



Code Compliance Monitoring Committee

Work Plan 2016 to 2017



1. Background

The CCMC's Purpose

The purpose of the Code Compliance Monitoring Committee (CCMC) is to monitor compliance with the Code of Banking Practice (the Code) and thereby contribute to the improvement of standards of practice and service by Code subscribing banks (banks). Its aim is to be a trusted and valued partner, assisting banks to comply with their Code obligations, ultimately creating a better banking experience. To achieve this, the CCMC Secretariat adopts a responsive, focussed and collaborative approach to working with participating banks.

The CCMC's Powers and Functions

The CCMC's powers and functions are set out in its Mandate. The Mandate is published by the Australian Bankers Association (ABA) along with the Code. By adopting the 2013 version of the Code, the subscribing banks have endorsed this Mandate. The Code framework states that the CCMC has the following functions:

- to monitor banks' compliance with the Code's obligations;
- to investigate, and to determine, an allegation from any person that a bank has breached the Code; and
- to monitor any aspects of the Code that are referred to the CCMC by the ABA.

The Code

The ABA is responsible for the Code. The Code prescribes the minimum standards that each Code subscriber is required to uphold when providing services to individuals and small businesses in the provision of retail banking services. Code subscribers have made a commitment to work continuously to improve the standards of practice and service in the banking industry, promote better informed decisions about their services and act fairly and reasonably in delivering those services.

The 13 Banking Groups that have subscribed to the Code represent over 95% of the Retail and Small Business banking sector. The principles and obligations set out in the Code therefore apply to the majority of retail banking services delivered to individuals and small businesses across Australia. The Code forms an important part of the broader national consumer protection framework and the financial services regulatory system.

Once a bank has subscribed to the Code, it becomes part of the enforceable contract between the customer and the bank. A breach of the Code by a bank is a breach of that contract.

Clause 36(d) of the Code (2013 version) requires subscribing banks to ensure the CCMC has sufficient resources and funding to carry out its functions satisfactorily and efficiently. Each subscribing bank therefore, contributes to the funding of the CCMC.

2. The Work Plan

This work plan has been designed to assist the CCMC to achieve its purpose and to undertake its key functions in a focussed, efficient and effective manner. It is the third year in a three year strategic plan developed by the CCMC. It is regularly reviewed and revised to ensure that the highest priority work is always completed first. The key features of the work plan are:

- A. continuing to be a trusted and valued partner by engaging with stakeholders;
- B. demonstrating value to our stakeholders by providing excellent Code monitoring services, including investigating complaints; and
- C. assisting banks to improve the standards of banking practice.

Appendix 1 provides the Work Plan and timetable for the reporting period of 1 July 2016 to 30 June 2017. The activities listed in the appendix below represent the likely tasks that will be completed by the CCMC. These may, however, be subject to change depending on the regulatory and economic landscape.

3. Update to the Work Plan

A proposed review of the Code was announced by the ABA on 21 April 2016. A review of the Code requires the CCMC to arrange a review of its own activities to coincide with this Code review. This Work Plan reflects this requirement in accordance with clause 14.3 of the CCMC's Mandate.

The previously published Strategic Plan for 2015–17 included the undertaking of two Own Motion Inquiries during 2016–17. However, the resources required to arrange and support a review of the Code and of the CCMC means that only one Own Motion Inquiry is now included in the 2016-17 Work Plan. The CCMC will decide the subject of the Own Motion Inquiry following analysis of the 2015-16 Annual Compliance Statement, and following consideration of the risks of non-compliance with the Code or where standards of banking services can be improved.

4. The CCMC Secretariat

Team Role	Responsibilities
CEO	Program delivery, Stakeholder liaison and Secretariat support
Compliance Manager	Compliance management and execution
Investigations Manager	Case investigations management and execution
Compliance Analyst	Execution/Reporting
Compliance Analyst	Reporting and Secretariat support

5. Approvals

Prepared by



Sally Davis
Chief Executive Officer

Approved by



Christopher Doogan AM
Chairperson

Appendix 1: The 2016–2017 Work Plan

The objectives and activities outlined below are listed according to the order in which they appear in the Mandate and not presented in order of priority.

Objective 1		Investigate any allegation that a subscribing bank has breached the Code in accordance with clause 1.2 (a) of the Mandate.					
Activities		2016–17				Measure	
		Q1	Q2	Q3	Q4		
1.1	Investigate and finalise any allegation that a Code subscriber has breached the Code under clause 6.1(a) of the Mandate.					No more than 3 cases, or 10% of the total number of cases whichever is the greater, where the investigation is not completed within 90 days.	
1.2	Investigate and finalise any issues identified by the CCMC under clause 6.1(b) of the Mandate.					No more than 3 cases, or 10% of the total number of cases whichever is the greater, where the investigation is not completed within 90 days.	
1.3	Develop a Memorandum of Understanding (MoU) with FOS to facilitate Code breach referrals from FOS to the CCMC.					Agreement with FOS operational by 30 June 2017.	

