ASIC
Australian Securities & Investments Commission

# Briefing on ASIC's progress against the FRAA's recommendations

**6 March 2023**

1. ASIC is committed to implementing the FRAA's recommendations, which are also aligned with the Chair's vision for ASIC. A number of existing initiatives already underway respond clearly to the FRAA's recommendations, including significant multi-year programs such as our data and digital strategy and the work of ASIC's regulatory efficiency unit (REU). We have also initiated a number of new initiatives in response to the FRAA review, for example updating the structure of our corporate plan in response to the FRAA's recommendation on stakeholder engagement.

2. The Chair and Chief Operating Officer have reinforced the importance of the recommendations in their communications to ensure that staff throughout the organisation consider ways of integrating the themes in their work, particularly in relation to stakeholder engagement.

3. Our organisational design review which is currently underway has also been informed by themes emerging from the FRAA's recommendations, including improving our efficiency, enhancing our collaboration and coordination across the organisation to improve stakeholder engagement and ensuring that we can align our resources to our priorities. We will provide more detail in our discussion on 9 March.

4. We have implemented a comprehensive process for monitoring progress against the recommendations. We have mapped initiatives across the organisation (see full list of initiatives approved by the Commission in the **appendix**) to the FRAA's recommendations and specific outcomes in the report, and we have developed a comprehensive tracker to monitor progress. Executives responsible for the initiatives are providing 6 monthly updates (from the release of the report) on the progress of their respective initiatives.

5. At a high level, the overall implementation of the recommendations is being tracked by the central compliance team within the Chief Risk Office, and this is reported to the Executive Risk Committee and the Commission Risk Committee quarterly. We have also updated the Audit and Risk Committee on our approach to tracking implementation of the recommendations.

6. This note summarises ASIC's progress against the recommendations, based on the internal progress update conducted in January-early February 2023.

## Data and digital

7. ASIC's multi-year data and digital strategies are core to our response to this recommendation so that we can have systems and capabilities that enable us to better identify and assess trends, undertake our work more efficiently and implement the cultural change needed to realise the benefits of our investments. Our progress against our 2022-2023 milestones is **on track**. To date, we have:

   7.1 developed the business requirements for the upgrade of the Australian Financial Services (AFS) **licensing portal** and commenced build of the functionality to improve user experience, streamline aspects of the licensing assessment process in order to increase efficiency and potentially improve the quality of licensing decisions. We expect the portal to be ready by November of this year.

   7.2 progressed work to ensure all relevant data are integrated into a centralised repository (the **data lake**) for consistency, accessibility and to enable application of analytical tools on these datasets. This includes developing **machine learning solutions** for extracting key information from auditor reports which will enhance the efficiency of our Financial Reporting and Audit team's work. This initiative is due to be completed by the end of the year.

   7.3 **rolled out Microsoft Power BI for all ASIC staff**, a useful tool for staff to build interactive dashboards that support communication of insights and identification of patterns and trends. This includes staff training to ensure maximum utilisation of the tool by relevant teams.

   7.4 progressed implementation of a **machine learning solution in the data lake to Improve reportable situation referral process**, following the increased number of reports under the new regime. We have also progressed development of sophisticated and regular data analysis capability in the data lake to identify trends and patterns in the reportable situations. We expect to complete this work by the end of this financial year.

   7.5 through workshops with surveillance teams, identified a list of initiatives to develop **innovative surveillance systems** for monitoring, implementing automated detection and reporting of potentially harmful behaviours. s 47C [redacted]

   7.6 progressed work on **recurrent data collections**, with infrastructure and operational processes in place to collect and to integrate internal dispute resolution data into the data lake.

7.7 completed a campaign engaging teams across ASIC to identify **automation opportunities**, with 134 automation ideas being captured. s 37(2)(b) s 37(2)(b), s 47C, s 47E (d)

7.8 developed a series of **weekly mindset and capability articles** sent to all Senior Executives to cascade down to staff from July to December 2022 to communicate the importance of a data and digital mindset and approach.

7.9 established a **digital uplift and delivery hub** to improve understanding and capability of 'digital' across ASIC. One of the key achievements is a 23-week campaign focused on building the digital literacy of senior leaders by sharing case studies, articles and information across a variety of topics including digital mindset, innovation, automation and artificial intelligence.

