September 2021

ASIC FOI 138-2023

Operations Group Review

Final Report

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01 Executive Summary

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Project scope and overview

Purpose: The purpose of this high-level report is to provide insights and recommendations to ensure ASIC's Operations Group is appropriately sized, capable and fit-for-purpose, and that ASIC is equipped to operate in the most efficient and effective manner.

Audience: This high-level report has been developed for the Chair, the Commission and the Chief Operating Officer of ASIC.

Scope: This report details the current state of ASIC's Operations Group; benchmarks ASIC's corporate services against comparable entities; identifies and prioritises opportunities; and outlines a series of findings and recommendations to address these. Lastly, the report provides a high-level prioritisation of the recommendations.

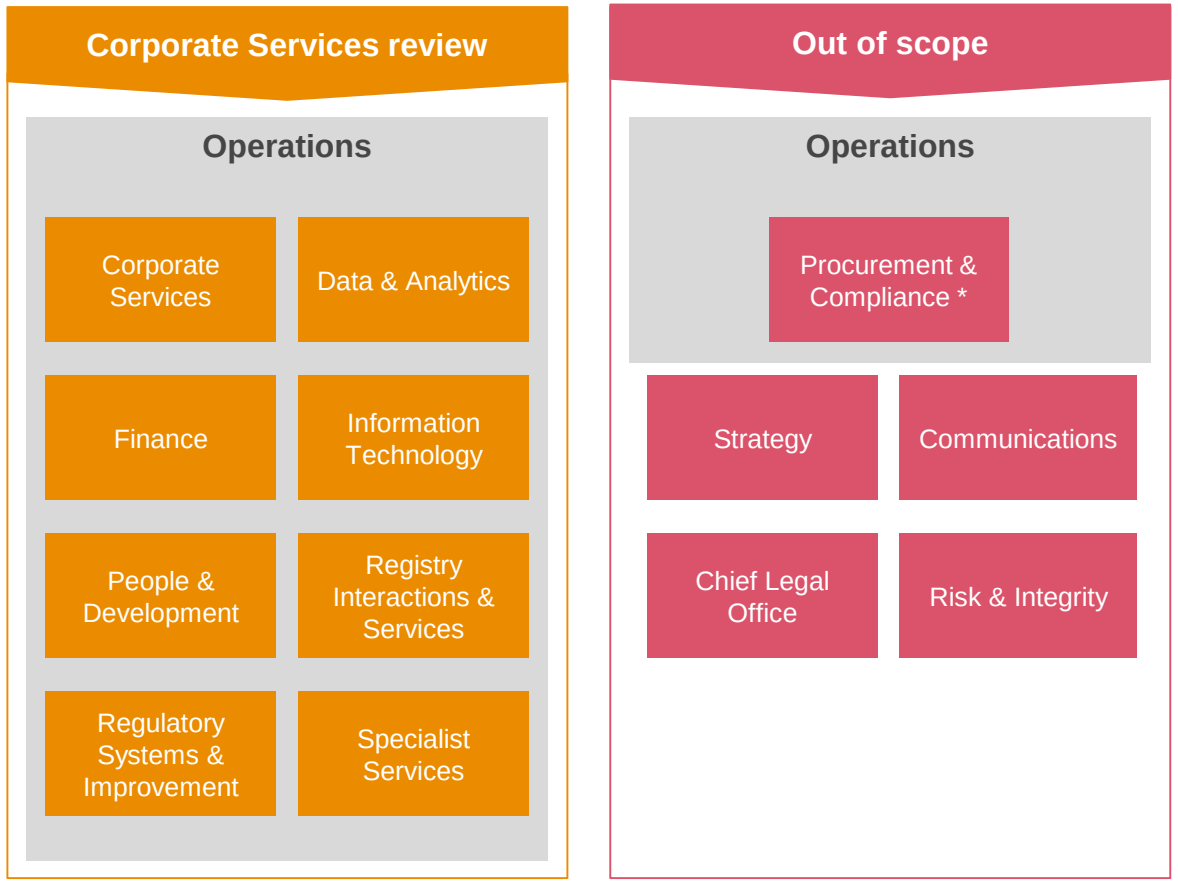
Approach: The review was conducted over four weeks and comprised three key streams of analysis:

- exploration of the current state (current state analysis)
- benchmarking of ASIC's corporate services against comparable entities, and
- identification, testing and prioritisation of recommendations.

Report Contents:

1. Executive Summary
2. Current State Analysis
3. Recommendations
4. Appendices

Figure 1: Scope of the Corporate Services review



***Note:** Procurement & Compliance sits under Finance, however, it was deemed out of scope for the purpose of this review.*

ASIC is being disrupted by a range of internal and external influences and the role of the Operations Group is more important than ever

Key Strengths

- **Partnerships** that have been developed between some functions and leaders within Operations Group.
- The Operations Group **came together well to manage a crisis** (COVID-19).
- **Integrated operating model** across Information Technology and Data & Analytics.
- Good efforts underway to initiate **four year planning.**
- The **Business Partner model** is well received by users for some services.

Current environmental context and changing service demand

Changing directions	• ASIC has been impacted by an external changing environment, including the directives from the Hayne RC on strengthened compliance and now refocusing on business enablement to drive economic recovery. This change in direction is being supported by business initiatives, s 47C [redacted]
Government expectations	• While the Statement of Expectations and Intent clearly outline ASIC's high-level priorities and responsibilities, these are delivered in an ever-changing environment with a range of day-to day-pressures. These require a dynamic and responsive approach to governance, strategy, planning and prioritisation at an enterprise level.
Disrupted by COVID-19	• Like most organisations, ASIC has been significantly affected by COVID-19. Feedback from across the organisation about the response from Operations Group during this crisis was universally positive.
Competition for talent	• The demand for more strategic, value adding corporate services will necessitate a different set of skills and capabilities in the Operations Group. Competition for critical skills (e.g. technology) has pushed up salaries compared to levels of responsibility. ASIC's ability to attract and retain people with these new skills will require new thinking and a dedicated focus.
The future of work	• To compete in this new world, organisations like ASIC need an increased focus on automation, machine learning and artificial intelligence. This will free up human resources to do uniquely human activities as well as driving efficiency through the organisation.
Clear desire and intent to improve	• Formal discussions with the Chief Operating Officer (COO) and his leadership team demonstrated a clear commitment to improvement and a focus on enabling ASIC's core regulatory and enforcement functions.
Initiatives underway	• In compiling this report, it was apparent that many initiatives are either in development or underway. The implementation of these initiatives will greatly enhance the standing of the Operations Group and quality of the services delivered to ASIC.
New team	• The Operations Group is led by a relatively new team. A number of key appointments have only been made in the last two years. It's important to note that COVID-19 significantly disrupted plans and priorities as well as the ability to come together physically to align as a team.

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A number of high-level pain points come together to inhibit the Operations Group's ability to deliver the corporate and enabling services ASIC requires

High-level narrative of the overarching findings from this Operation's Group review:

1

While there are many committees in place, the split of accountabilities and boundaries are not clearly defined and decision making can be slow…

- **Roles, responsibilities and decision rights for executive management** are unclear to stakeholders at all levels. This creates confusion as to what should be managed by ASIC and triggers for escalation to the Commission.
- The **roles of the COO and the Office of the Chair are recently established** and the boundaries between these roles are not well understood.
- This brings a tendency for **over-governance and to be over-cautious and focused on risk management** rather than strategic priorities and agile decisions.

