

Public Accountability and Works Committee - Inquiry into NSW Government's use and management of consulting services

RESPONSE TO AQON –GUTHRIE ET AL
HEATHER WATSON
20 SEPTEMBER 2023

Context

The Committee has received further evidence to the Inquiry from Emeritus Professor James Guthrie AM FCPA, Professor John Dumay CA, Professor Jane Andrew CPA, and Dr Erin Twyford CA.

The evidence inaccurately references me and my work so reflects badly on me. It is important that the Committee has accurate information to enable robust findings. It is for this reason that I set out further information for the Committee. I confirm that provision of this information does not breach my confidentiality obligations under APES 110 Code of Ethics for Professional Accountants nor within any contract with NSW Treasury.

The views within this response are entirely my own and cannot be taken to represent the views of any other party. My response is limited to my public defence of my professional reputation and integrity. I do not offer a view on the legitimacy or efficacy of the government's use of consultants.

Response

The Australian Senate's Finance and Public Administration References Committee is conducting the Inquiry into management and assurance of integrity by consulting services. This Committee received a submission from Mr Brendan Lyon that included adverse comment about me. The Committee provided me with the opportunity to respond.

I provided a response, which has been published upon the Inquiry's website. In my response, I observe that the submission makes false and inaccurate claims. Further I made the observation that the submission included claims that are not supported by evidence. I note that Chartered Accountants Australia and New Zealand similarly responded that Mr Lyon's submission contained assertions that are not supported by evidence and/or are incorrect. I also note that KPMG Australia responded stating that Mr Lyon's submission includes information that is incorrect and assertions for which there is no basis.

In their latest submission of evidence, Guthrie et al have referred to material in my response to the Senate Committee. It is highly irregular to respond to a question from the NSW Committee with comment on evidence provided to the Australian Senate. There is no need to clarify evidence for the PAWC when that evidence has not in fact been provided to the PAWC. That the evidence was simply a response to adverse comment in a submission that has been consistently discredited further serves to illustrate its irrelevance.

Contrary to the claim by Guthrie et al in their further evidence, I made no comment on the purpose or function of performance audits. I reject any assertion that I have misrepresented the purpose and function of performance audits. Guthrie et al provide no evidence to support such an assertion.

This latest submission of evidence by Guthrie et al also continues to inaccurately characterise my work as some sort of catalyst for the establishment of TAHE. It is well established that the NSW Parliament passed TAHE's enabling legislation prior to any involvement by KPMG. KPMG provided no advice to inform that legislation. There is no basis for the characterisation applied by Guthrie et al.

I reject any suggestion that I am some sort of 'management consultant monster'. I am a Chartered Accountant who provided specialist technical accounting advice on the application of financial and budgetary reporting frameworks to facts and circumstances current at the time of the advice.

This latest evidence from Guthrie et al concedes errors in their earlier evidence. I make the point that it is reasonable and foreseeable that evidence provided on matters by those not directly involved is inherently likely to contain errors of fact.