

Extract from website – PricewaterhouseCoopers – Part G re A340

Mr Dekker also ultimately disclosed in May, June, August 2009 and November 2009 doc [1830A,1831A](#) and the [3597/3598](#) and 3605 document series ([3605A, 3605B-G](#) – 1 March 2007, [3605H](#) - 14 March 2007 in Part C - - NONE of which appear or were mentioned in the PwC report) which had been provided to both E&Y and PwC in March 2007 as one of the key Representation documents in which he asserted–

“At a glance the assessment that would have been carried out by the auditors in order to satisfy themselves that the accounting on this matter was appropriate”

Separately Deloitte and I have produced working schedules which [extended this “At a Glance” for the A340 Program Q2.2006 and Q4.2006 EAC](#) together with the [underpinning numeric Quantity/Number of Units and prices analyses & stated cost assumptions](#) which enabled an [overall A340 financial summary/outcomes](#).

It is significant that neither PwC nor E&Y were presented as witnesses by Magellan Aerospace, although at one point on 10 March 2009 Mr Lynch told the Tribunal as you can read below **“we can call them”**. This oral exchange at the Tribunal was later denied by PinsentMasons and PwC or E&Y never appeared in the UK proceedings as witnesses in support of the Respondents or to face any cross examination by us.

Mr Little [Next doc is p3891, vol 10](#) it should contain a comparison of the draft/final PwC report. Provided to the Respondents three times and PwC to confirm validity. Independent solicitors and Deloitte have verified the differences. Colour coded. Red is deleted between final draft and Bold Black is added during May and disclosure Aug 07.....

<This includes the COMPLETE REMOVAL at page 3/7 of PwC para 2.40 **“Financial control within MAC and MALUK in relation to the areas we have examined is poor and needs to be improved; this need is particularly acute given that MAC is a public company.** Examples of poor financial control that we identified during our work include:

- (a) Accounting adjustments made with insufficient supporting analysis or documentation,
- (b) Inadequate understanding or documentation of balance sheet provisions and insufficient documentation of the decision to release certain provisions:
- (c) A lack of awareness of the program accounting requirements under either Canadian GAAP or UK GAAP. The accounting rules and guidelines are complex, and our impression is that the principles are not well understood throughout all of the finance community within the MAC Group;
- (d) **Poor control over individual projects from an accounting perspective. Project sales volumes, revenues and costs are not reviewed with sufficient frequency or rigour.” >**

Judge So PwC would’ve seen a request to make changes by those individuals and PwC, without forming their own view, acceded to those requests. That’s a pretty grave accusation to make against PwC...

Mr Lynch **We can call them**

Mr Little But they are paid by you!

Judge It is a pretty grave accusation.

Mr Little **I know and I don’t do this lightly**

Judge **I’ve recorded that**

Mr Lynch Do we want to hear untested suggestions made? It is unfair to the Respondents. We say the accusation is ungrounded.

Judge We’re all experienced enough to make allowances and the stress and difficulties Mr Little faces in what is an enormous case and he can be forgiven for muttering under his breath.

It is worthwhile listening carefully again to the **“Truth – forget it”** video response by Mr Paul Moore (*a Big Four former audit partner and celebrated ex-HBOS whistleblower*) to my Nov 2009 question and then considering and [reflecting on the ten steps in our “findings of fact” evidence at paragraphs 9.1 – 9.10 of my PwC A340 Forensic deceit report](#).

Added 16 May 2011 : [PwC letter from Mr John Tracey to Mr Bill Dimma dated 20 June 2007 enclosing Final PwC report](#)