7.10 rolled out **all staff "digital ideas" campaign** which generated 80 submissions from staff, demonstrating a significant level of engagement.

8. Over the next six months, we will continue to work on these initiatives, with a view to completing some of these by the end of the year, as outlined above. We will develop our 2023-2024 milestones in the coming months as part of our business planning process. These will be in line with our broader data and digital strategies and s 47C

## Stakeholder engagement

9. Our progress against the FRAA's recommendation on stakeholder engagement is **on track**. We have a range of initiatives to improve the clarity, consistency and transparency of our communications with stakeholders and our utilisation of stakeholder feedback across ASIC. These initiatives have also encouraged a mindset focused on stakeholder engagement across the organisation. They include:

9.1 our first REU initiative on **enhancing the development and maintenance of our regulatory guidance**. We published a regulatory developments timetable via ASIC's quarterly enforcement and regulatory update on 15 February 2023 which will provide our stakeholders with more clarity on our

short-term concrete work and help them plan for these. We plan to continue this on a 6 monthly basis. We are also developing an internal best practice guidance document, anchored around a set of core principles, on the purpose and content of different types of guidance documents, and on the process for initiating, developing, consulting on, and finalising guidance. The best practice guidance document will help ensure stakeholders can effectively provide feedback on our guidance and that guidance remains useful for regulated entities. We also plan to publish the principles to demonstrate transparency and openness about our processes and frameworks.

9.2 our second REU initiative focused on enhancing practices in ASIC's **information gathering activities (specifically notices) and embedding early engagement meetings at the start of investigations**. We have embedded early engagement meetings in our investigations process to enhance the effectiveness of our communications and efficiency of our processes, s 37(2)(b), s 47C, s 47E (d) [redacted]. We are also currently summarising key observations from a stocktake of the processes and quality of notices issued across stakeholder and enforcement teams. These observations will inform a series of proposed projects that could be implemented to address the identified areas for improvement. These projects would be integrated into 2023-2024 business plans.

9.3 our third REU initiative focused on a broader **stocktake of our stakeholder engagement approach** with a view to improving the quality of our engagement with stakeholders and increasing collaboration and information sharing across ASIC to enable us to better respond to stakeholder feedback. We have completed our organisation-wide stocktake and a decision will be made on the proposals which will be integrated into 2023-2024 business plans. s 47C [redacted]

9.4 piloting **additional points of engagement with licence applicants** (and their external service providers), including phone discussions following substantive assessment milestones and setting expectations for more frequent updates of status of assessment. Our REU reported in December 2022 that it had follow up calls with 11 applicants and external service providers in relation to piloted practices. Feedback was overwhelmingly positive, with the vast majority noting that some information is communicated more effectively in a call or meeting than in a written

response. These piloted practices are now being embedded as standard operating practice.

9.5 On ASIC's external communication of its priorities, making improvements to the structure of the **corporate plan** published on 22 August 2022, to more clearly highlight ASIC's priorities, core projects and timeframes for our shorter-term work. There was significant external engagement with our corporate plan, with clear articulation of our strategic priorities and key projects in the media. Compared to last year, 58% more Australian users viewed the relevant media release, clicked the link to download the new Corporate plan or visited the Corporate Plan page in the window of 30 days from publication, which is indicative of increased engagement with the document.

9.6 communicating specific **enforcement priorities** for the first time on 3 November 2022 at ASIC's annual forum to give our stakeholders a clearer indication of where we will direct resources and expertise from an enforcement perspective. The priorities were well received at the annual forum.

9.7 **updating the terms of the ASIC Consultative Panel** (ACP). The changes include moving from one to two plenary sessions to allow more timely input into our planning process, increasing small group and ad hoc engagement to better utilise member expertise and providing a summary to panel members and relevant ASIC staff (including the Emerging Threats and Harms Committee) to allow members to provide further input if needed, to establish a clearer feedback loop and to more effectively share insights with relevant ASIC teams. The changes to the terms of reference are in place and have been integrated in this financial year's planning cycle. The changes received positive feedback from the members of the panel.

