

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

**REVIEW OF THE FOUR MAJOR BANKS (SECOND REPORT)**

**Australia and New Zealand Banking Group Limited**

**ANZ18QW: PWC report into One Path Business**

Please describe the steps you have taken in response to each of the 27 breaches identified by the PWC report into the One Path business.

**Answer:** We have taken three main steps to address the 27 breaches:

- Appointed PWC to conduct an extensive and independent review of our risk and compliance framework against our processes – PWC made six recommendations. These recommendations concerned improving the timeliness of incident reporting, the documentation of controls and ensuring appropriate review of marketing materials. We have implemented all of them.
- Adopted additional internal risk and compliance measures - these include targeted reviews to ensure our remediation methodologies are appropriate for affected customers, and improving processes to ensure more timely reporting of breaches.

We have also undertaken measures to prevent the breaches from recurring through targeted learning for staff, external reviews over known high risk processes, enhanced testing of key controls, and where necessary, structural changes to ensure key process are performed within the correct areas.

- Cooperated with ASIC to address its concerns and kept it informed of our progress – ASIC provided input into the scope of PwC's review and was made aware of all PwC's six recommendations. ANZ Wealth has also been providing approximately monthly updates to ASIC and APRA since late 2015 regarding open reportable breaches and remediation activities.