- ***Business is accountable for everything – leading to a lack of accountability. – ED***

Thematic pain-point

Governance

2

…large scale change or transformation is hampered by a lack of alignment between strategy, planning, prioritisation, budgeting and investment decisions…

- s 47C [redacted].
- **Data quality is variable** and requires manual intervention, impeding good business intelligence and performance. s 47C [redacted].
- **No single source of data** with gaps and split of responsibilities for organisational data and performance reporting.

- s 47C [redacted]. – *Senior Exec.*
- ***No clear strategy and prioritisation of data. – User***
- ***No forward planning systems. – User***

Thematic pain-point

Strategy, Planning & Performance

3

…an unclear service offer makes it difficult for internal customers to know what services are available and how to access them…

- ASIC's Operation's Group **services are delivered inconsistently** across the business.
- **Service delivery models have developed organically** on a function by function basis.
- There is a history of **harvesting efficiencies from Operations Group while regulatory functions have grown**.
- **Efficiencies have not been accompanied by any program of business process improvement** – reducing the net capacity to serve...

s 47C [redacted].

- s 47C [redacted] – *Senior Executive*

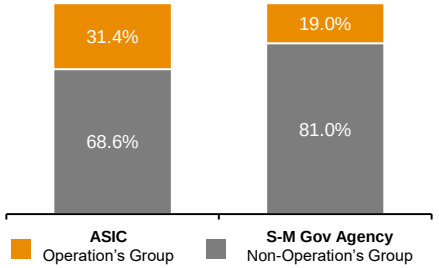
Thematic pain-point

Service Offer

4

…a number of Operations Group's functions are top heavy and higher than benchmarks for comparable organisations…

Operation's Group (corporate services) vs. Non-Operation's Group FTE Split (%)



- **More than ~31% of ASIC FTE are within the Operations Group delivering corporate & enabling services**; though it is important to note the unique nature of a number of these functions. This ratio does not include shadow functions.
- Overall, **ASIC's footprint is larger than peers in Government and cross-sector.**

- s 47C [redacted]. – *Senior Exec.*

Thematic pain-point

Capacity & Capability

5

...decisions on technology investment have led to a combination of legacy systems, misalignment capabilities and a bespoke, high cost delivery model

- The **CRM is yet to be fully embedded within the business.** Business expectations outweigh current functionality and processes remain complex.
- s 47C [redacted]
- s 47C [redacted].
- **Data governance is still being implemented** and **there is uneven data analytics capability and capacity** across the organisation.

- ***No way to measure effectiveness of systems, technology and data. – ED***

Thematic pain-point

Information & Technology/Systems

** In the context of this review, "shadow functions" refers to resources within business units delivering corporate / enabling tasks or activities, in some cases to deliver additional services or work around perceived shortcomings of the central function.*

In line with the five themes, recommendations have been developed to support Operations Group deliver an effective and efficient service]

Recommendations to uplift efficiency and effectiveness across Operations Group include optimising management structures, consolidating and clarifying responsibilities, leveraging digital systems and reducing discretionary activities. Implementing these recommendations could realise savings.

#	Recommendation Theme	#	Recommendation
1	**Governance and Accountabilities**	1.1	Confirm and implement the role of the Chief Operating Officer
		1.2	Establish an Executive Director for Operations Group
		1.3	Confirm and implement the spilt of accountabilities between the Accountable Authority, the Commission and the Organisation
		1.4	Define the role of the Office of the Chair
2	**Strategy, Planning and Performance**	2.1	s 47C [redacted]
		2.2	Improve and embed a process of business planning and budget forecasting
		2.3	Consolidate performance measurement and reporting functions and quality assurance
3	**Service Offer**	3.1	Review current service model and organisational design for Operations Group
		3.2	s 47C [redacted]
		3.3	Baseline and articulate detailed service offers and service catalogues for each function within Operations Group
		3.4	Establish and agree a set of service level standards with user representatives, including decisions around outsourced supply
		3.5	Create a customer service charter that outlines what the business can expect in terms of customer service orientation
4	**Capability and Capacity**	4.1	Embed workforce planning framework and develop a detailed plan which includes critical job roles and capability requirements
		4.2	Develop a workforce strategy that outlines how each of these critical roles and capabilities will be addressed
		4.3	Undertake a mapping of Operations Group roles to identify and then implement opportunities to address top heavy nature
5	**Information and Technology/Systems**	5.1	s 47C [redacted]
		5.2	Invest in a program of business process automation and change, including for Operations Group, to increase benefits from CRM investment and release capacity to focus on higher value tasks

Key:

Governance | Strategy Planning and Performance | Service Officer | Capability & Capacity | Information and Technology/Systems

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02 Current State Analysis

Current state analysis - approach

Below is an overview of the approach taken to the current state analysis component of the review. Through stakeholder engagement and our analysis, hypotheses were developed, tested and evaluated into findings. These findings were then grouped into thematic pain-points which formed the basis of the high-level recommendations.

02 Current state analysis

This section outlines the methods through which each of the thematic pain-points have been grouped; including thematic pain-points outlining why these may be presenting as issues.

1 Stakeholder Engagement/Insights

- Clarify and understand business demand for corporate services.
- Identify and **assess the range of functions** within ASIC's operations through user interviews.
- **Assess current accountabilities and reporting lines** to determine optimal functional groupings and alignment.

Hypotheses were developed, tested and evaluated into findings.

2 Quantitative Analysis

- **Overview and detailed quantitative** analysis of each of the Operations functions.

Benchmarking, Spans and Layers, Resources by Level

- **Identify leading domestic operations benchmarks** across Government and Cross-sector.
- **Assess ASIC against benchmarks** to identify relative positioning and highlight areas for improvement.
- Assess **spans of control and layers** of the in-scope Operations functions and draw observations based on APSC best practice guidelines.

The hypotheses were grouped into findings with quantitative analysis.

3 Functional Analysis

- This section outlines **each of Operations Groups' functions** qualitative and quantitative analysis using a framework to capture implications across process, organisation, technology and information.

Process	Technology	Organisation	Information
Issues associated with business policies, processes and interactions.	Technology requirements encompassing systems and tools.	People and governance considerations, including personnel, skills, capacity and culture.	Information flows and capabilities, data governance and data trust.

These were thematically grouped to support development of recommendations.

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Five key themes emerged from the findings of the review…

A number of key themes emerged from the stakeholder engagement sessions, these were grouped into thematic pain-points which were tested against the quantitative analysis to develop findings and associated recommendations.

