMG. We owe it to our people, clients and other stakeholders to understand these failings, learn from them and address them. We are committed to doing so.

Accountability has been taken for these failings, but we know we need to do more. That's why KPMG is undertaking a program of work to identify and address issues to improve our firm. This program will cover our governance, culture and ethics, and controls.

We will also continue to advocate for strengthened whistleblower protections and partnership reform, including the establishment of Limited Liability Partnerships with corporate-style governance requirements, as seen in other jurisdictions. We believe these reforms will improve governance and accountability while better protecting those who speak up.

This Action Plan documents our approach to addressing these issues. It includes:

- 1. Immediate actions** that have already been identified and which we will begin to implement now;
- 2. Details of the third-party reviews** to be undertaken, through which we expect to identify additional actions; and
- 3. Next steps**, including how we will report on our progress in relation to this Action Plan.

1. Immediate Actions

This section sets out the actions identified from our work to date which we will begin to implement now.

These immediate actions are not intended to provide an exhaustive list of all activities. We recognise that further actions will likely be required, including to act on the findings and recommendations arising from the third-party reviews referenced in section 2.

Action item		Overview of activities
1.1 Governance	1.1.1 Independent Chair	<p>We will appoint an Independent Chair to the KPMG Australia National Governance Board (Board).</p> <p>We will implement this change as soon as possible, noting that amendments to our Partnership Agreement (requiring a vote of Partners) and a recruitment process will be required.</p>
	1.1.2 Other independent Board Members	<p>We will appoint independent members to the Board (in addition to the Independent Chair), ensuring appropriate balance between the number of independent and non-independent Board members.</p> <p>We anticipate that this will require updates to our Partnership Agreement.</p>
	1.1.3 Corporate governance best practices	<p>We will review and update the role and remit of our Board in line with corporate governance best practices. This will include ensuring that independent Board members are involved in Board subcommittees overseeing matters relating to audit quality, ethics, whistleblower oversight, and other matters of public interest.</p> <p>We anticipate that this will require updates to our Partnership Agreement.</p>
1.2 Culture and ethics	1.2.1 Conduct and consequences framework	<p>We will review and strengthen our conduct and consequences framework to further discourage misconduct and ensure that appropriate sanctions and other consequences are applied if misconduct occurs.</p> <p>We anticipate that this will require updates to our Partnership Agreement, as well as our internal policies and guidelines.</p>
	1.2.2 Ethics and independence	<p>We will review and strengthen our ethics and independence policies and procedures to reduce the risk of actual or perceived conflicts of interest, independence failings or other ethical issues arising. This will include updates to our Gifts and Entertainment Policy.</p>
	1.2.3 Confidentiality	<p>We will review, strengthen and clarify our confidentiality policy to ensure it provides clear guidance on when information may be shared internally, including more precise articulation of what constitutes a legitimate 'business need', and update the policy and supporting guidance accordingly.</p>
	1.2.4 Whistleblower policies and procedures	<p>We will update our whistleblower policies and procedures to provide clear guidance and requirements for how whistleblower disclosures must be identified, escalated and governed, and for how whistleblowers should be managed.</p>

1. Immediate Actions (cont.)

Action item		Overview of activities
1.2 Culture and ethics	1.2.5 Whistleblower training	We will implement a firm-wide program of training to help our Partners and staff understand whistleblower legislation and KPMG's policies, including the rights of individuals raising concerns and the requirements for people to whom concerns are raised.
	1.2.6 Conflicts of interest and relationships at work policy	We will review and update as appropriate our internal Conflicts of Interest and Relationships at Work policies to provide clear guidance and requirements on how conflicts of interest and relationships at work are disclosed, escalated, managed and governed.
1.3 Controls	1.3.1 Audit Quality	We will undertake a review to confirm that the identified conduct matters (or any new conduct matters that are identified in the future) do not adversely affect audit quality. We will write to each audit client impacted to confirm the outcome of this review.
	1.3.2 Audit pursuits	We will review and amend our audit pursuit policies, and any other related firm-wide policies and procedures, to strengthen ethical barriers.
	1.3.3 Confidentiality obligations (firm-wide)	We will strengthen our mandatory firm-wide training, reinforcing obligations in relation to client confidentiality, privacy and information protection.
	1.3.4 Confidentiality obligations	We will undertake additional, targeted mandatory training for Partners and Directors based on lessons learned from the identified conduct matters, with a specific focus on audit.
	1.3.5 System of quality management	We will strengthen our system of quality management with a specific focus on controls related to compliance with professional and ethical standards.
	1.3.6 Confidentiality attestation	We will require formal attestation from Partners and Directors and adjacent businesses confirming compliance with confidentiality obligations and identifying any exceptions requiring review.

2. Third-Party Reviews

We understand that external scrutiny is needed and recognise that third-party reviews will be an important part of our journey to maintain or regain trust from all stakeholders.

We commit to engaging with these reviews openly and constructively, and to taking further actions based on their findings and recommendations.

Action Item		Overview of activities
2.1	Independent lessons learned review	KPMG will engage an external third-party to undertake a lessons learned review to assess the failings in our handling of the whistleblower and identify steps that could be taken to ensure such failings do not recur.
2.2	Department of Finance	<p>The Australian Government Department of Finance has announced an independent, arms-length review including (but not limited to):</p> <ul style="list-style-type: none"> • relevant aspects of KPMG’s culture, ethics and integrity, and the effectiveness of its governance arrangements; and • the adequacy of KPMG’s remedial activities to meet the Commonwealth’s ethical expectations of suppliers. <p>This review is expected to conclude and report to the Department of Finance by 30 September 2026.</p>
2.3	Chartered Accountants Australia & New Zealand (CA ANZ)	<p>Chartered Accountants Australia & New Zealand (CA ANZ) has announced that it will undertake a practice review of KPMG, involving a quality review of the design and effectiveness of our:</p> <ul style="list-style-type: none"> • systems and processes for the storage and handling of client confidential information of audit clients within the audit function, including processes for identifying, notifying and remediating any instances of unauthorised use of confidential information; and • systems and processes for promoting an ethical culture within the audit function, and across the organisation/firm more broadly, including whistle blower protection policies and associated practices. <p>This review is in addition to compliance monitoring with respect to FY26 ethics Continuing Professional Development (CPD) requirements and investigations being undertaken by the CA ANZ Professional Conduct Committee. It is due to be completed by 30 September 2026.</p>
2.4	Australian Securities and Investments Commission (ASIC)	We are engaging extensively with the Australian Securities and Investments Commission (ASIC) in relation to these matters and assisting with their investigations and any future review.

2. Third-Party Reviews (cont.)

Action Item		Overview of activities
2.5	Principia Advisory	KPMG has engaged Principia Advisory to undertake an independent retrospective review of the firm's whistleblowing system and the broader cultural context that either supports or impedes effective whistleblowing. This work will extend to the cultural context and underlying norms that affect reporting and case management, investigation quality, procedural fairness, and protection against retaliation.
2.6	Third-party cultural program	Following this review, we expect to appoint a third-party to support a cultural program and identify targeted actions to reinforce expected leadership behaviours, including strengthening accountability for adherence to firm standards, focused leadership interventions in identified areas, consequences frameworks and monitoring behavioural outcomes arising from the review.

3. Next steps

Action Item		Overview of activities
3.1	Updates to this Action Plan	This Action Plan is intended to be a 'live' document, and we expect to update it periodically as findings and recommendations from the third-party reviews become available, or as new information comes to light.
3.2	Independent assessment of progress	We will engage a third-party to assess or assure our progress against this Action Plan and will publish updates periodically.