

CommSec Compliance Programme – interim summary report

Scope and approach

On 1 March 2023, Promontory Australia, a business unit of IBM Consulting, was appointed by CommSec to perform the role of independent expert for the CommSec Compliance Programme.

The CommSec Compliance Programme required Promontory to conduct a review, testing and assessment (Phase 1 Review) of the adequacy and effectiveness of CommSec's existing remediation relating to the Reported Conduct and its Root Causes, and the adequacy and effectiveness of all Systems and Controls, to determine whether reasonable steps have been taken by CommSec to ensure current and ongoing compliance with the Relevant Provisions, as defined in Schedule 1 of the Court Order dated 25 October 2022.

On 11 August 2023, Promontory delivered a report in relation to the Phase 1 Review (Phase 1 Report) to ASIC and CommSec. This report included, among other things, details of gaps, weaknesses, risks and deficiencies of the existing remediation and Systems and Controls identified during the Phase 1 Review and recommendations on how to rectify identified deficiencies.

The Phase 1 Report also included Promontory's assessment and benchmarking of deficiencies against internationally recognised standards, including COBIT 2019, ITIL Framework, ISO 27001: Information Security Management Systems and ISO 31000: Risk management.

Findings and recommendations

Promontory identified 27 deficiencies based on the Phase 1 Review and made 34 recommendations on how to rectify the deficiencies.

Next steps

CommSec has developed a Phase 1 Remedial Action Plan to address the deficiencies and recommendations identified in the Phase 1 Report.

Following implementation of the actions from the Phase 1 Remedial Action Plan, Promontory will review and report on:

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