Theme	Pain-point	Findings	Recommendation
Governance	**A lot of committee work but unclear governance and accountabilities for risk or decisions**	1. Accountabilities and decision making processes are unclear 2. Decision making requires more strategic coherence 3. There is a tendency to be over-cautious and focused on risk management 4. Users are confused about the accountabilities of the COO, Office of the Chair, what issues should be managed by ASIC or escalated to the Commission	Rec. 1.1 Rec. 1.2 Rec. 1.3 Rec.1.4
Strategy Planning & Performance	**Large scale change or transformation is difficult in the organisation**	1. There is little evidence of a culture or practice of long term planning and strategy in the organisation connecting strategic priorities to capacity and capability requirements to yearly business plans 2. s 47C [redacted] 3. s 47C [redacted]	Rec. 2.1 Rec. 2.2 Rec. 2.3
	Organisation and performance reporting	1. No single source of truth for key data with gaps and split responsibilities for organisational data and performance reporting 2. Data quality is variable and requires manual intervention which impedes good business intelligence and performance reporting	
Service Offer	**Customers are unclear of services available, who provides them and reasonable response times**	1. Service levels and response times are either not identified, unknown or inconsistently applied 2. There is no agreed service offer in place between the business and Operations Group 3. There is not a culture of self service nor the infrastructure to enable it	Rec. 3.1 Rec. 3.2 Rec. 3.3 Rec. 3.4 Rec. 3.5
	s 47C [redacted]	1. Operations functions are currently not meeting the service expectations of the business 2. Operations functions do not have the right capability mix and capacity to meet expectations 3. s 47C [redacted]	
Capacity & Capability	**Operations functions lack the capacity to meet growing demand from business**	1. There has been successive efficiencies harvested from Operations Group without investment in systems – reducing capacity to serve 2. There is a focus on transactional services and a commensurate lack of priority on strategic services	Rec. 4.1 Rec. 4.2 Rec. 4.3
	Operations functions lack the capability to meet the needs of the business	1. It is difficult to attract and retain talent in critical roles in Operations Group 2. There is evidence of workforce planning emerging but it is immature and not yet embedded in the planning process 3. Perceptions of an over-focus on hiring of functional specialists, and not enough hiring of strategic thinkers and leaders who can drive connected agendas	
	Self-service is not supported and multiple internal systems/manual processes	1. Current internal systems are not integrated and do not enable a self-service posture 2. There is a lot of manual handling and limited investment in business process automation or optimisation	
Information and Technology/ Systems	**CRM is yet to realise efficiencies**	1. CRM is yet to be embedded in the business to realise efficiencies. Business expectations outweigh functionality, creating tension	Rec. 5.1 Rec. 5.2
	s 47C [redacted]	1. s 47C [redacted] 2. s 47C [redacted]	
	Low data maturity across the organisation	1. Data governance is still being implemented 2. There is uneven data analytics capability across the business. The current 'hub and spokes' model benefits areas with sufficient business capability	

These findings come from data artefacts provided by ASIC or through user conversations.

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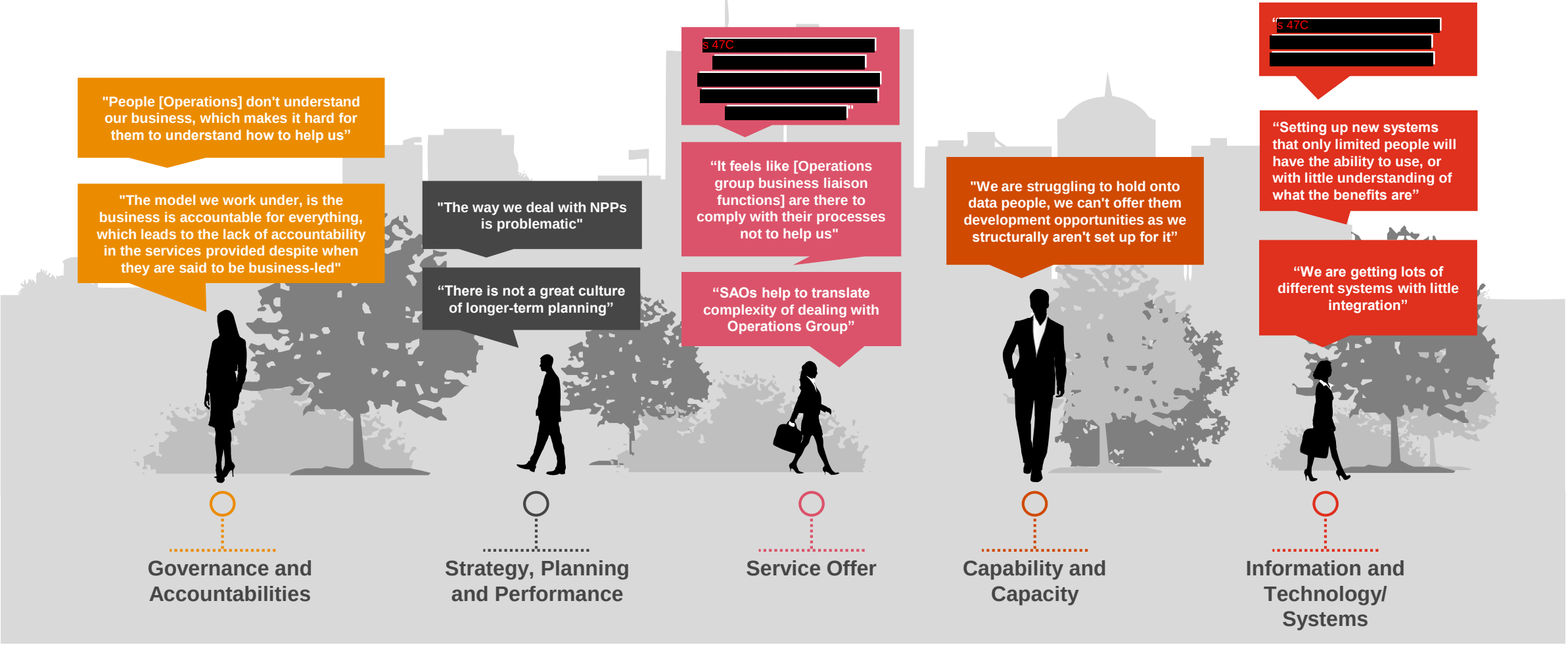
…these five themes were reinforced by the users of Operations Group services

Interviews with ASIC's Executive Directors and Senior Executive Leaders drew out experiences and perspectives to provide deeper insights into these themes and points of alignment or tension with perspectives of Operations Group.



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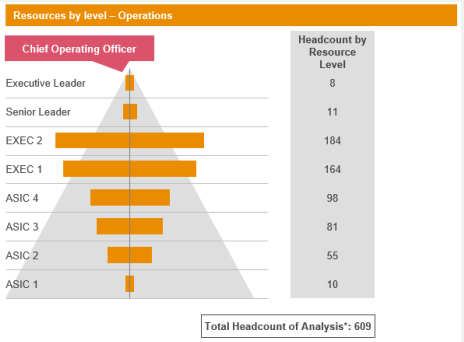
Operations Group is top heavy, with low spans of control

Analysis		Observations
Benchmarking	Information Technology: ASIC FTE% 12.22%; Benchmark FTE% 8.9% Finance: ASIC FTE% 3.29%; Benchmark FTE% 2.60% People & Development: ASIC FTE% 2.11%; Benchmark FTE% 1.21 Data & Analytics: ASIC FTE% 1.05%; Benchmark FTE% 4 – 6%	• FTE of the **IT** function **exceeds the benchmarks** across all comparable metrics. • Majority of the **Finance** sub-functions **exceed the benchmarks**. This FTE% includes all functions; if only the in-scope and comparable functions (i.e. not Unclaimed Monies and Industry Funding Model) are included for benchmarking purposes ASIC's Finance FTE% is 2.21% which is below the benchmark. • **P&D** sub-functions **exceed the benchmarks.** • **D&A** team is **below emerging industry benchmarks.**
Spans	4.8	• Operations Group's **average span of control is 4.8 direct reports per supervisor**, below the target of 5-8 reports per supervisor.[1] • Opportunities to **consolidate spans of control in L3, L4, L5 and L7 to streamline management reporting lines.**
Layers	Below 5 – Optimal 7 – Above; 8	• Operations Group's layers analysis reflects there are **8 layers** within Operations Group meaning there are 8 layers of reporting to the COO. • Across Operations Group there are instances where the reporting hierarchies could be reviewed in more detail, to consider reducing layers and increasing spans of control.
Resources by level		• Operations Group **is top heavy with 57% of resources sitting at the EXEC 2 and EXEC 1 levels**.

