

Accomplish

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Committee members:

- Dr Sue-Anne Wallace
(Chairperson)
- Patricia Langham
(Industry Representative)
- Prof Gail Pearson
(Consumer Representative)

Upcoming CCC meetings for 2013:

- 16 July Teleconference
- 11 Sep Sydney
- 27 Oct Melbourne
Abacus Conference
- 13 Nov Teleconference
- 3 Dec Sydney

Position of Industry Representative will become vacant on 30 September 2013.

A message from the Code Compliance Committee

At its recent meeting, the Committee welcomed the newly appointed Chairperson, Dr Sue-Anne Wallace.

Sue-Anne (BPharm, BA (Hons), PhD, Grad Cert Mgt, Adv Dip Arts, FAICD) has an extensive career in the not-for-profit sector, most recently as executive with the Vincent Fairfax Family Foundation. Over the past decade Sue-Anne has engaged with industry codes and self-regulation nationally and internationally. She is currently Chair of the Code of Conduct Committee of the Australian Council for International Development, inaugural Chair of the Alliance, a national body for community arts and cultural development, and director of the Blake Society, the Power Foundation University of Sydney and the Nutcote Trust.

The Committee has approved its Annual work plan and budget for 2013/2014.

The Committee has also proposed to continue its Agreement with Abacus and the Financial Services Ombudsman (FOS) that FOS provides Code administration and secretariat services to the Committee until 30 June 2015.

The Committee recently met with Cameronralph Navigator to discuss its independent review of the Code. The Committee is looking forward to working all stakeholders on the outcome of the review.

The position of Industry Representative to the Committee, which is currently being held by Patricia Langham, will become vacant on 30 September 2013. As this is Patricia's second term, Abacus is currently seeking an industry appointee.



Work plan activities:

June '13	ACS consultation
July '13	Issue ACS
Sep '13	ACS returns
Dec '13	Annual Report
Feb '14	Conduct Own Motion Inquiry
May '14	Publish report on Own Motion Inquiry

Work plan for the 2013/2014 reporting period

The Committee's Annual work plan for 2013/2014 includes the investigating and reporting functions and confirmation of effective partnerships with the industry and its stakeholders. The work plan for 2013/2014 focuses on the following compliance monitoring activities:

- the 2013 **Annual Compliance Statement (ACS)**, used to collect and assess information regarding general Code compliance and breach and complaints monitoring and reporting;
- an **Own Motion Inquiry** regarding compliance with section D 24 of the Code to review procedures and guidelines concerning financial difficulty; and
- providing **guidance to Mutu**als on matters related to Code compliance when transitioning to the revised Code.

The Committee's compliance activities are active, risk based, and aimed at assisting Mutu

als to understand and apply Code requirements in their relationships with their members and to monitoring actively their compliance with their Code obligations.

This approach allows the Committee to strategically assist the industry to identify issues and emerging risks. It also allows the Committee to acknowledge good performance and focus on the remediation of breach failures and performance improvement.

2013 Annual Compliance Statement (ACS)

- You will receive the ACS for completion in July 2013.
- You will need to submit your completed ACS before the end of September 2013.

2013 Annual Compliance Statement (ACS)

The 2013 Annual Compliance Statement (ACS) is currently being developed in consultation with Abacus and Code subscribers.

Following this process, the 2013 ACS will be forwarded to you in mid June 2013 for completion as required by clause E 18 of the Code. Submissions are due on or before 30 September 2013.

It is proposed to use the 2013 ACS format on an ongoing annual basis. It focuses on the effectiveness of your organisation's Code compliance frameworks, your recording and rectification of non compliance and your handling of disputes and complaints.

In particular, the Committee seeks to assess:

- how effectively your organisation has complied with its Code obligations during the reporting year;



ACS focus on:

- Code compliance frameworks; and
- breach and complaints reporting and monitoring.

- the effectiveness and robustness of your Code compliance monitoring frameworks;
- how effectively your organisation has monitored its compliance against Code obligations;
- instances of non compliance and how they were remedied by your organisation;
- areas of emerging or significant risk in relation to your compliance with Code obligations; and
- areas of good industry practice that can be shared with other Code members.

Positive Breach Reporting

Following the analysis of the Annual Compliance Statement (ACS) for 2011-2012, the Committee was concerned that 49% of Mutuels did not report any instances of Code non-compliance for the reporting period. The absence of identified breaches may reflect a Code compliance monitoring and reporting system that is out of balance.

Only 48 Mutuels reported 364 Code breaches during the reporting year (compared with 419 breaches in 2010-2011), with the 'largest' 11 Mutuels reporting 38% of these Code breaches.

The Committee also noted a discrepancy between reported breaches and complaints lodged in internal dispute resolution (IDR).

Mutuels reported that they handled 10,401 complaints from members through their IDR systems, identifying 117 instances of non-compliance with the Code.

The Committee acknowledges the need to develop guidelines and samples for effective reporting and monitoring of Code breaches. It plans to consult with industry and Abacus to develop guidance and benchmarks regarding effective breach reporting and monitoring practices, particularly in regards to:

- Code compliance management;
- Code breach identification;
- Code breach reporting; and
- Code breach management.



Presentations:

April 13 Workshop in Orange,
NSW

May 13 FCA Conference in
Sydney, NSW

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Other activities

Executive Manager, Dr June Smith, presented at the Abacus Compliance Workshop in Orange, NSW and conducted a workshop related to the development of the 2013 ACS with six regional Mutuals in April 2013.

Staff attended and presented at the Financial Counselling Australia Conference – EDR Forum ('Unlocking the Codes') in May 2013.

The feedback from both presentations was very positive. The Committee will continue its direct engagement with Mutuals on Code compliance issues in 2013/2014 in the form of workshops, webinars and presentations on Code compliance issues.

If you represent a group of Mutuals in a specific regional and/or metropolitan area and wish to arrange a workshop to share knowledge around Code issues, please contact dkirchlinde@codecompliance.org.au or phone 03 9613 7368.

Contacting the CCC

If you have a general enquiry or want to provide feedback –

You can write to, call or email the CCC using the details to the left.

If you have a media enquiry –

All media inquiries regarding the CCC should be referred to Dr June Smith, Executive Manager, at jsmith@codecompliance.org.au.

Copies of the Code and information about the Code are available on the [CCC's website](#) and the [Abacus Australian Mutuals website](#).