Objective 2		Monitor subscribing banks compliance with the Code in accordance with clause 1.2(b) of the Mandate.					
Activities		2016–17				Measure	
		Q1	Q2	Q3	Q4		
2.1	Enhance the efficiency and focus of Code monitoring activities undertaken by the Committee through : <ul style="list-style-type: none"> the enhancement of the risk monitoring framework through risk modelling; and the enhancement of the online data submission application to improve the effectiveness and timeliness of analysis of compliance data. 					Continued development of the Risk Model to ensure appropriateness. Improvements to efficiency of the online portal	
2.2	Conduct the 2015-16 Annual Compliance Statement (ACS) program.					100% of Annual Compliance Statements returned by banks by 31 August 2016.	

Objective 2		Monitor subscribing banks compliance with the Code in accordance with clause 1.2(b) of the Mandate.					
Activities		2016–17				Measure	
		Q1	Q2	Q3	Q4		
						Analysis of ACS data completed by 7 October 2016.	
2.3	Conduct an onsite ACS verification visit with each Code subscribing bank.					Onsite visits completed by 31 October 2016.	
2.4	Develop the 2016–17 Annual Compliance Statement Program.					<p>Distribute a draft ACS to banks for consultation by 1 April 2017.</p> <p>Hold workshops with two individual banks by 30 April 2017.</p> <p>Committee approval of the final ACS by 30 May 2017</p> <p>Final ACS distributed to banks for completion by 1 June 2017.</p>	
2.5	<p>Conduct an Own Motion Inquiry into an area of the Code where, following analysis of the 2015-16 Annual Compliance Statement responses, the CCMC has identified a risk to Code compliance or where standards of banking practices can be improved.</p> <p>The Own Motion Inquiry may consider:</p> <ul style="list-style-type: none"> • Remote Indigenous communities • Dispute resolution or • Debt Collection. <p>Or any other Code related issue that the CCMC considers appropriate.</p>					<p>Inquiry Scope document issued to banks by 28 February 2017</p> <p>Data gathering, including onsite verification, conducted by 30 April 2017.</p> <p>Final report approved and issued by 30 June 2017.</p>	

Objective 3		Monitor any aspects of the Code that are referred to the CCMC by the ABA in accordance with clause 1.2(c) of the Mandate.					
Activities		2016–17				Measure	
		Q1	Q2	Q3	Q4		
3.1	Monitor any matters referred to the CCMC by the ABA. Where appropriate, conduct Investigations of any matters referred by the ABA under clause 6.1(c) of the Mandate.					No more than 3 cases, or 10% of the total number of cases whichever is the greater, where the investigation is not completed within 90 days.	

Objective 4		Conduct the activities of the CCMC in accordance with the requirements of the Mandate through:					
Activities		2016–17				Measure	
		Q1	Q2	Q3	Q4		
<ul style="list-style-type: none"> the setting of operating procedures (clause 1.4); the development of an annual business plan (clause 1.6); and the discharge of its responsibilities (clause 4.1). 							
4.1	Review and where appropriate amend all the published Guidance Notes					<p>All Guidance Notes reviewed by 31 December 2016.</p> <p>All identified changes made and revised Guidance Notes published by 30 June 2017.</p>	
4.2	Publish guidance regarding the CCMC’s interpretation of its Mandate and Code obligations, where a need for such guidance is identified.					<p>Ongoing identification of topics for Guidance Note development.</p> <p>Consultation with stakeholders where appropriate.</p> <p>Publish Guidance Notes on the CCMC website as appropriate</p>	

Activities		2016–17				Measure
		Q1	Q2	Q3	Q4	
Objective 4 Conduct the activities of the CCMC in accordance with the requirements of the Mandate through: <ul style="list-style-type: none"> • the setting of operating procedures (clause 1.4); • the development of an annual business plan (clause 1.6); and • the discharge of its responsibilities (clause 4.1). 						
4.3	Develop the Committee’s Strategic Plan for 2017–20, including the Work Plan activities for 2017–18					Hold Committee Strategy day by 31 March 2017. Draft three year Strategic Plan provided to Committee by 30 April 2017 Approval of Strategic Plan by 1 June 2017. Strategic Plan submitted to FOS and ABA by 30 June 2017
4.4	Develop the 2017–18 annual budget.					Anticipated major budget items identified and draft budget provided to Committee by 31 March 2017. Approval of budget by 2 June 2017. Budget submitted to FOS and ABA by 30 June 2017.

Objective 4		Conduct the activities of the CCMC in accordance with the requirements of the Mandate through: <ul style="list-style-type: none"> the setting of operating procedures (clause 1.4); the development of an annual business plan (clause 1.6); and the discharge of its responsibilities (clause 4.1). 					
Activities		2016–17				Measure	
		Q1	Q2	Q3	Q4		
4.5	Conduct meetings and the Committee’s activities in accordance with good governance practice.					Meetings of the CCMC convened in accordance with clause 4.1 of its Mandate. Meeting papers provided on time and in requested format. Minutes issued in line with Key Performance Indicators. Provision of accurate action list in a timely manner for each meeting.	
4.6	Consolidate and review the use of the online portal to improve data gathering and reporting activities.					Enhanced survey questionnaires. Improved reporting and benchmarking abilities.	