Appendix D

Appendix E

Appendix E

Appendix F

Spans of Control = Number of direct reports/Number of supervisors

1. *Benchmarking FTE%'s are calculated as function FTE as a % of total company FTE*
2. *Based on APSC organisational layers framework*

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Across Operation Groups' functions there were mixed results for the benchmarking, Spans and Layers and resource by level analysis

Quantitative analysis of the in-scope sub-functions in Operations Group shows that FTE% generally sit above the benchmark, two of the sub-functions' layers are above the optimal number, and average spans of control for Operations Group are below APSC recommendations.

Function	Benchmarking	Layers	Span of Control*	Resources by level
Corporate Services	*Lack of benchmark data*	7 (Below / 5 Optimal 7 / Above)	2.4	▼63% of resources sit at the ASIC 4 level or above
Finance	ASIC FTE% 3.29 ** / Benchmark FTE% 2.60	8 (Below / 5 Optimal 7 / Above)	3.9	▼55% of resources sit at or above the ASIC 4 level
People & Development	ASIC FTE% 2.11 / Benchmark FTE% 1.21	6 (Below / 5 Optimal 7 / Above)	3.6	▼66% of resources are at the EXEC 1 level
Regulatory Systems & Improvements	*Lack of benchmark data*	5 (Below / 5 Optimal 7 / Above)	1.5	With 3.7 FTE the team is too small to comment
Data & Analytics	ASIC FTE% 1.05 ^ / Benchmark FTE% 4 – 6	6 (Below / 5 Optimal 7 / Above)	2.7	▼79% of resources at the EXEC 1 and above level
Information Technology	ASIC FTE% 12.22*** / Benchmark FTE% 8.9%	8 (Below / 5 Optimal 7 / Above)	6.9	▼78% of resources are at the EXEC 1 and EXEC 2 level
Registry Interactions & Services	*Lack of benchmark data*	6 (Below / 5 Optimal 7 / Above)	4.4	▼58% of resources are at the EXEC 1 and EXEC 2 level
Specialist Services	*Lack of benchmark data*	7 (Below / 5 Optimal 7 / Above)	5.4	▼56% of resources sit at or above the ASIC 4 level

**Optimal average span of control 5-8*

*** This FTE% includes all functions, if only the in-scope and comparable functions are included for benchmarking purposes ASIC's Finance FTE% is 2.21% which is below the benchmark*

**** Excluding contingent workforce, including the contingent workforce it is 16.49%*

^ Data & Analytics has only been benchmarked against a small data set of US based companies and therefore should only be taken as an indication

▼ *Indicates the shape the function takes when considering resources by level (i.e. ▼ = moderately top heavy with the majority of resources at or above an ASIC 4, ▼ = top heavy with the majority of resources at or above EXEC 1)*

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The intent is to strategically partner with users, however, for the most part the functions are still providing transactional services

Those engaged through this process expressed that they would like to see the Operations Group become strategic partners of the business in the future. This sentiment was shared both by Operations Group functions and business users alike, with all functions expressing the desire to provide a strategic and true partner relationship with the business. The benchmarking, Spans and Layers and levels analysis below is an indicative assessment of ASIC's current state of maturity.

Function	Maturity Assessment	Rationale
Corporate Services	Transactional – Strategic Partnering	• Majority of resources (~25 FTE) sit within the Information Resource Centre sub-function. • Across the geographic footprint, there are variable levels of reported service.
Finance	Transactional – Strategic Partnering	• FTE% is higher than the benchmark – likely explained by the function's Statutory reporting, IFM Accounting management and Unclaimed Monies services, which undertakes unique and highly transactional work. • Finance has a top heavy structure – a more balanced resourcing model may allow better differentiation between compliance and strategic forecasting.
People & Development	Transactional – Strategic Partnering	• FTE% is higher than the benchmark and is top heavy but with gaps in strategic support – indicating a high volume of manual transactional work. • P&D's current business partnering model meets the expectations of the user for day-to-day workforce issues and management. • The recent focus on a strategic workforce planning process is new and therefore the benefit has not yet been realised that would help move P&D toward a more strategic partnering relationship.
Regulatory Systems & Improvements	Transactional – Strategic Partnering	• Currently RSI (4 FTE) is a small function, with the planned expansion commencing 1 July 2021. Consideration should be given to how RSI will become a strategic partner for the business and its role in performance measurement and reporting.
Data & Analytics	Transactional – Strategic Partnering	• Still within its establishment phase, the function is seen as strategic in its provision of data governance rather than the delivery of data services. • The team has a strong vision for the function and is currently working through the gap between meeting the immediate data needs of the business and associated varied capacity across the business and meeting its vision and seeking commitment to investment in data projects.
Information Technology	Transactional – Strategic Partnering	• For the biggest function in terms of pure headcount, there were still themes from the stakeholder engagement that suggested the IT function could do more to provide a strategic service to the business. There is a significant amount of bespoke and legacy technology being maintained. • With a top heavy structure, there should be an assessment of the transactional work that could be outsourced at lower cost, to give capacity to focus on higher value tasks.
Registry Interactions & Services	Transactional – Strategic Partnering	• As a compliance heavy function, RIS is unique as some of its functions will remain transactional. It is still important that in interactions, users perceive RIS to be partnering with them to achieve the best possible outcome.
Specialist Services	Transactional – Strategic Partnering	• Majority of Specialist Services FTE work in the Evidence Services sub-function, indicating highly transactional and manual work. • Limited control / ability to manage demand for Specialist Services – s.47C [redacted]. • Further analysis into the work completed by this team would be advised to consider areas for efficiencies.

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The finance function has some unique elements. It is top heavy with low spans of control

Finance functional analysis highlighted that there was an absence of a forward planning strategy – affecting budgetary planning and accountability across the organisation. The resources by level analysis of the Finance team and the reporting hierarchy highlights that there are inconsistent reporting practices with people reporting more than the standard two levels above.

Qualitative Insights

Process

- ✓ Finance has two external facing functions; Industry Funding Model and Unclaimed Monies; both of which are considered to be operating well.
- ✓ Their client management model creates a clear and effective user experience.
- × There is an absence of a budget forecasting support or forward strategy.
- × There are opportunities to better manage budgets and have a broader view of how money should be spent.

Technology

- × Reporting from Finance is a highly manual process which is seen as lacking in data integrity and efficacy.

Organisation

- × There is a need to increase the analytical skill in the team.
- × There is a perceived lack of capability and accountability within the Finance functional team.

Information

- × Enterprise reporting needs to be developed to improve quality assurance and demonstrate value for money for expenditure.

"The Management Accountants are there to help us meet central finances requirements not to help us"

Quantitative Insights

FTE Benchmark

The FTE figures show that the Finance function exceeds the benchmarks, however, it is important to note the two external functions (Unclaimed Monies and the Industry Funding Model (IMF)) have additional FTE than a standard finance function. If you consider ASIC's Finance FTE excluding these and the out of scope Procurement & Compliance it is 2.21% which is below.

ASIC FTE%	Benchmark FTE%
3.29%**	2.60%

Spans and Layers

A Spans and Layers analysis of the Finance Services team indicates that the management structure could benefit from undergoing better consolidation efforts to be more aligned with the APSC Optimal Management Structures Framework in order to improve productivity and accountability within the team.