9.8 **undertaking interviews with industry regarding online experiences with ASIC** to ensure that we maximise user experience from planned changes to our systems and processes. We have completed interviews with 39 industry stakeholder participants and collated feedback through an online survey. Work is underway to synthesise the information gathered to identify pain points and recommendations for improvement to our web services blueprint.

10. Over the next six months, a key priority will be to finalise the outcomes from the REU initiatives, including the projects that will form part of the 2023-2024 business plans. We will maintain and explore further enhancements to the changes to how we communicate our priorities externally. We will also continue to monitor the changes we have already made to our processes

(e.g. to the updated terms of reference to the ACP which will be reviewed every three years).

## People

11. We continue to progress our multi-year people strategy which is **on track**. Among other things, the strategy focuses on data and digital skills, ensuring our staff have experience in new and emerging market areas of risk and skills to engage in constructive dialogue with stakeholders. As part of the strategy, we have:

    11.1 appointed a **new Head of Talent and Workforce Strategy** in October 2022. A key priority for them will be to develop the ASIC-wide Workforce Strategy.

    11.2 developed an **aligned leadership and learning strategy** to address capability needs identified by the previously completed capability checkpoint assessments and learning needs identified through consultation.

    11.3 commenced work on our **data and digital learning strategies** to ensure that we have the skills and capabilities we need to support our data and digital ambitions.

    11.4 iterated and enhanced **capability development initiatives** by working with teams across ASIC to understand future learning requirements, including in relation to emerging issues, data and technology and stakeholder engagement. Examples of training delivered in the last six months with respect to emerging issues relate to climate change-related disclosure and sustainable finance. We are currently designing an enforcement series to upskill our staff on cryptocurrency skillsets relevant to investigation capability.

    11.5 worked on **emerging and existing leaders programs** aimed at ensuring our current and future leadership are equipped with the skills and capabilities needed to lead and inspire a culture of openness and continual improvement.

    11.6 commenced a **pilot to trial a new approach to performance management** to move the current model towards one anchored in continuous feedback. The pilot will integrate ASIC's capability framework in a cycle of communication that is linked to the rhythm of work, featuring ongoing conversations focused on the development of new capabilities and continuous improvement.

12. Over the next six months, we will continue to work on these initiatives, particularly focusing on data and digital learning strategies and working with

teams to address capability uplift needs. We will develop 2023-2024 milestones in the coming months as part of our business planning process. These will be in line with our broader people strategy and likely to broadly focus on culture, talent mapping and career development.

## Performance measurement

13. We are building on and iterating existing initiatives, including our impact assessment methodology, efficiency measurement work and enhancing connections between our planned work and outcomes as communicated in the corporate plan and annual report. s 47C [redacted] Our progress is **on track.** In the last six months, we have:

    13.1 continued to **embed the impact assessment methodology** which is designed to measure the impact of individual regulatory interventions that seek to address specific harms, instil a discipline of using metrics to measure the impact of our work and in turn inform our resourcing decisions, at a granular project level. The 2023-24 business plans will contain a post-intervention monitoring stream that recognises the need to specifically allocate resources to monitoring the impact of our interventions. We have also undertaken work to integrate the impact assessment work in our publications. An example is the systematic reporting of changes by businesses in response to ASIC's concerns in 22-249MR Managed funds amend their marketing following ASIC surveillance | ASIC. We expect that a number of upcoming reports will have substantive content on the harm addressed and ASIC's impact in line with the impact assessment framework, including reports on Insurance in Super and pricing promises by general insurers.

    13.2 continued work on internal **efficiency measures** which will over time help inform operational and management decisions and increase transparency and accountability. We have been updating the template for the report on time-to-output measures to provide better clarity on trends and insights. We have also started exploring the development of cost-to-output measures across our regulatory functions. s 47C [redacted]

    13.3 commenced a **stocktake of existing metrics** to help identify ways to better frame ASIC's performance narrative and identify a small number of new potential metrics that can be developed with existing data. [redacted]

s 47C [redacted]. Work is underway to pilot a new measure of the quality of licensing decisions based on volume of reports of misconduct and other indicators as suggested in the FRAA report, and potentially a similar measure for applications for relief. Over the longer term, our data and digital uplift will also provide us with enhanced tools and capabilities to measure and report on the impact and efficiency of our work. For example, over the longer term, the licensing portal upgrade could generate more consistent and structured data on licensing applications, enabling us in to better measure the efficiency of different stages of the application process.

