

Perth Casino Royal Commission

~~Draft~~Amended Witness Statement of Jessica Ann Ottner

~~1927~~ October 2021

- 1 I am Jessica Ann Ottner of c/- Crown Resorts Limited, Level 3, 8 Whiteman Street, SOUTHBANK VIC 3006.
- 2 This statement is provided in response to:
 - a) the witness summons to give evidence dated 8 October 2021 and issued pursuant to section 9 of the *Royal Commissions Act 1968* (WA), which is directed to me by the Perth Casino Royal Commission; and
 - b) the list of topics to be addressed by me in written witness statement provided by the Perth Casino Royal Commission on 13 October 2021.
- 3 For the purposes of preparing this statement, I have also referred to the documents in the attached list marked "JO-1".

QUALIFICATIONS AND EXPERIENCE

(Question 1)

- 4 I have over 14 years of experience in leading and delivering high quality risk and assurance programs in Australia and abroad. Following my initial training at KPMG, much of my work has been in the transformation of internal audit departments. I also have extensive experience in facilitating and presenting to leaderships teams and audit committees, developing internal audit strategies, and in leading and mentoring teams.
- 5 I hold the following qualifications:
 - a) Certification in Risk Management Assurance (CRMA), Institute of Internal Auditors, 2013
 - b) Graduate Diploma in Chartered Accounting (CA), Institute of Chartered Accountants, 2012
 - c) Prince2 Foundation, Adaptive Frameworks, 2011
 - d) LEAN Fundamentals, Cardiff University, 2012
 - e) Bachelor of Business (Accounting), Queensland University of Technology, 2007.
- 6 I am also an Associate member of the Australian Institute of Internal Auditors (AMIIA).
- 7 Over the period of my employment I have had multiples roles, as outlined below.

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- a) From July 2007 to July 2012, I worked in Internal Audit, Risk and Control Services at KPMG Australia in Brisbane in the role of Senior Internal Auditor.
 - b) From August 2012 to August 2014, I worked in Risk Advisory at KPMG LLP in Calgary, Canada in the role of Manager, Internal Audit. In that role I led multiple teams to deliver internal audit services, including enterprise risk management, major project assurance and assessing various reporting controls, including C-SOX (the Canadian equivalent to the Sarbanes Oxley Act).
 - c) From February 2015 to July 2015, I was employed by Deloitte in London, United Kingdom and spent six months on secondment at a large utilities company as a Senior Manager to assist in the transformation of an in-house internal Audit team. This included setting the annual audit plan, redesigning the audit committee reporting, overseeing the delivery of audits, and managing internal audit, IT audit and risk management teams on behalf of the Head of Internal Audit.
 - d) From July 2015 to August 2017, I was employed at Bupa in London, United Kingdom. Initially, I was engaged as a contractor by Bupa to assist in the transformation of the global internal audit team. I then took on a permanent role as an Internal Audit Business Partner which focused on the development of the global audit plan that partnered with the executive team to build a better understanding of the company-wide control environment.
 - e) From January 2019 to May 2021, I was employed by Next Fifteen Communications Group plc in the role of Head of Risk & Assurance. That role included reporting directly to the Chair of the Audit Committee and being responsible for shaping and delivering the assurance agenda at the FTSE 250 international group. It also included leading the internal audit department, the enterprise risk management program and data analytics strategy.
 - f) From 21 May 2021 to the present, I have been employed by Crown Resorts in the role of Group General Manager – Internal Audit (**GGMIA**).
- 8 I have significant experience in highly regulated industries including energy and natural resources, utilities, insurance, construction and the public sector.
- 9 Since commencing in my role as GGMIA, I have received onboard training in the area of responsible gaming. I have also read material relating to the best practices, the different frameworks and the codes of conduct in relation to responsible gaming in various Australian jurisdictions. I intend to enrol in the Crown ~~certified~~ training course in Responsible Gaming (which has been reviewed and approved by the Victorian Commission for Gaming and Liquor Regulation) once now that the lockdown in Melbourne ~~has~~ ended.