Average Span of Control*	Layers
3.9	8

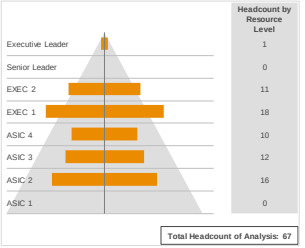
Below 5 Optimal 7 Above

Levels and Reporting Hierarchy

A levels and reporting hierarchy analysis reveals that the Finance team is top heavy, with the majority of resources sitting at the EXEC 1 level.

The reporting lines of the team reflects that there are opportunities for improvement. In particular, to review which level staff are reporting to which level to ensure decision making is as efficient as possible.

A more detailed review of the activities and capabilities would be needed to understand exactly where changes to this structure can be made to ensure it is optimal.



Opportunities

The top heavy resourcing profile in the Finance team, coupled with stakeholder engagement, indicates there is opportunity for further activity to role mapping to ensure the right level of service is being provided to the business by the right level of resource.

*Optimal average span of control 5–8

** This FTE% includes all functions, if only the in-scope and comparable functions are included for benchmarking purposes ASIC's Finance FTE% is 2.21% which is below the benchmark.

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IT function is managing significant transition of legacy technology. It is very top heavy

A functional analysis of Information Technology highlights that there are opportunities to improve, such as standardising reporting lines and implementing more future-fit systems and processes to provide quality assurance. Moreover, the resources by level analysis of the Information Technology function shows that there is a skew to the top, with the majority of resources at the EXEC 2 level.

Qualitative Insights

Process

- ✓ IT support on a day-to-day basis is managed well.
- ✓ ICT procurement support is good.
- × Current processes are manual which leads to a lack of data trails.
- × There are opportunities to provide better support and education regarding ASIC's tools and systems.
- × The intranet has been identified as an inhibitor of self-service processes.

Technology

- × The IT Function is considered inefficient and not focused on innovation.
- × s 47C [redacted].
- × s 47C [redacted].
- × Data and analytics maturity is considered low within this team.

Organisation

- ✓ Work underway to transition legacy workforce to new skills
- × Lots of high cost, legacy skill sets and challenges competing for new skill sets
- × High involvement in project work.
- × s 47C [redacted]
- × IT governance is identified as an area for improvement.
- × There is an absence of an IT specific recruitment strategy to ensure the right amount of investment is dedicated to creating a strategy to attract and retain skills.

Information

"s 47C [redacted]."

Quantitative Insights

FTE Benchmark

The Information Technology function's FTE exceeds the benchmarks across all comparable metrics. This remains true whether you benchmark including or excluding contractors.** The IT function is a state of change with intentions in place to reduce the FTE% however, external forces mean for now they are unable to make significant changes.

ASIC FTE%	Benchmark FTE%
12.22%	8.9%

Spans and Layers

The Spans and Layers analysis highlights that the Information Technology team is middle heavy. Moreover, due to there being eight layers within the team, there are opportunities to streamline the organisational structure to allow for more direct communication across the team.

Average Span of Control*	Layers
6.9	8

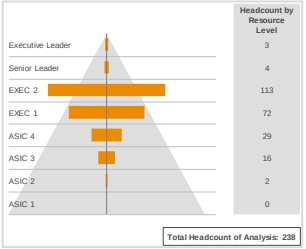
Below 5 Optimal 7 Above

Levels and Reporting Hierarchy

The Information Technology function is **very top heavy** with 78% of resources sitting at the EXEC 1 and EXEC 2 levels.

Insight from the reporting hierarchy indicates the importance of implementing changes to reflect more consistent and efficient reporting lines to ensure decisions are made at the lowest level possible.

There are 95 EXEC 2's current reporting to other resources at the EXEC 2 level.



Opportunities

s 47C [redacted].

*Optimal average span of control 5–8

** 16.49% inclusive of contractors; of this 7.6% are engaged in BAU and 8.81% in project work.

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The P&D team has made steps toward revising their service offer. The structure is top heavy

The functional analysis of People & Development identified strengths in their response to COVID-19 and support provided by business partners for day-to-day workforce management. Talent management and resourcing processes need to be improved to meet workforce demands. When looking at resources by level analysis of the People & Development Team, it highlights inconsistencies in reporting practices and opportunities to rebalance the structure.

Qualitative Insights

Process

- ✓ COVID response effort was seen as a success in care for staff and integration between P&D, IT and Corporate Services to support employees in their transition to remote working
- ✓ There is the general view that the team provides a reasonably good service for day to day workforce management
- ✓ Some users within some functions have highlighted that the client business partner model is working well.
- ✓ Recruitment processes are seen as complex
- × Within the leadership team there is a culture of not being able to challenge existing thinking and processes
- × There are lots of legacy policies and a view that these do not reflect the new independent status of the organisation.

Technology

- × PeopleSoft is the system used to support the P&D function it was noted as being somewhat difficult to use.
- × Processes are highly manual and divert focus from higher value work

Organisation

- × Capability/processes or the recruitment function needs to be improved to ensure recruitment processes align with forecasted capability demand.
- × The P&D team needs to become more agile and effectively resourced to allow for stronger capability and to meet service demands and provide strategic workforce forecasting and supply-demand management.
- × ASIC continues to have a dominant culture / workforce of 'lawyer'. Changing expectations require a different skill mix – such analytics – to transform delivery of regulatory functions. The P&D team need to lead all teams to have more diversity of hires and champion change.

Information

- × The quality of the data of support the P&D function is reliant on business areas including their compliant use of systems. This means that some areas of data can be difficult to gather or have missing components.

"We need a recruitment strategy in place to ensure people come and stay"

Quantitative Insights

FTE Benchmark

The People & Development sub-functions exceed the FTE benchmarks when considered against cross-sector HR functions, this is likely due to the highly transactional work required of the team.

ASIC FTE%	Benchmark FTE%	
2.11%	1.21%	

Spans and Layers

The Spans and Layers analysis of the People & Development team indicates that whilst it stops at Layer 6, there is a top heavy structure with non optimal spans of control.

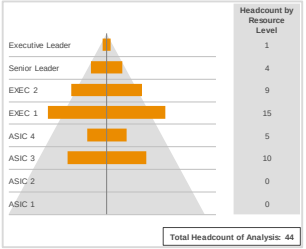
Average Span of Control*	Layers
3.6	Below 5 / Optimal 6 / 7 Above

Levels and Reporting Hierarchy

The P&D team is **top heavy** with 66% of resources sitting above the EXEC 1 level.

This highlights a potential area to implement change to strengthen reporting lines.

More detailed analysis is recommended to understand exactly the activities being done at each level to further consider optimal levels and reporting lines for the P&D team.



Opportunities

The top heavy resourcing profile in the P&D team coupled with stakeholder engagement indicates there is opportunity for further activity to role mapping to ensure the right level of service is being provided to the business by the right level of resource.

*Optimal average span of control 5–8

ASIC FOI 138-2023

Data & Analytics function is new and sits below FTE benchmark though this does not capture some data staff in IT

In regard to the Data & Analytics function, stakeholder engagement revealed that existing tools and processes are not yet embedded and data is disaggregated across the enterprise. Qlik and enterprise wide data initiatives are leading to positive changes. The function is currently small, and senior – a centre of excellence – though there are gaps in data analytics depth and capability across the organisation with opportunities to consider how to build critical mass and career pathways.

