

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

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SUZANNE SMITH

Executive Board Member

28 August 2023

Committee Secretary
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
Canberra ACT 2600

INQUIRY INTO PROBITY AND ETHICS IN THE AUSTRALIAN PUBLIC SECTOR

Dear Secretary,

APRA welcomes the opportunity to assist the Joint Public Accounts and Audit Committee's Inquiry into Probity and Ethics in the Australian Public Sector.

APRA is committed to our values of integrity, collaboration, accountability, respect and excellence which are foundational to probity and ethics. These values are embedded in APRA's Code of Conduct and underpin the critical role we play in protecting the financial wellbeing of the Australian community.

As part of APRA's ongoing commitment to transparency, a document outlining governance arrangements, along with accountability statements for its senior executives is published online.

As a statutory authority, APRA operates as part of the Australian Government and is accountable to the Parliament, and ultimately to the public, through the Treasury Ministers, the Parliamentary Committee process and the tabling of its Corporate Plan and Annual Report.

There is a suite of other accountability mechanisms, including:

- statutory mandated reviews such as those conducted by the Financial Regulator Assessment Authority;
- independent reviews conducted by the International Monetary Fund as part of the Financial Sector Assessment Program; and
- various independent assessments by the Australian National Audit Office (ANAO) such as the *Probity Management in Financial Regulators — Australian Prudential Regulation Authority (Auditor-General Report No. 30 of 2022-23)*¹ (the ANAO report) which was released in June 2023.

¹ [Probity Management in Financial Regulators — Australian Prudential Regulation Authority \(Auditor-General Report No. 30 of 2022-23\)](#)

The ANAO's recent report recognised that APRA's probity governance, risk management and compliance systems were largely effective. APRA remains committed to enhancing its probity management practices. APRA agreed with the two recommendations made in the Report and will be implementing the below in response:

- increased transparency by explicitly capturing Senior Executives under APRA's recently revised Remuneration Review Policy, which is published internally; and
- further strengthening our gift, benefits, and hospitality arrangements via the inclusion of two additional data points within the register (i.e. capturing real or perceived conflict and the context for acceptance). This will support APRA's affirmed policy setting that officials must generally avoid the receipt of gifts and hospitality.

APRA is committed to upholding sound probity practices across the Commonwealth, and follows all relevant policies, guidance, and directives. As such, we look forward to assisting the Committee with its inquiry.

Yours sincerely,