13.4 **issued a number of surveys to licensing applicants**, including survey and roundtable engagement with high volume application lodgers and a post AFSL application decision survey pilot. Service providers reinforced known pain points for applicants and feedback will be factored into the licensing uplift as part of our data and digital strategy, as appropriate. Post decision surveys will continue to be utilised to enable us to capture feedback on user experience. The survey results have reflected positively on applicant experience.

14. We will continue to work on these initiatives over the next six months and monitor new metrics we are piloting (e.g. quality of licensing decisions measures) and developing (e.g. efficiency measures), including the insights we can draw from these measures. We will continue to explore ways to enhance how we measure and report on our performance.

## Other topic-specific expectations

15. We have made **changes to our licensing practices**, including introducing new internal requirements for earlier supervisor oversight and engagement as well as a new triage process to provide for escalation and resolution of complex and novel matters. These are intended to help increase the consistency and efficiency in processing applications, as recommended by the FRAA. We received direct positive written and verbal stakeholder feedback on some these changes.

    We have implemented a **governance and reporting framework for the core strategic projects in our corporate plan (Big 8)** to ensure appropriate tracking of strategy, underlying milestones, resourcing and risk management of these projects. This framework has helped executives and the Commission maintain a clear view of the critical organisation wide set priorities and ensure these projects are adequately resourced, as recommended by the FRAA.

## Appendix: Program of work

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| **ASIC requires a substantial uplift in its data and technology capability which will involve cultural change.** | | | | |
| **1** | Data and digital | Data and digital strategy | See ASIC's data and digital strategies online: 2021-26 Data strategy \| ASIC; Digital strategy (provided to the FRAA on 21 July 2022) | Further investment in technology, data and digital capabilities, with a focus on:<br>• Development of innovative surveillance systems and technology platforms, particularly in FSW (4.68<br>• Upgrading the licensing portal to improve user experience and licensing timeframes and streamlining and automating aspects of the licensing assessment process through a new workflow system that will integrate the licensing portal into CRM (4.68, Box 5.2)<br>• Further developing ASIC's data lake, including increasing the subject areas covered by the data lake (4.64, 6.68)<br>• Uplift in data capabilities to enhance and better inform strategic prioritisation and planning process (3.79)<br>• Cultural change to realise the benefits of our data and digital investments (3.78-3.79, 6.12) |
| **ASIC should have a stronger focus across the organisation on enhancing the quality of its engagement with stakeholders.** | | | | |
| **2** | Stakeholder engagement | REU initiative 1 – enhancing the development and maintenance of our regulatory guidance | This initiative will involve a review of our practices in the development and updating of regulatory guidance and consider how best to implement a regulatory development timetable and a more coordinated approach to the maintenance of existing regulatory guidance. | • Communicating short-term concrete work and initiatives (3.86-3.88, 3.106, Box 3.3)<br>• Cultural shift with a deep focus on our stakeholders and their experience in interacting with ASIC (6.22)<br>• Mindset that sees ASIC become more transparent, open and responsive to feedback from stakeholders (Executive summary) |