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- 10 In relation to risk management, I have experience helping businesses to identify risks, including leading risks workshops and facilitating risk-related questionnaires and mapping exercises. My former role included direct ownership of the Risk Management processes including preparation of the Group Risk Register and reporting to and advising the Board of Directors on risk.
- 11 In relation to AML, I have also completed the AML/CTF Risk Awareness training provided by Crown as part of my induction. I will also participate in other relevant training along with the internal audit team to continue to upskill myself in this area. I consider myself to have a base level knowledge about AML/CTF risk.

INTERNAL AUDIT

(Questions 2 to 14)

Question 2

- 12 The internal audit framework, system and procedures currently in place for the Crown Group comprise:
- a) the Audit Manual dated May 2021 which follows the International Standards for Professional Practice of Internal Auditing of the Institute of Auditors (the manual was reviewed as part of the External Quality Assessment undertaken by the Institute of Internal Auditors in September 2020 (which is annexed to this statement) and received the highest mark available);
 - b) the Audit Charter dated August 2021;
 - c) various guidance notes;
 - d) Internal Audit Universe (which is a document which outlines the auditable areas within the business); and
 - e) the Internal Audit Plan.

I have annexed the above documents to this statement.

- 13 The above internal audit framework, system and procedures apply to Crown properties generally (including Crown Perth).

Question 3

- 14 I am not aware of any additional policies, procedures and practices which govern and support internal audit in the Crown Group other than those set out above.

Questions 4 and 5

- 15 In my role as GGMIA, I have a functional reporting line to the Chair of the Crown Resorts Audit and Corporate Governance Committee. By functional reporting, I mean reporting to the person from whom I seek approval in relation to matters such as strategies and plans and ultimately

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report to in terms of whether or not I am doing my job. I attend the meetings of the Crown Resorts Audit and Corporate Governance Committee and present the Perth update on internal audit to that Committee of the Board and answer any questions the Committee Members may have.

- 16 I also have a 'dotted reporting line' to the Burswood Limited Board for matters relating to or affecting Crown Perth. By dotted reporting line, I mean that I have direct access, and a responsibility to provide updates and be accountable, to that Board. I attend the meetings of Burswood Limited Board on a quarterly basis and present the Perth update on internal audit to that Board and answer any questions the Board may have.
- 17 I also report administratively to the Chief Financial Officer of Crown Resorts. By administrative reporting I mean reporting for the purposes of administrative matters such as making requests to take leave.
- 18 I annex a copy of the current Internal Audit Organisational Chart which shows my reporting lines as set out above.

Question 6

- 19 I set out below the current members of internal audit, their positions, where each is physically located and to whom they directly report.

#	Position (all full time)	Location	Direct report	Name ¹
1.	Internal Audit Manager	Perth	GGMIA	Nadine Van der Westhuizen
2.	Senior Internal Auditor	Perth	Internal Audit Manager (Perth)	Cassandra Lee Cassandra is taking a different role in Crown effective 8 November 2021. Crown Perth is currently recruiting to fill this role.
3.	Senior Internal Auditor	Perth	Internal Audit Manager (Perth)	This is a new role and Crown Perth is currently recruiting to fill this role.

¹ To the extent that a role is yet to be filled, I have budget approval to ensure that the Internal Audit Plan is met using external consultants.

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#	Position (all full time)	Location	Direct report	Name ¹
4.	Internal Auditor	Perth	Internal Audit Manager (Perth)	Crown Perth is currently recruiting to fill this role.
5.	Internal Audit Manager (Support Services, Hotels & Food & Beverage)	Melbourne	GGMIA	Ma Antonina (Maria) Pacumio
6.	Internal Audit Manager (Gaming)	Melbourne	GGMIA	Clifford Wong
7.	Senior Internal Auditor	Melbourne	Internal Audit Managers (Melbourne)	Josh O'Brien
8.	Senior Internal Auditor	Melbourne	Internal Audit Managers (Melbourne)	This is a new role and Crown Melbourne is currently recruiting to fill this role.
9.	Internal Auditor	Melbourne	Internal Audit Managers (Melbourne)	Marissa Garvinio
10.	Internal Auditor	Melbourne	Internal Audit Managers (Melbourne)	Ashanthi Medagama Tillakaratne Ashanthi is leaving Crown effective 21 October 2021. Crown Melbourne is currently recruiting to fill this role.
11.	Internal Auditor	Melbourne	Internal Audit Managers (Melbourne)	This is a new role and Crown Melbourne is currently recruiting to fill this role.

