

AUSIEX Compliance Programme – interim summary report 2

Scope and approach

On 1 August 2024, Allen Overy Shearman Sterling (AOS), the independent expert for the AUSIEX Compliance Programme, commenced a review, testing and assessment (Phase 2 Review) of:

- whether the actions implemented from the Phase 1 Remedial Action Plan had rectified the deficiencies and addressed the recommendations in the Phase 1 Report; and
- the effectiveness of AUSIEX's implementation of the recommendations and actions arising from the Phase 1 Report.

On 2 December 2024, AOS delivered a report in relation to the Phase 2 Review (Final Report) to ASIC and AUSIEX. This report included:

- details of the outcome of AOS's testing and assessment as to whether the actions from the Phase 1 Remedial Action Plan had been effectively implemented; and
- further recommendations for AUSIEX to implement. This is to ensure actions in the Phase 1 Remedial Action Plan that AOS considered had not been effectively implemented are effectively implemented, and the deficiencies are adequately and effectively rectified.

Findings and recommendations

In the Final Report, AOS reported that 10 of the 35 deficiencies it identified in the Phase 1 Report had been effectively rectified by AUSIEX. AOS made 53 further recommendations:

- 48 further recommendations for AUSIEX to address the 25 remaining deficiencies from the Phase 1 Review;
- two further recommendations related to a new deficiency identified in the Phase 2 Review; and
- three further recommendations not associated with an identified deficiency.

Next steps

AUSIEX has developed a Phase 2 Remedial Action Plan to address the deficiencies and recommendations identified in the Final Report.

As part of the Phase 2 Remedial Action Plan, AUSIEX has engaged Ernst & Young (EY) as an independent expert to validate whether the remedial actions have been implemented in accordance with the terms of the Phase 2 Remedial Action Plan.

Following implementation of the actions from the Phase 2 Remedial Action Plan and the outcome of EY's review, AUSIEX is required to provide ASIC an attestation that:

- remediation relating to the reported conduct and its root causes has been adequate and effective; and
- systems and controls are adequate and effective,

such that reasonable steps have been taken by AUSIEX to ensure current and ongoing compliance with the Relevant Provisions, as defined in Schedule 2 of the Federal Court Order dated 25 October 2022.