



Auditor-General for Australia

7 March 2017



Senator Chris Ketter
Chair
Senate Standing Committees on Economics
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator

Inquiry into Consumer protection in the banking, insurance and financial sector

The Australian National Audit Office (ANAO) has recently published the performance audit Report No.26 of 2016-17, [Prudential Regulation of Superannuation Entities](#), that you may find relevant to the Standing Committees on Economics inquiry into Consumer protection in the banking, insurance and financial sector.

The performance audit assessed the effectiveness of the Australian Prudential Regulation Authority's processes for the prudential regulation of superannuation entities. To form a conclusion on the audit objective the following high-level criteria were adopted:

- prudential and reporting standards are determined in accordance with legislation, in consultation with stakeholders, and having regard to risk;
- effective arrangements exist for the processing and consideration of superannuation entity licence applications, and registration of entities;
- risks to the interest of beneficiaries are identified, and arrangements are in place to guide APRA's superannuation prudential regulation activities; and
- APRA effectively supervises superannuation entities to monitor their ability to meet the reasonable expectations of beneficiaries, and takes action where issues are identified.

Should the Committee require further information in relation to these matters, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing. To arrange a briefing, please contact our External Relations area at

Yours sincerely

Grant Hehir