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#	Position (all full time)	Location	Direct report	Name ¹
12.	Senior IT Auditor - Group	Perth	Internal Audit Manager (Melbourne)	This is a new role and recruitment is expected to start in November 2021.
13.	Senior IT Auditor - Group	Melbourne	Internal Audit Manager (Melbourne)	This is a new role and recruitment is expected to start in November 2021.
14.	Internal Auditor	Sydney	Internal Audit Manager (Melbourne)	Michael Full Michael is taking a different role in Crown effective 8 November 2021 after which time the role will be replaced by the newly created Senior Internal Auditor role.
15.	Senior Internal Auditor	Sydney	Internal Audit Manager (Melbourne)	This is a new role and Crown Sydney is currently recruiting to fill this role.

- 20 A summary of the roles and responsibilities of each position in the internal audit team is set out below.
- Internal Auditors (including Senior Internal Auditors) are responsible for delivering the internal audits, including planning, fieldwork and reporting.
 - IT Auditors are also responsible for carrying out internal audits. However, they focus on IT related areas such as information technology general controls and cybersecurity.
 - Internal Audit Managers are responsible for managing the delivery of the audits, including reviewing the audit files and ensuring the team members are on track. They are also responsible for keeping abreast of the risk profile of their assigned portfolios, maintenance of the audit universe (a document which outlines the auditable areas) and preparation of the internal audit plans.
 - The Group General Manager – Internal Audit is responsible for all functions set out for the Chief Audit Executive in the International Standards for Professional Practice of

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Internal Auditing of the Institute of Auditors. This includes setting the strategic direction, communicating with and providing updates to the Executive and the relevant Boards (including any Committee of the Boards), reviewing all scopes and internal audit reports prior to issuance and effectively managing the internal audit activity to ensure it adds value.

Question 7

- 21 My view is that internal audit is currently adequately resourced.
- 22 When I first commenced in my role, the internal audit department looked very different. There was one Group Internal Audit Manager who sat across the three properties. I looked at what was happening and read the papers of the various boards and it became clear to me that we needed an Internal Audit Manager in Perth. My view is that the properties run largely independently and decisions often get made at a property level. They also operate under different regulatory frameworks. For an Internal Audit Manager to understand the roots of what is happening at Crown Perth properly, it is necessary to be on the property, walk the floor of the casino, interact with staff and have a good understanding of the regulations governing Crown Perth, including the Casino Manual.
- 23 I therefore created an Internal Audit Manager role in Perth. I am very satisfied with the Internal Audit Manager who has been appointed. She has been at Crown Perth since January 2015, knows the business and gaming and has very good relationships within the Crown Perth business. There are a further three full time internal auditor positions in the Perth team who report to the Internal Audit Manager in Perth. There is also a newly created Senior IT Auditor position in Perth which will largely focus on Crown Perth matters. However, the role will report to one of the Internal Audit Managers based in Melbourne (at least initially) who has expertise in IT audits.
- 24 Historically, Internal Audit at Crown Perth has also completed some Second Line monitoring activities which account for approximately half of one of the Internal Auditor positions time. As part of supporting the Three Lines of Defence² at Crown, this work will be handed over to the newly strengthened Second Line team. This will not only support Internal Audit's position in the Third Line (by further separating the Second and Third Line and helping to ensure the independence of the Third Line) but also free up additional capacity to provide independent assurance.

² The Three Lines of Defence represent an approach to providing structure around risk management and internal controls within an organisation by defining roles and responsibilities in different areas and the relationship between those different areas.