Objective 5		Prepare and publish an Annual Report in accordance with clauses 12.1 and 12.2 of the Mandate.					
Activities		2016-17				Measure	
		Q1	Q2	Q3	Q4		
5.1	Prepare and publish an Annual Report about the CCMC's 2015-16 activities.					<p>Consult with banks about the draft content concerning the Annual Compliance Statement results by 20 October 2016.</p> <p>Final draft version of the Report to be provided to the Committee for approval by 21 November 2016.</p> <p>Annual Report published by 1 December 2016 on the website and by email.</p> <p>Printed copies to be distributed to key stakeholders by 5 December 2016</p>	

Objective 6		Arrange a review of the CCMC's activities to coincide with the review of the Code by the ABA, in accordance with clause 14.3 of the Mandate					
Activities		2016-17				Measure	
		Q1	Q2	Q3	Q4		
6.1	<p>The CCMC will arrange and support an independent review of its activities through:</p> <ul style="list-style-type: none"> • appointing an independent consultant to conduct the review • supporting the independent consultant by providing access • facilitating engagement between key stakeholders and the independent consultant • providing copies of the report to Code subscribers, the ABA, FOS, ASIC as required by the Mandate and other stakeholders as appropriate, and • implementing any recommendations of the independent consultant to improve the independence, transparency and effectiveness of the CCMC. 					<p>Appointment of an independent consultant to coincide with the appointment by the ABA of an independent consultant to conduct the review of the Code.</p> <p>Agreement of the Scope and Terms of Reference of the review within 60 days of the appointment of an independent consultant.</p> <p>Independent consultant report within 90 days of agreement of the Scope and Terms of Reference.</p> <p>Completion of the review in line with the completion of the review of the Code by the ABA.</p> <p>Distribution of the report within 10 business days of the final report being provided by the independent consultant</p> <p>Implementation of recommendations that do not require changes to the Code or Mandate as soon as possible but no later than 30 June 2017.</p>	

Objective 7	To achieve objectives 1 to 5, the CCMC will engage and collaborate with key stakeholders.					
Activities		2016-17				Measure
		Q1	Q2	Q3	Q4	
7.1	<p>Promote the CCMC's operations and ability to investigate allegations of a breach of Code obligations through:</p> <ul style="list-style-type: none"> Engaging and conducting training with Financial Counsellors, state based legal aid centres and community legal organisations. Participating in relevant community events in partnership with the Financial Ombudsman Service (FOS). Engaging with the FOS consumer liaison panel. 					<p>Participate in consumer advocate 'Code Day' activities in partnership with TIO and EWOV.</p> <p>Attend and present at consumer advocate conferences.</p> <p>Ensure engagement with community legal centres to provide understanding of the CCMC's activities and operations.</p> <p>Prepare at least two articles for inclusion in newsletters and bulletins issued by relevant consumer advocacy organisations.</p> <p>Attend at least two community events in conjunction with FOS Community Outreach program.</p> <p>Attend at least one FOS Consumer Liaison panel meeting to discuss Code issues.</p> <p>Conduct a survey of financial counsellors operating in remote Indigenous communities to understand issues with banking in these</p>

Objective 7	To achieve objectives 1 to 5, the CCMC will engage and collaborate with key stakeholders.					
Activities		2016–17				Measure
		Q1	Q2	Q3	Q4	
						communities and identify areas where the CCMC can provide assistance.
7.2	Increase the awareness amongst small business of the CCMC's operations and promote the CCMC's ability to investigate allegations of a breach of Code obligations through engaging with small business advocates and associations and other organisations identified throughout the year.					Attend and present at small business conferences. Prepare at least one article for inclusion in newsletters and bulletins issued by relevant small business organisations.
7.3	Engage with Australian Securities and Investment Commission (ASIC,) the Financial Ombudsman Service (FOS) and other relevant Forums to create a common understanding of respective roles where jurisdictions overlap.					Meetings held with FOS on a quarterly basis. Meetings held with ASIC on a quarterly basis.
7.4	Regularly engage with key industry stakeholders through onsite meetings, the Annual Bank Forum quarterly bulletins and our website.					Quarterly meetings with the ABA Meetings held as required or requested by stakeholders. Annual Bank Forum in February 2017. Quarterly stakeholder liaison group

Objective 7	To achieve objectives 1 to 5, the CCMC will engage and collaborate with key stakeholders.					
Activities		2016-17				Measure
		Q1	Q2	Q3	Q4	
7.5	Develop, and update as required, brand statements and key messages, to be used consistently across all internal and external communications, including presentations, seminars, conferences and websites.					Bulletins to be issued in September 2016, December 2016, March 2017 and June 2017. Develop key messages and brand statements for inclusion in the 2017-20 Strategic Plan and future publications.