

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES
INQUIRY INTO THE REGULATION OF AUDITING IN AUSTRALIA

QON21-8: APRA actions following Westpac 2017 CPS220

Westpac's CPS220 report from 2017 states "*Westpac's IT infrastructure has continued to contribute to issues within the Risk function including a lack of integrated data, poor data quality etc...*". It then goes on to say "*A range of interviewees noted a historical underinvestment in critical systems, legacy systems and front office risk systems*".

The report then goes on to rate Westpac's risk identification, assessment, management and reporting from effective, appropriate, partially effective to partially appropriate. What did APRA do with this information on risk assessment when it was provided to you in 2017?

Answer:

APRA has had regular engagements with WBC on IT risk management and as a result the information on IT risk management deficiencies provided in the CPS 220 review was already known to APRA. This includes a comprehensive review into IT risk in March 2017 conducted by APRA's IT risk specialists, and regular meetings and follow-up reviews to monitor and assess the bank's progress in addressing identified weaknesses.