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- 25 In summary, I am very satisfied with the structure and number of positions in the Perth team. I also have an approved budget for a co-source to work in the Perth team, until the remaining internal auditor positions are filled.
- 26 For Sydney, it is appropriate that there is only one Internal Auditor in the current circumstances. Given that Crown Sydney has not opened, the fact that there has been an auditor position since March 2021 is very positive. I have recently replaced the Internal Auditor position in Sydney with a Senior Internal Auditor position.
- 27 I have also increased the size of the internal audit team in Melbourne which is now more than double the size that it used to be. The reason for increasing the size of this team was because the business in Melbourne is materially bigger than in Perth and will also support Sydney when needed. Also, given the transformation assurance work we are doing across the business, I considered that extra staff were necessary at that property.

Question 8

- 28 The experience of members of the internal audit team include the following:
- a) The Internal Audit Manager at Crown Perth has been at Crown Perth for nearly seven years and has a strong understanding of the regulations relevant to Crown Perth, including the Casino Manual and the gaming rules in general.
 - b) In Melbourne:
 - (i) the Internal Audit Manager (Gaming) has a strong background in controls, fraud investigations (including Foreign Corrupt Practices Act investigations) and comes from a large highly process-driven organisation and brings that understanding to his role;
 - (ii) the Internal Audit Manager (Support Services, Hotels and Food and Beverage) who predominately works in the non-gaming side of the business has a financial services background. She has experience in a highly regulated industry, having worked at a bank for ten years; and
 - (iii) one of the Senior Internal Auditors has joined Crown Melbourne from the Victorian Police force and has a strong background in data analytics.
- 29 In resourcing the internal audit department I considered whether to bring in to the team a specialist on AML/CTF risk. There are already a large number of AML specialists in the second line of defence in the business and AML is an area that is always evolving. For those reasons, I have chosen to use an external firm with the necessary expertise to undertake internal audits for that area. The budget for this was approved by the Crown Resorts Audit and Corporate Governance Committee in August 2021. With additional training, the current internal audit team in Perth will also be able to do some audits, such as on Suspicious Matter Reporting. While the AML/CTF Program is being matured, I need flexibility in terms of which AML/CTF skills and

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expertise are required and, therefore, using a co-source (third party) arrangement is appropriate.

- 30 In terms of training, I understand that members of the internal audit team have had training in responsible gaming and AML. For those staff commencing employment in the team, I ask that they do this training in the first month of commencing in their roles.
- 31 All members of the team also have a relevant qualification in internal audit or a professional accounting designation such as being a Chartered Accountant (CA) or Certified Practicing Accountant (CPA).

Question 9

- 32 I have an approved training budget for the internal audit team. I intend to look at a combination of general and specialist training.
- 33 From an AML perspective, all members of the internal audit team will attend foundational AML training in December 2021 and then one or two of the team will do more specialist training through an external provider. Ongoing training in relation to AML/CTF and related subjects, such as anti-bribery and corruption will form part of the annual training plan for all internal audit team members.
- 34 Additional training in Responsible Gaming is also being investigated and will be delivered in the early part of 2022 at the latest.

Question 10

- 35 The measures in place to ensure the independence of the internal audit team include:
- a) I report to the Chair of the Crown Resorts Audit and Corporate Governance Committee and the subsidiary boards (including Burswood Limited). That has strengthened the independence of internal audit. I am able to elevate issues up to the Chair or board without having to go to management. Since starting as GGMIA I have commenced building a relationship with the Chair of the board of Burswood Limited and with the independent board members.
 - b) I have direct and unlimited access to all Boards across the Crown Group, including any sub-committees and the Chief Executive Officers.
 - c) All Internal Audit staff report to me.
 - d) The Crown Resorts Audit & Governance Committee is to be involved in the decision to recruit or remove the person in the position of GGMIA.
 - e) The separation of the risk and audit roles. This enables the Second Line of Defence and Third Line of Defence to act independently of each other.