Qualitative Insights

Process

- ✓ Data & Analytics sits in operations next to Information and Technology in order to maximise interdependencies between two functions.
- × Siloed ways of working is very prominent, which is exacerbated by poor processes in place.
- × ASIC's Data & Analytics maturity is considered low within the Operations Group – there is a need to improve the data, analytics and reporting capabilities within ASIC.

Technology

- × Data tools are legacy and are therefore not fit for future purpose.

Organisation

- ✓ Recently adopted Qlik which is leading to some positive enterprise wide initiatives.
- ✓ There are starting to be more specialists dealing with data and analytics and computer forensics.
- × Data literacy is low and processes are not considered future-fit.
- × More focus on data governance and data engineering is needed.
- × The data capacity needs to be increased both at a function and on a resource level.
- × Planning cycles are short-term orientated.
- × Current culture is resistant to change and risk averse.
- × There is a need to increase data champions across the function.

Information

- ✓ A major program of work is being undertaken to enhance Data & Analytics capability across the Operations Group.
- ✓ Established a new Data Lake platform to provide ASIC with a central place for storing data securely.

"There needs to be visible data to show where progress is being made and delayed"

"We are struggling to hold onto data people, we can't offer them development opportunities as we structurally aren't set up with it"

*Optimal average span of control 5–8

^ Data & Analytics has only been benchmarked against a small data set of US based companies and therefore should only be taken as an indication. The ASIC FTE data used to benchmark D&A does not include those FTE whose reporting line is through to IT, however, support the D&A teams.

Quantitative Insights

FTE Benchmark

Benchmarking for the Data & Analytics team supports the qualitative insights that there is a need for more data and particularly analytics capabilities as compared to the benchmark it is below expected.

ASIC FTE%	Benchmark FTE%	^
1.05	4–6	●

Spans and Layers

The Spans and Layers analysis reflects that there is a low average span of control within the Data & Analytics team. This indicates that there is an opportunity to increase the spans of control to maximise the management capabilities within the team.

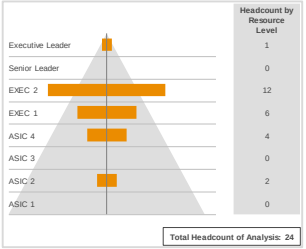
Average Span of Control*	Layers
2.7 ●	Below 5 — Optimal 6 — 7 Above

Levels and Reporting Hierarchy

The Data & Analytics team is **top heavy**, with 50% of resources sitting at the EXEC 2 level and 79% sitting above the EXEC 1 level.

However, potential reasons for this should be considered; such as, market demand for specialist skillsets and renumeration.

Within the Data & Analytics function there are inconsistent reporting practices such as lower-level staff reporting those more than two levels above them in the organisation.



Opportunities

As a newly established team there is an opportunity to further consider the service levels and structure that the team takes on in the future. For example; will the be pursuing a centralised model or shifting towards a hub and spoke.

ASIC FOI 138-2023

Corporate services is increasingly digitally enabled. It has low spans of control

A functional analysis of Corporate Services identified challenges around complex governance and split accountabilities. A number of the Corporate Services resources are specialists such as lawyers rather than Corporate Service professionals. The average span of control is lower than APSC benchmarks.

Qualitative Insights

Process

- × Have taken a role in quality assurance which once established will overlap with responsibilities in the RSI team.
- × Need to optimise processes to be automated and self-serviced to be more future-fit.

Technology

- ✓ The Corporate Services team has increased their capabilities to work in a more digitally enabled manner.

Organisation

- ✓ Property services and management has been tightly overseen which generated a sizable reduction in ASIC's property portfolio.
- ✓ The Corporate Services team has been able to leverage generalist workers who are not specifically aligned to the team.
- × The Corporate Services team is considered risk adverse which leads to over focus on the minutiae.
- × Corporate Services has an over reliance on generalists and lacks technical knowledge of ASIC's regulatory area which impacts on the perceived quality of outputs.

Information

- ✓ The Corporate Services team has been successful because they have improved on the synergies between their team.

"We have good generalist skills that we can leverage… but we seek more specialist consultancy skills"

*Optimal average span of control 5–8

Quantitative Insights

FTE Benchmark

With 56.4 FTE the Corporate Services function provide security, business and property services as well as manages and delivers ASIC's Information Resource Centre. Further analysis of these sub-functions is required in order to be able to benchmark against like services.

Spans and Layers

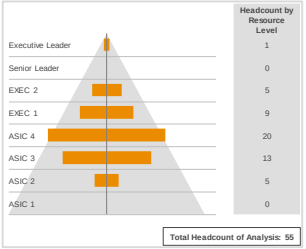
The Spans and Layers analysis reflects that there is a low average span of control within the Corporate Services team. Moreover, the analysis of the structure reflects the shape of a triangle up to layer 6 which means that there is an opportunity to consider roles at layer 7.

Average Span of Control*	Layers
2.4	Below 5 Optimal 7 Above (7)

Levels and Reporting Hierarchy

The levels and reporting hierarchy highlights that the widest layer within the Corporate Services team is the ASIC 4 layer. The structure of this team reflects that of a diamond rather than a triangle. This indicates that there is a large concentration of middle-managers rather than lower-level staff.

As such, the reporting hierarchy also shows reporting practices that could be improved to ensure staff are not reporting to staff more than two levels above them in the organisation.



Opportunities

There is an opportunity to consider the resourcing levels in the team and the activities that are being completed. This level of analysis may present opportunities around reducing manual transactional work being done within the team.

ASIC FOI 138-2023

RIS is a newly established function

Registry Interactions Services is a newly established team established in April 2021 to manage the new client relationship with ATO as part of the ASIC registry transition under the Modernising Business Services programme. As such, it was not a focus for the review. The average span of control is on par with APSC benchmarks.

Qualitative Insights

Process	Technology

Organisation	Information
✓ Newly established team, retained following MoG of registry functions to ATO, now responsible for three roles: (1) perform the functions that remaining within ASIC post the move of ASIC's registry services to the ATO, for example processing of forms related to the professional registers, and making decisions in respect of the registry under a delegated model; (2) oversee the ASIC relationship with the ATO registry team, acting as a conduit between the Registrar and ASIC, and (3) Retain registry expertise in ASIC and support the MBR program.	

*Optimal average span of control 5–8

Quantitative Insights

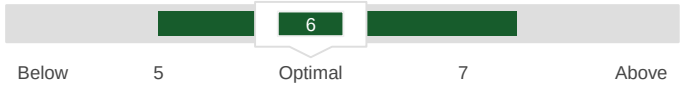
FTE Benchmark

The RIS function has 27 FTE responsible for the delivery of the MBR (Modernising Business Registers) program and registry services and interactions, including Legal and Policy work streams. Further analysis of these sub-functions would be required in order to determine if comparable benchmarks exist.

The RIS team uses a business partnering model to oversee registry interactions across the whole of ASIC.

Spans and Layers

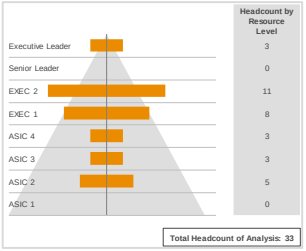
A Spans and Layers analysis of RIS, indicates that whilst Layer 3 and Layer 5 are both within the recommended 5–8 direct reports per supervisor, there are opportunities to streamline management reporting lines due to Layer 4 being below the recommended range bringing the average below optimum.

Average Span of Control*	Layers
4.4	

Levels and Reporting Hierarchy

A levels and reporting hierarchy indicates that 38% of the team are temporary, with many EXEC 1 & EXEC 2's on temporary contracts for the MBR project.