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| **3** | Stakeholder engagement | REU initiative 2 - enhancing practices in ASIC's information gathering activities (specifically notices) and embedding early engagement meetings at the start of investigations | ASIC will pilot measures to test the effectiveness of increased engagement with the recipients of information-gathering requests. | • Reduce regulatory impost and improve efficiency by reviewing the practices used across the organisation when using our information-gathering powers (4.30, Box 3.3)<br>• Cultural shift with a deep focus on our stakeholders and their experience in interacting with ASIC (6.22)<br>• Mindset that sees ASIC become more transparent, open and responsive to feedback from stakeholders (Executive summary) |
| **4** | Stakeholder engagement | REU initiative 3 - reviewing our existing stakeholder engagement approach and considering a more regular and multi-channel engagement with our regulated population, with a case study focus on ASIC's licensing engagement model | This initiative will involve reviewing ASIC's approach to stakeholder engagement to help better understand how it engages with its stakeholders. Insights gathered from the stocktake will help inform possible enhancements relating to the nature, scale and substance of ASIC's stakeholder engagement. | • Greater collaboration and information sharing across ASIC teams so issues raised by stakeholders can be passed to the teams that can best action them (6.22)<br>• Developing quality engagement and relationships with stakeholders should occur right across the organisation (6.18)<br>• Cultural shift with a deep focus on our stakeholders and their experience in interacting with ASIC (6.22)<br>• Mindset that sees ASIC become more transparent, open and responsive to feedback from stakeholders (Executive summary) |
| **5** | Stakeholder engagement | Organisational design review | This initiative involves a review of ASIC's organisational structure, supported by external consultants. The review will involve considering how our structure can enable us to coordinate well as an organisation and work coherently and efficiently across the organisation. | • Improve effectiveness through increased collaboration across ASIC (4.43, 4.92)<br>• Support for more efficient engagement with stakeholders (see this theme at para 6.20 in the context of the FRAA endorsing ASIC's regulatory efficiency initiatives) |

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| | | | | • Topic specific suggestion: ASIC should consider, such as the need to maintain a clear view of the critical organisation wide set priorities and ensure these are adequately resourced. (3.106) |
| **6** | Stakeholder engagement | ASIC Consultative Panel (ACP) review | The ACP review will consider how best to design a feedback loop to ensure we make the most of the feedback received in our strategic planning, and that members understand how their feedback has informed our planning process. | • Better utilisation of stakeholder feedback and engagement, particularly in relation to intelligence sources to identify and act on harms and to enhance our prioritisation process (Executive summary), and by enhancing how we share information across ASIC teams (para 6.22)<br>• Clear, consistent and transparent communications with our stakeholders (para 6.18), particularly in relation to how feedback from stakeholders has been considered (para 6.22) |
| **7** | Stakeholder engagement | Improvements to the structure of the corporate plan and annual report, and the communication of our enforcement priorities | This initiative involved using the corporate plan and annual forum to more clearly highlighting ASIC's priorities (including the communication of our enforcement priorities) and key projects and outlining timeframes for our shorter term work. It will also involve enhancements to the annual report structure to better align the narrative between our priorities, planned work and yearly outcomes. | • Communicating short-term concrete work and initiatives (3.86-3.88, 3.106, Box 3.3)<br>• Quality engagement should be supported by corporate communications that are clear and consistent (6.18)<br>• Better aligning our Corporate Plan and Annual Report (including identifying specific metrics tied to desired outcomes in our Corporate Plan and reporting those metrics in its Annual Performance Statement) (3.101, 3.107, 6.31, 6.32) |
| **8** | Stakeholder engagement | Communications and stakeholder engagement initiatives | Initiatives include:<br>• A strategic review of the current communications plan and recommendations for a future-fit communications function<br>• Stakeholder mapping and analysis for specific stakeholders<br>• Chair engagement strategy<br>• Employee engagement strategy<br>• Digital channels review and upgrade | • ASIC could improve the quality and consistency of its engagement and relationships and that doing so would support ASIC to better achieve its objectives (6.17).<br>• Quality engagement should be supported by corporate communications that are clear and consistent (6.18)<br>• Continued focus on communication of surveillance outcomes (4.79, Box 4.2) |