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- f) Internal Audit staff have no direct responsibility or authority over any operational activities reviewed and should not relieve others of such responsibilities.
- g) Internal Auditors previously working in Crown, but outside Internal Audit, cannot perform or manage reviews in the business area for which they were previously responsible for a period of at least one year after the end of their role within the business.
- h) Internal Audit provides to the Boards an annual confirmation of its independence and objectivity.

Question 11

- 36 The results of the Independent Quality Assessment issued in September 2020 confirmed that there is a solid foundation from which internal audit activity is delivered at Crown.
- 37 A number of enhancements have also been made since that assessment, including splitting the Risk and Internal Audit departments, appointing an independent Chief Audit Executive under the title of GGMIA and a change in the reporting line to the Crown Resorts Audit & Governance Committee.
- 38 This is very significant as it not only increases the independence of Internal Audit but also solidifies the adoption of the Three Lines of Defence model endorsed by the Institute of Internal Auditors as the most effective model. The separation between the two areas and the appointment of a dedicated GGMIA also provides for more leadership and focus to the Internal Audit team.
- 39 Since commencing in my role as GGMIA I have undertaken a further review to determine any other "immediate needs" to ensure that Internal Audit was able to respond to the new ways of working at Crown (referred to in item 40 of the Crown Resorts Remediation Plan). The actions already taken and other "immediate needs" identified are referred to as the Audit Uplift Initiative.
- 40 To assist with defining the needs of Internal Audit, I split the review into three streams:
 - a) People – have a team:
 - (i) with the right mix of skills and capabilities;
 - (ii) structured in the right way; and
 - (iii) supported by specialist knowledge as and when required;
 - b) Processes – confirm that the Internal Audit teams processes and ways of working are:
 - (i) fit for purpose;
 - (ii) in accordance with the Standards of Professional Practice;
 - (iii) focusing on the areas of highest risk;
 - (iv) resulting in value-added and insightful outcomes;

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- c) Tools – clarify what tools are available to support the delivery of internal audit activity and identify any immediate gaps.

41 A diagram which sets out the actions completed, in progress and planned as part of the Audit Uplift Initiative is annexed to my statement and summarised below:

#	Nature of Change	Impact
People		
1.	Change of management structure, including: <ul style="list-style-type: none"> - Removal of the Group IA Manager role - Appointment of IA Manager role in Perth - Appointment of two focused managers to oversee Melbourne and Sydney (including one with IT audit background). 	Dedicated IA Manager in Perth Increase of IT audit skills within the IA management team Smaller auditor to Manager ratio allowing for deeper review of files
2.	Addition of two Senior IT Auditors, including one in Perth	Addition of deeper IT audit skills
3.	Approval of annual co-source budget	Provides for easy access to specialised skills and expertise as needed throughout the year
Process		
4.	Audit Universe update	Formalisation of the Audit Universe allows for greater clarity on auditable areas to be reviewed and helps to ensure the basis of the Internal Audit Plan
5.	Introduction of additional audit types to take into consideration the maturity of the process and / or controls and the level of assurance required	Provides greater flexibility and clarity on the assurance being delivered
6.	Audit Plan aligned to key risks	Aligned the audit plan with the Risk Categories outlined in the Risk Management Strategy
7.	Uplift of the internal audit activity reporting provided to boards and committees.	A specific internal audit activity update for each property allows for a more targeted and specific

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#	Nature of Change	Impact
	No longer providing one report for all properties other than for the Crown Resorts Audit and Corporate Governance Committee.	discussion with the board and committee members.

- 42 An Internal Audit Strategy, outlining the strategic road map for how internal audit and control-related activities will be delivered at Crown, will be finalised by the end of November 2021. It will leverage the strong foundation established by the Audit Uplift Initiative and also align itself to the ongoing transformation program taking place across the business. Progress will be tracked and reported on as part of the regular internal audit reporting.

