

# ASIC's surveillance coverage of regulated populations in 2012 –13

This chart provides a snapshot of ASIC's surveillance coverage in 2012–13. The chart shows the regulated population and the number of years it would theoretically take to cover the entire population through high intensity surveillances, based on the number of surveillances ASIC conducted in the 2012–13 financial year. In practice, ASIC's risk-based approach to surveillance means that some portion of the population would be touched multiple times while others would not be touched at all. The data is indicative only.

Only high intensity surveillances are shown. A surveillance is high intensity if it lasted for more than two days, and includes both on-site visits and desk-based reviews.

Staff numbers are shown as full-time equivalents and represent total staff for that team. However, not all the staff are engaged in surveillance work. Surveillance is only one aspect of the work that each team undertakes.

This chart also shows the number of times each team met with industry associations as part of ASIC's regular dialogue with industry. Engaging with industry ensures ASIC keeps abreast of developments and systemic risks within industry and the markets.

## INVESTORS AND FINANCIAL CONSUMERS

### Financial advisers

ASIC staff: 29

#### Surveillance coverage:

- 3,394 Australian financial services licensees authorised to provide personal advice
- ♦ Top 20 – 0.8 years on average
- ♦ Next 30 – 1.8 years on average
- ♦ Remaining 3,344 – primarily reactive surveillances

1,395 Australian financial services licensees authorised to provide general advice – reactive surveillances only

2 ASIC-approved external dispute resolution schemes – every year

90  
industry meetings

### Investment banks

ASIC staff: 23

#### Surveillance coverage:

- 26 investment banks once a year
- 250 hedge fund investment managers / responsible entities – 11.3 years on average
- 43 retail OTC derivative providers – every year
- 7 credit rating agencies – every year

22  
industry meetings

### Investment managers and superannuation

ASIC staff: 40

#### Surveillance coverage:

- 483 responsible entities
- ♦ Top 25 – 70% of funds under management – every 2 years
- ♦ 9 identified as most at risk of noncompliance – every year
- ♦ 91 responsible entities in sectors where risks have been identified or where we have concerns – varies from year to year
- ♦ Remaining 358 – primarily reactive surveillances

200 super fund trustees

- ♦ 5 identified as most at risk of noncompliance – every year
- ♦ Remaining 195 – primarily reactive surveillances

20 major custodians – 2.9 years on average

97  
industry meetings

### Deposit-takers, credit and insurers

ASIC staff: 65.5

(includes credit reform)

#### Surveillance coverage:

- 173 authorised deposit-taking institutions
- ♦ Big 4 – every year
- ♦ Remaining 169 – 13 years on average
- 141 insurers – 7 years on average
- 641 licensed non-cash payment facility providers – primarily reactive surveillances
- 13 trustee companies – 7 years on average
- 5,688 non-ADI credit licensees (lenders and intermediaries) with 28,201 credit representatives – 37 years on average

72  
industry meetings

## MARKETS

### Corporations (including emerging mining and resources companies)

ASIC staff: 49

#### Surveillance coverage:

- 21,690 public companies, including 1,983 listed entities (excludes foreign companies)
- ♦ All control transactions for listed entities
- ♦ A significant proportion of prospectuses
- ♦ A small sample of entities in areas of emerging risk – every year
- ♦ Remaining entities – reactive surveillances only

97  
industry meetings

### Insolvency practitioners

ASIC staff: 23.5

#### Surveillance coverage:

- 685 registered liquidators – 3.6 years on average

24  
industry meetings

### Financial market infrastructure

ASIC staff: 28

#### Surveillance coverage:

- 18 authorised financial markets – every year
- 6 licensed clearing and settlement facilities – every year

56  
industry meetings

### Financial reporting and audit

ASIC staff: 38

#### Surveillance coverage:

- 86 audit firms
- ♦ Big 4 audit 95% of listed entities by market capitalisation – 1.5 years on average
- ♦ Next 8 audit 4% of listed entities by market capitalisation – 2.5 years on average
- ♦ Remaining 74 audit 1% of listed entities by market capitalisation – 10.3 years on average

Financial reports of 1,983 listed entities (excludes foreign companies) and 26,000 unlisted entities

- ♦ Top 500 listed entities – 3 years on average
- ♦ Remaining 1,500 listed entities (excludes foreign companies) – 12 years on average
- ♦ 300 unlisted entities with larger numbers of users – 90 years on average supplemented by reactive surveillances

125  
industry meetings

### Market and participant supervision

ASIC staff: 67

(includes new integrated market surveillance system development)

#### Surveillance coverage:

- Monitoring of the ASX, Chi-X, NSX and ASX24 markets – every day
- 136 market participants – 3.3 years on average
- 800 securities dealers
- ♦ 100 larger entities (clients and volumes) – 4 years on average
- ♦ 700 smaller entities – reactive surveillances and targeted reviews of high risk entities

43  
industry meetings