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| | | | • Research and measurement strategy to develop an approach to setting a baseline for stakeholder sentiment, together with an ongoing program of research to track and measure trust and reputation | |
| **9** | Stakeholder engagement | Introduction and piloting additional points of engagement with licence applicants (including their external service providers) | This initiative involves:<br>• Implementing immediate changes:<br>  ○ Offers for phone discussions following substantive assessment milestones;<br>  ○ Encouraging phone contact including acceptance of applicant meeting requests;<br>  ○ Setting expectations for more frequent updates of status of assessment.<br>• Piloting through REU Licensing Case Study the use of additional phone or in-person engagement, including:<br>  ○ pre-lodgement guidance meetings<br>  ○ offers of pre-assessment meetings for novel or complex applications<br>  ○ offers of meetings for substantive assessment requisitions<br>  ○ shortened application status update intervals (reduced to 30 from 60 days)<br>• Providing coaching, training and support to facilitate delivery of new work practices. Includes additional supervisor support for applicant interactions and soft skills and more technical training. | The FRAA considers that additional emphasis on the user experience including the advantages of ASIC's licensing staff to willingly engaging in more verbal communication with applicants would improve the effectiveness of the licensing function (5.66). |
| **10** | Stakeholder engagement | Interviews with industry regarding online experiences with ASIC | This initiative involves online interviews with members of both industry and the general public to review the user experience of our digital assets. | • Enhanced stakeholder 'user experience' in relation to ASIC systems and processes (para 6.24)<br>• Broader better utilisation of stakeholder feedback and engagement (themes in Executive summary) |
| **11** | Stakeholder engagement | Framework to help manage formal, programmatic Commission engagement with external entities | This initiative involves agreeing some internal parameters to guide responses to the numerous ad hoc requests for Commission to meet formally with Boards and other entities and allow forward planning for these meetings. | Developing quality engagement and relationships with stakeholders should occur right across the organisation (6.18) |
| **ASIC should continue to broaden its mix of skill sets to ensure it can meet the current and future needs of the organisation.** | | | | |

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| **12** | People | People strategy | See people strategy (provided to the FRAA on 17 June 2022) | • Implementation of a capability framework (Box 4.2)<br>• Build capability across ASIC to engage in open and constructive dialogue with stakeholders (6.36)<br>• Ensure staff have experience in contemporary and emerging market areas such as crypto, cyber and climate change risk (6.36)<br>• Continue recruiting staff members with appropriate regulatory and market experience, including a focus on increasing qualifications and experience in digital and data analytics (4.57)<br>• ASIC leadership should drive a cultural shift to be open to and look for opportunities for continual improvement (Executive summary, p 5)<br>• Developing and implementing measures of its effectiveness and capability will need to be accompanied by a culture of continuous improvement. (6.37) |
| **13** | People | Recruitment of Head of Workforce Management | Among other things, the Head of Workforce Management will help define and build the organisational workforce strategy. | Define and build the organisational workforce strategy (6.39) |
| **ASIC should develop measures of its effectiveness and capability in meeting its objectives, and communicate the outcomes transparently both internally and externally.** | | | | |
| **14** | Performance measurement | Continued work on efficiency measures | Continue to pilot time-to-output and cost-to-output measures (following the implementation and extraction of data from ASIC's new granular time recording system) for our regulatory functions. Ultimately, and where appropriate, we intend to report publicly on the efficiency of our activities once we have established suitable baselines and targets. | Enhancing the quantitative measures ASIC uses to report on efficiency and effectiveness (Box 3.3) |

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| **15** | Performance measurement | Continued work on the impact assessment framework | Continue to embed the Impact Assessment Framework to measure the impact of our intervention projects by:<br>• Introducing a post-intervention monitoring stream in business plans to assist in resourcing decisions and ensure that there are consistently targeted and focussed mechanisms to monitor the impact of our interventions<br>• Considering engagement with teams and the necessary capability uplift to potentially fully embed this process across ASIC<br>• Exploring ways to better communicate and report on our outcomes using the impact assessment methodology. | • Embedment of an Impact Assessment Framework, including in relation to the measurement of surveillance impact (4.88, Box 4.2)<br>• Enhance the quantitative measures ASIC uses to report on efficiency and effectiveness (Box 3.3)<br>• Better aligning our Corporate Plan and Annual Report, including identifying specific metrics tied to desired outcomes in our Corporate Plan and reporting those metrics in its Annual Performance Statement<br>• Conduct broader ex-post analysis across the organisation to better understand the causes of success and failure across a range of its initiatives (para 3.104) |
| **16** | Performance measurement | Piloting additional performance measures for licensing | Piloting new performance measures inclusive of:<br>s 37(2)(b), s 47C, s 47E (d)<br>[redacted] | ASIC should consider whether it can better measure, assess and report on the effectiveness and capability of its licensing function through the data it monitors and reports on. Routinely measuring reports of misconduct data on recently granted licences and AAT reviews will complement existing data that ASIC reports on and assist ASIC in tracking its performance. (5.67) |