The Registry Interactions & Services team is top heavy with 58% of resources sitting at the EXEC 1 and EXEC 2 levels. The Resources by Level graph reflects that the team could implement some changes to be more efficiently structured.



Opportunities

With 38% of the team on temporary contracts, there is an opportunity to consider how many resources are at the EXEC 1 and EXEC 2 levels, and how that links with transfer of knowledge should temporary staff transition.

ASIC FOI 138-2023

RSI has only 3.7 FTE, all sitting at EXEC 1 and 2 level

The Regulatory Systems & Improvement function is a new function – about to be extended. Some of the envisaged functions are likely to cross over with some of the budget / business / planning, performance reporting and quality assurance functions being delivered by other areas across Operations and Enabling functions. There is an opportunity to consider organisational design to consolidate and realign 'like' functions following the shift into Operations Group.

Qualitative Insights

Process

- ✓ RSI will work to re-establish Operations as 'the hub' for subject matter expertise and the delivery of core operation's services. s 47C [redacted].

Technology

Organisation

- ✓ Newly established team, to expand over time. Plans are in place for this expansion from 1 July 2021.

Information

*Optimal average span of control 5–8

Quantitative Insights

FTE Benchmark

The RSI function as it stands has 3.7 FTE, there is a proposal out at the moment to expand to a total of 42.5 FTE in three phases commencing 1 July 2021. These FTE would be aligned to the functions; Regulatory Systems, Business Plan reporting, Quality and Improvement and EPMO (Enterprise Project Management Office). Further analysis of the sub-functions is required to be able to effectively benchmark.

Spans and Layers

Whilst it is difficult to draw accurate conclusions with minimal FTE, the Spans and Layers analysis can reflect that there is an opportunity to better manage resources to support the appropriate management of the team.

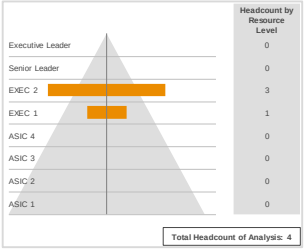
Average Span of Control*	Layers
1.5	5

Below 5 Optimal 7 Above

Levels and Reporting Hierarchy

A levels and reporting hierarchy analysis of this team did not offer many robust conclusions, due to the low headcount. However, all resources sit above the EXEC 1 level with 75% of resources sitting at the EXEC 2 level.

That said, as the team currently stands (pre-1st July 2021) it reflects a relatively flat structured team.



Opportunities

With the proposed change in the team makeup, the opportunity presents itself to consider the resourcing levels, hierarchies, as well as the Spans and Layers across the team to ensure the services provided are as effective and efficient as possible.

ASIC FOI 138-2023

Specialist Services has optimal spans of control and reporting layers. There is a need for a model to manage demand for services

Functional analysis of Specialist Services identified a lack of ability to manage demand – with the business managing outsourcing contracts. There have been positive shifts in upskilling people to more data driven approaches to analysis of evidence. The team has a middle-heavy structure with the majority of resources sitting at the EXEC 1 Level suggesting opportunities to rebalance – particularly as new technology solutions are onboarded.

Qualitative Insights

Process

- × There is a need to align resources within the Specialist Services team to areas of priority as current processes are lagging.
- × s 47C [redacted].
- × s 47C [redacted].
- × Lack of control around demand as the business responsibility for outsourcing work as required.

Technology

- ✓ There is a positive shift towards upskilling people on dealing with electronic material in the Specialist Services function.

Organisation

- ✓ There is good expertise in the Specialist Services team as many have been around for a long time and have good ASIC knowledge.

Information

There is the view that the Evidence Services sub-function is working relatively well

Quantitative Insights

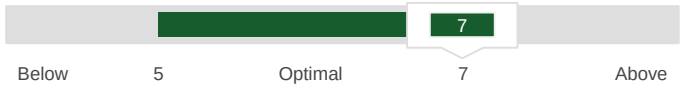
FTE Benchmark

Of the 129.8 FTE, which is the second largest team in terms of FTE in Operations Group, the sub-function evidence services makes up the vast majority of this headcount. Further analysis of these sub-functions is required in order to be able to benchmark against like services.

Spans and Layers

The Spans and Layers analysis of the Specialist Services team shows that all layers are within the target 5-8 direct reports per supervisor which is a positive indication of spans of control maximisation and employee engagement.

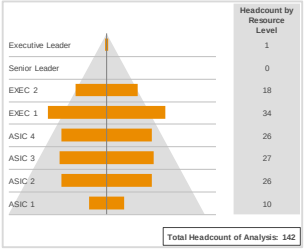
Average Span of Control*	Layers
5.4	7



Levels and Reporting Hierarchy

The levels and reporting hierarchy analysis shows a strong middle-heavy representation at the ASIC 2-4 levels with an overall a good balance and a peak in EXEC 1's.

The reporting hierarchy analysis highlights that there are six FTE's reporting more than two levels above them in the organisation.



Opportunities

There is an opportunity to consider in more detail the services provided by Specialist Services, and what user groups are using these services or conversely paying for this service externally (s 47C [redacted]).

*Optimal average span of control 5–8

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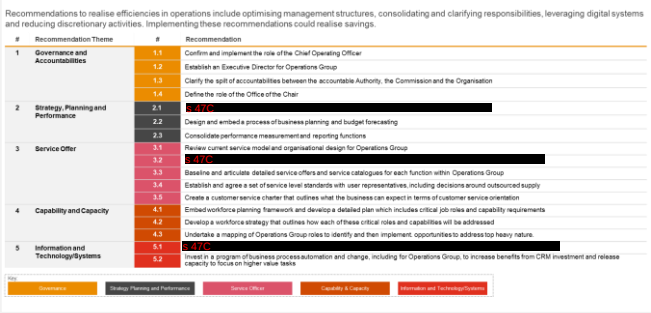
03 Recommendations

Efficiency recommendations – overview of approach

From the analysis conducted, the review has identified several recommendations to realise efficiencies and improve the interaction between ASIC's Operations' functions. This section provides an overview and detailed profile of each recommendation and outlines how recommendations have been prioritised.

1 Recommendations

This section provides an overview of the recommendations identified.



Recommendations to realise efficiencies in operations include optimising management structures, consolidating and clarifying responsibilities, leveraging digital systems and reducing discretionary activities. Implementing these recommendations could realise savings.

#	Recommendation Theme	#	Recommendation
1	Governance and Accountabilities	1.1	Confirm and implement the role of the Chief Operating Officer
		1.2	Establish an Executive Director for Operations Group
		1.3	Clarify the split of accountabilities between the accountable Authority, the Commission and the Organisation
		1.4	Define the role of the Office of the Chair
2	Strategy, Planning and Performance	2.1	s.47C
		2.2	Design and embed a process of business planning and budget forecasting
		2.3	Consolidate performance measurement and reporting functions
3	Service Offer	3.1	Review current service model and organisational design for Operations Group
		3.2	s.47C
		3.3	Baseline and articulate detailed service offers and service catalogues for each function within Operations Group
		3.4	Establish and agree a set of service level standards with user representatives, including decisions around outsourced supply
		3.5	Create a customer service charter that outlines what the business can expect in terms of customer service orientation
4	Capability and Capacity	4.1	Embed workforce planning framework and develop a detailed plan which includes critical job roles and capability requirements
		4.2	Develop a workforce strategy that outlines how each of these critical roles and capabilities will be addressed
		4.3	Undertake a mapping of Operations Group roles to identify and then implement opportunities to address top heavy nature.
5	Information and Technology/Systems	5.1	s.47C
		5.2	Invest in a program of business process automation and change, including for Operations Group, to increase benefits from CRM investment and release capacity to focus on higher value tasks

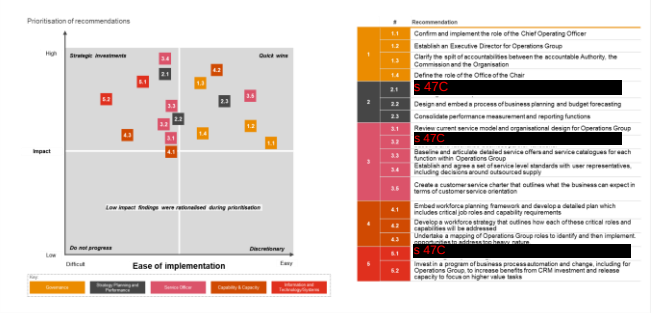
Key: Governance | Strategy, Planning and Performance | Service Offer | Capability & Capacity | Information and Technology/Systems

Specifically this section provides:

- Summary and detailed view of identified recommendations.

