

## **APRA Prudential Inquiry into CBA: Terms of Reference**

The purpose of the Prudential Inquiry is to examine the frameworks and practices in relation to governance, culture and accountability within the CBA group, so as:

1. to identify, in light of a number of incidents in recent years that have damaged the reputation and public standing of the CBA group, any core organisational and cultural drivers within CBA that have contributed to these incidents.
2. to assess, at a minimum, whether any of the following areas, or their implementation, are conflicting with sound risk management and compliance outcomes:
  - a. the group's organisational structure, governance framework, and culture;
  - b. the group's framework for delegating risk management and compliance responsibilities;
  - c. the group's financial objectives;
  - d. the group's remuneration frameworks;
  - e. the group's accountability framework; and
  - f. the group's framework for identification, escalation and addressing matters of concern raised by CBA staff, regulators or customers.
3. to consider, where CBA has initiatives underway to enhance the areas reviewed under (1) and (2) above, whether these initiatives will be sufficient to respond to any shortcomings identified and, if not, to recommend what other initiatives or remedial actions need to be undertaken.
4. to recommend, to the extent that there are other shortcomings or deficiencies identified under (1) and (2) above that are not already being addressed by CBA, how such issues should be rectified.

The Prudential Inquiry should not make specific determinations regarding matters currently the subject of legal proceedings, other regulatory reviews or investigations by regulators other than APRA, or customers' individual cases.

The Inquiry Panel appointed to conduct the Inquiry will submit a progress report to APRA by 31 January 2018, and a final report by 30 April 2018.