| # | FRAA recommendation | Initiative | Description | FRAA description of desired outcomes (taken from FRAA report – see paragraph references) |
|---|---|---|---|---|
| **17** | Performance measurement | Maturing and consolidating our organisational approach to project evaluation | Maturing our project evaluation arrangements to improve and consolidate processes across the organisation. This will include:<br>• Establishing consistent and coherent processes for post-implementation reviews, including around determining baseline outcomes (quantitative and qualitative) and measuring change.<br>• Maturing and conducting routine project quality assurance checks ensuring adherence to the ASIC methodology and framework.<br>• Developing a cadence and process for acting on insights from our experience.<br>• Redesigning the lessons learned process to extend reach with reference to the different drivers for learning from our experience and enable analyses of varying complexity. Improvements will include:<br>  o automation in relation to the administration of the process<br>  o application of our internal data and analytics tools and capabilities to visualise outcomes in more meaningful ways, identify meaningful patterns, allow for the emergence of new meaning and monitor the program for impact over time. | Conduct broader ex-post analysis across the organisation to better understand the causes of success and failure across a range of its initiatives (para 3.104) |
| **18** | Performance measurement | Use of surveys for licensing applicants | This initiative involves:<br>• Conducting roundtables and undertaking surveys of user experience of high volume applicants (including external service providers) to inform Licensing portal development and other user experience (UX) enhancements.<br>• Piloting the use of Post AFSL Application Decision Survey (through REU Licensing Case Study).<br>• Issuing a survey to Annual Licensing Liaison Forum participants seeking feedback on content and speakers at the Liaison meetings and inviting topics for future meetings.<br>• Implementing changes from take-outs from Post AFSL Application Survey and applying to Credit and Auditor applications where relevant. | Creating and embedding measures of 'user experience' for licensing applicants (5.61) |
| **19** | Performance measurement | Stocktake of existing performance measurement metrics and identification of a | This initiative involves undertaking a stocktake of our existing metrics across each of our regulatory functions and mapping these to the five indicators that the FRAA intends to use as the basis for its future assessments of effectiveness and capability. This will enable us to develop a consolidated and holistic picture of our existing metrics in the context of our regulatory functions in order to identify: | • ASIC establish and embed measures to assess the outcomes of its regulatory activities and publish the results of these measures to increase transparency and accountability (Executive summary, p 5) |

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| | | small number of new metrics | • any opportunities to enhance our performance narrative through the way we present and combine particular metrics and<br>• any additional metrics that can be implemented using available data. | • Enhance the quantitative measures ASIC uses to report on efficiency and effectiveness (Box 3.3) |
| **Other topic specific suggestions** | | | | |
| **20** | Other topic-specific expectations | Improvements to the strategic planning process | Longer term planning and integration of budget setting into our planning process | Amend the strategic planning process, including longer term priorities and better integrate the budget setting process into our strategic planning process (Box 3.3) |
| **21** | Other topic-specific expectations | Changes to licensing work practices | This initiative involves:<br>• New internal requirements for earlier supervisor oversight and engagement.<br>• Piloting new triage process to provide for escalation and resolution of complex and novel matters and/or clarification of assessment grey areas. Decisions captured in team knowledge base.<br>• Piloting new internal target milestones. Soft launch in October 2022 which will be revised with implementation of new Licensing portal.<br>• Providing training and support to facilitate delivery of new engagement model. | • Encouragement of ASIC to continue to review and refine its methodology and staff capabilities to promote consistency in processing its Licensing applications (5.23)<br>• ASIC is encouraged to continue to review and refine its methodology and staff capabilities to promote consistency in processing its Licensing applications (5.23) |
| **22** | Other topic-specific expectations | Big 8 governance | Implementing a governance and reporting framework for ASIC's core strategic projects to ensure appropriate tracking of strategy and underlying milestones and approach resource and risk management of these projects | Maintain a clear view of the critical organisation wide set priorities and ensure these are adequately resourced (3.69, 3.106) |