2 Prioritisation approach

This section outlines how recommendations will be evaluated, and prioritised to inform implementation planning.



Specifically this section provides:

- Prioritisation methodology to categorise functions and recommendations.

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In line with the five themes, recommendations have been developed to support Operations Group deliver an effective and efficient service…

Recommendations to realise efficiencies in operations include optimising management structures, consolidating and clarifying responsibilities, leveraging digital systems and reducing discretionary activities. Implementing these recommendations could realise savings.

#	Recommendation Theme	#	Recommendation
1	**Governance and Accountabilities**	1.1	Confirm and implement the role of the Chief Operating Officer
		1.2	Establish an Executive Director for Operations Group
		1.3	Confirm and implement the spilt of accountabilities between the Accountable Authority, the Commission and the Organisation
		1.4	Define the role of the Office of the Chair
2	**Strategy, Planning and Performance**	2.1	s 47C [redacted]
		2.2	Improve and embed a process of business planning and budget forecasting
		2.3	Consolidate performance measurement and reporting functions and quality assurance
3	**Service Offer**	3.1	Review current service model and organisational design for Operations Group
		3.2	s 47C [redacted]
		3.3	Baseline and articulate detailed service offers and service catalogues for each function within Operations Group
		3.4	Establish and agree a set of service level standards with user representatives, including decisions around outsourced supply
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		4.3	Undertake a mapping of Operations Group roles to identify and then implement opportunities to address top heavy nature
5	**Information and Technology/Systems**	5.1	s 47C [redacted]
		5.2	Invest in a program of business process automation and change, including for Operations Group, to increase benefits from CRM investment and release capacity to focus on higher value tasks

Key:

Governance | Strategy Planning and Performance | Service Officer | Capability & Capacity | Information and Technology/Systems

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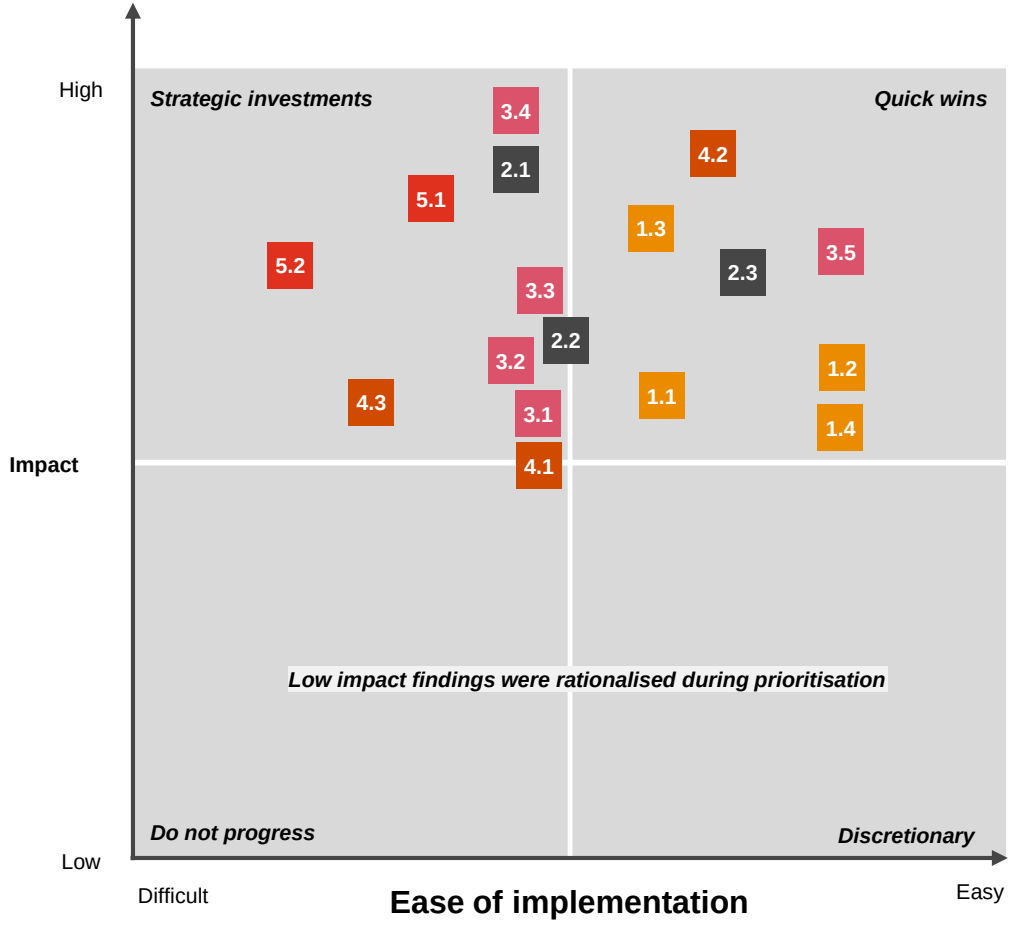
… these recommendations have been prioritised based on ease of implementation and anticipated impact

Prioritisation of recommendations



Key:

Governance	Strategy Planning and Performance	Service Officer	Capability & Capacity	Information and Technology/Systems

	#	Recommendation
1	1.1	Confirm and implement the role of the Chief Operating Officer
	1.2	Establish an Executive Director for Operations Group
	1.3	Confirm and implement the spilt of accountabilities between the Accountable Authority, the Commission and the Organisation
	1.4	Define the role of the Office of the Chair
2	2.1	s 47C [redacted]
	2.2	Improve and embed a process of business planning and budget forecasting
	2.3	Consolidate performance measurement and reporting functions and quality assurance
3	3.1	Review current service model and organisational design for Operations Group
	3.2	s 47C [redacted]
	3.3	Baseline and articulate detailed service offers and service catalogues for each function within Operations Group
	3.4	Establish and agree a set of service level standards with user representatives, including decisions around outsourced supply
	3.5	Create a customer service charter that outlines what the business can expect in terms of customer service orientation
4	4.1	Embed workforce planning framework and develop a detailed plan which includes critical job roles and capability requirements
	4.2	Develop a workforce strategy that outlines how each of these critical roles and capabilities will be addressed
	4.3	Undertake a mapping of Operations Group roles to identify and then implement. opportunities to address top heavy nature
5	5.1	s 47C [redacted]
	5.2	Invest in a program of business process automation and change, including for Operations Group, to increase benefits from CRM investment and release capacity to focus on higher value tasks

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