Question 12

- 43 The process for developing and approving the Internal Audit Plan is set out on pages 5 and 6 of the Internal Audit Plan. In summary, the planning process involves:
- a) performing a risk assessment;
 - b) obtaining stakeholder input;
 - c) assessing and prioritising the risk information;
 - d) developing an internal audit plan; and
 - e) obtaining approval for the internal audit plan.
- 44 As set out on page 6 of the Internal Audit Plan a key objective of Internal Audit is to provide assurance over the obligations related to holding a casino licence. For this reason, a large percentage of the audit plan is committed to those auditable areas.
- 45 The Internal Audit Plan was provided to each subsidiary board and Crown Resorts Audit and Corporate Governance Committee for approval. All boards have approved their respective Internal Audit Plans. As part of the approval process, I attended the meetings of the relevant board or committee and presented on the Internal Audit Plan.
- 46 The planned auditable areas which relate to the operations of the Perth Casino are set out on pages 24 to 30 of the Internal Audit Plan under the second column titled "Auditable Area".
- 47 The number of days budgeted for each of those auditable areas is set out on pages 24 to 30 of the Internal Audit Plan under the far right column titled "Days".
- 48 For those auditable areas with "PER" in the first column, the audit will be undertaken by a member of the internal audit team at Crown Perth. For those auditable areas with "Group" in

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the first column, the audit will be undertaken by a member of the internal audit team who may be Melbourne or Perth based. For those auditable areas which relate to AML, they will be outsourced to an external provider with relevant expertise.

- 49 The process applied or followed by personnel when undertaking an internal audit is set out in Section 5 of the Manual. In summary:
- a) The auditor takes the objective or focus area out of the Internal Audit Plan and meets with the stakeholder to get an understanding of what is happening in the relevant area. The auditor would also look at relevant prior audit files and any applicable legislation. If it is a specialist area, then it may be necessary to do additional research.
 - b) The auditor prepares the scoping document and goes through it with relevant stakeholders in relation to risk areas and the proposed areas to audit.
 - c) The auditor sets the audit scope independently of management (although taking their input and feedback into consideration) and then issues the final scope document.
 - d) The auditor carries out the audit, which usually includes testing the design and effectiveness of the key controls, however, this is dependent on the type of audit.
 - e) The auditor then drafts the audit report and meets with the relevant stakeholders to confirm the factual accuracy of the processes considered as part of the audit and upon which the audit findings are based.
 - f) The relevant stakeholders then issue a management action plan in response to the audit findings.
 - g) The audit report is issued in final form and reported to the relevant committee and boards.
- 50 There are two ratings applied as part of an internal audit. Each finding from the audit is given a rating from Low to Critical. The finding rating is determined based on a matrix based on the enterprise risk management framework. The audit report is also rated based on the number and severity of the individual audit findings and is represented by rating the audit report from Excellent to Seriously Adverse.
- 51 The results and recommendations of each internal audit are provided to the Crown Resorts Limited Audit and Corporate Governance Committee and each of the relevant subsidiary boards. The committee and relevant board members are provided with a summary of the audit and the overall report rating. All High and Critical audit findings are also individually called out in the internal audit activity update. I am investigating how to send a copy of the full written audit reports along with the internal audit activity update so they can be accessed and made available to the relevant committee and board members without having to be requested. I attend the board meetings and present those summaries.

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- 52 The timing as to when a report is issued depends on the rating given. A report with an Excellent or Good rating will be provided to the audit sponsor which is usually the General Manager of the relevant area and appropriate executive. If a report has a more serious rating it will also go to the head of compliance (if relevant), head of risk and chief executive of Crown Resorts and the respective property. The idea of escalating those audit reports with a serious rating sooner is to ensure that the relevant executives know about it as soon as possible.
- 53 The implementation of Management Action Plans (formerly called internal audit recommendations) is monitored by the relevant Internal Audit Manager who follows up the accountable person until the implementation is completed. Details of any outstanding Management Action Plans are also provided to the Crown Resorts Limited Audit and Corporate Governance Committee and each of the subsidiary boards. For any overdue Management Action Plans, I will be introducing a new process from November 2021 requiring the accountable executive to present first to the ERCC to explain the reasons for delay and then to present to Crown Resorts Limited Audit and Corporate Governance Committee and the relevant subsidiary board if the implementation has still not been completed.
- 54 I consider the Internal Audit Plans (including for Crown Resorts Limited and Burswood Limited) to be adequate in all respects. They were prepared on the basis of a set of accepted principles, they have been reviewed and approved by the relevant boards. If I ever considered that there was an area that was not on the plan that should be then I would escalate the matter. This is a matter for continuous improvement.
- 55 Although there is not a large focus on IT risks in the Internal Audit Plan at the moment, it is area that will be added to the Internal Audit Plan by no later than the fourth quarter of this financial year. I also want to identify key audits in the plan where it would be beneficial to use data analytics more extensively. However, as the Internal Audit Plan stands now, I am comfortable that it is adequate and effective.

Question 13

- 56 The International Commission Business does not exist anymore. For this reason, I removed this auditable area from the earlier version of the Internal Audit Plan referred to in this question. The approved Internal Audit Plan does not contain International Commission Business Sales as an auditable area or any indicative risk profiles relating to International Commission Business.

Question 14

- 57 In addition to the changes already made, as discussed in Question 11 and collectively known as the Audit Uplift Initiative, I intend on making some additional changes and enhancements to internal audit as part of the ongoing Internal Audit Strategy.

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- 58 The following changes and enhancements are expected to be included in that strategy:
- a) enhance team capacity which includes establishing formal training plans for each team member;
 - b) continuous improvement including:
 - (i) reviewing the improvement opportunities and good practice suggestions from the external quality review and determining a strategic roadmap;
 - (ii) developing and regularly reporting on KPIs for internal audit;
 - c) reviewing the effectiveness of second line assurance providers to determine the extent to which we can place reliance on their work;
 - d) preparing key documents that support the work of internal audit including:
 - (i) developing an assurance map to help identify any assurance gaps across the business's key risk areas;
 - (ii) preparing a stakeholder map to assist in establishing clarity across the different managerial roles within the department;
 - (iii) a procedure relating to the risk acceptance and extension of management action plans, including any requirement for escalation and executive or board sign-off to help ensure consistency and accountability;
 - e) innovating by increasing the use of data analytics in audits to increase coverage obtained in the delivery of audits; and
 - f) introducing a bi-annual internal audit risk assessment and half-yearly internal audit plan refresh to ensure the plan remains relevant and responds to any changes or new risks.
- 59 In addition to the above changes, since commencing as GGMIA I have been involved in the following changes to internal audit at Crown Group:
- a) diversifying team capability – this has been achieved through recent recruiting activities including the addition of IT audit, investigations and data analytics capability and will be further supplemented by additional roles approved. A budget to engage a co-source partner for FY22 has also been approved. External specialists are expected to work in internal audit from January to June 2022 to supplement the team while the recruitment is undertaken;
 - b) broadening the scope of audit work to include IT Risk and also to include effectiveness reviews of second line assurance providers;
 - c) improving the link between the Risk Register and the audit plan;
 - d) developing a process to improve the implementation of internal audit recommendations;

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- e) changing the internal audit activity reporting to be more specific and relevant to the individual subsidiaries;
 - f) presenting the Internal Audit Plan to the Burswood Limited Board and attending meetings of the Crown Resort Limited Audit and Corporate Governance Committee and the meetings of subsidiary boards;
 - g) incorporating impact and the identification of root cause analysis into audit reports;
 - h) directly interacting with the Burswood Limited Board and the Chair of the Crown Resorts Limited Board and having unrestricted access to the Chair and boards;
 - i) obtaining budget approval for access to external expert assistance including for AML/CTF audits;
 - j) arranging for a review of the Risk Management Framework to be performed using external assistance scheduled for June / July 2022; and
 - k) I updated the Audit and Corporate Governance Committee Charter in accordance with the recommendations outlined in the expert report on risk management frameworks and systems of Crown Resort. The additional clarification relating to the reporting lines in the GGMIA position description (recommendation 16) will be finalised in the coming weeks.
- 60 These changes and enhancements form part of the ongoing continuous improvement of the Crown Internal Audit function.

Contains sensitive information



Dated: ~~1927~~ October 2021